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Application Proof of

Shenzhen Cubenergy Co., Ltd.

深圳庫博能源股份有限公司

(the “Company”)

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

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

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] H Shares (subject to the [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015%, and Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)
Nominal value : RMB0.20 per H Share
[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED], [REDACTED],
[REDACTED], [REDACTED] and [REDACTED]



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The [REDACTED] is expected to be fixed by agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]) and our Company on the [REDACTED]. The [REDACTED] is expected to be on or before [REDACTED] and, in any event, not later than 12:00 noon on [REDACTED]. The [REDACTED] will not be more than HK\$[REDACTED] and is currently expected to be not less than HK\$[REDACTED]. [REDACTED] applying for the [REDACTED] must pay, on application (subject to application channel), the maximum [REDACTED] of HK\$[REDACTED] for each [REDACTED] together with brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565%, and AFRC transaction levy of 0.00015%, subject to refund if the [REDACTED] is lower than HK\$[REDACTED]. If, for any reason, the [REDACTED] (for itself and on behalf of the [REDACTED]) and we are unable to reach an agreement on the [REDACTED] by 12:00 noon on [REDACTED], the [REDACTED] will not proceed and will lapse.

The [REDACTED] (for itself and on behalf of the [REDACTED]) with our consent, may reduce the number of [REDACTED] and/or the indicative [REDACTED] below that stated in this document (which is HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]) at any time prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, notices of the reduction will be posted on the website of the Stock Exchange at www.hkexnews.hk and our website at www.cubenergy.com not later than the morning of the last day for lodging [REDACTED] under the [REDACTED]. Further details are set out in “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” in this document.

Prior to making an [REDACTED], prospective [REDACTED] should consider carefully all of the information set out in this document, including the risk factors set out in “Risk Factors”.

The obligations of the [REDACTED] under the [REDACTED] to [REDACTED] for, and to procure [REDACTED] for, the [REDACTED], are subject to termination by the [REDACTED] (for itself and on behalf of the [REDACTED]) if certain events shall occur prior to 8:00 a.m. on [REDACTED]. Such grounds are set out in “[REDACTED]” in this document. It is important that you refer to that section for further details. The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may be [REDACTED] and [REDACTED] only outside the United States in offshore transactions in accordance with Regulation S.

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[REDACTED]

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EXPECTED TIMETABLE

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EXPECTED TIMETABLE

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EXPECTED TIMETABLE

[REDACTED]

CONTENTS

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	<i>Page</i>
EXPECTED TIMETABLE	ii
CONTENTS	v
SUMMARY	1
DEFINITIONS	19
GLOSSARY OF TECHNICAL TERMS	28
FORWARD-LOOKING STATEMENTS	31
RISK FACTORS	32
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES	53
INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]	56
DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]	60
CORPORATE INFORMATION	62
INDUSTRY OVERVIEW	64
REGULATORY OVERVIEW	76
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE	94
BUSINESS	109
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS	150
DIRECTORS AND SENIOR MANAGEMENT	153
SHARE CAPITAL	163
SUBSTANTIAL SHAREHOLDERS	165
FINANCIAL INFORMATION	167

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

CONTENTS

	<i>Page</i>
FUTURE PLANS AND [REDACTED]	200
[REDACTED]	203
STRUCTURE OF THE [REDACTED]	214
HOW TO APPLY FOR [REDACTED]	222
APPENDIX I — ACCOUNTANTS’ REPORT	I-1
APPENDIX II — UNAUDITED [REDACTED] FINANCIAL INFORMATION	II-1
APPENDIX III — SUMMARY OF THE ARTICLES OF ASSOCIATION	III-1
APPENDIX IV — STATUTORY AND GENERAL INFORMATION	IV-1
APPENDIX V — DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND DOCUMENTS ON DISPLAY	V-1

SUMMARY

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

OVERVIEW

We are a leading distributed BESS solution provider with a focus on the utility sector. We are dedicated to advancing innovation in energy storage technology, specializing in research, development, manufacturing, and sale of integrated AC/DC distributed energy storage systems. We serve a global customer base, offering BESS solutions that are flexibly adaptable to a wide range of scenarios and designed to serve the full lifecycle of BESS.

Our BESS solutions have been widely deployed in the distribution grid side, C&I sector and microgrid. We have established a strong market presence and gained industry recognition in developed overseas markets, particularly in Europe. According to Frost & Sullivan, based on shipment volume, we held a market share of approximately 5.5% in the European distributed utility-scale BESS market in 2025, ranking fifth among Chinese solution providers and eighth among all solution providers.

In recent years, we have continuously upgraded our offerings in the distributed utility-scale BESS sector. We have obtained internationally recognized safety certifications and test reports, including UL9540, UL9540A, and LSFT (CTS-800, Large-Scale Fire Testing). We have also secured medium- and high-voltage grid connection certifications in 16 European countries, including Finland, Sweden, Denmark, the Czech Republic, Italy, Spain, the United Kingdom, and Germany. Additionally, we have obtained bankability and Verification of Conformity (VoC) reports from the DNV since 2023. These certifications, independent test reports, and conformity verifications are key elements in strengthening our bankability profile, providing investors, lenders, and project stakeholders with greater confidence during BESS financial assessments and due diligence processes.

Leveraging our outstanding product development and delivery capabilities, we have established partnerships with multiple Fortune Global 500 companies. Our projects have been deployed in over 40 countries and regions, empowering the development of renewable energy networks. Through our relentless efforts, we have earned strong recognition from global customers.

As of the Latest Practicable Date, our notable achievements include:

Outstanding Market Position  We hold a strong market position in the European distributed utility-scale BESS market, ranking fifth among Chinese solution providers and eighth among all solution providers in 2025.	Strong Bankability and Verification of Conformity (VoC)  Since 2023, we have obtained bankability technical assessment reports from the DNV, an internationally recognized authority, achieving strong recognition for financing reliability in the global energy storage market.	Multi-Country First-Mover Benchmark Projects  We have achieved commercial deployment of first-of-their-kind hundred-megawatt-hour-scale energy storage projects in multiple countries, with our business footprint spanning key regions across Europe, Africa, and Asia.
Strong Global Operations Capability  We are deeply engaged in the global energy storage market, with business operations covering over 40 countries and regions. Our international presence is well-established, with overseas revenue accounting for a significant proportion of total revenue and strong competitiveness in core overseas markets.	Excellent Brand Image  We have been consistently ranked in the Tier 1 category of the BloombergNEF Global Energy Storage System Supplier rating for nine consecutive quarters.	Solid Financial Performance  During the Track Record Period, we achieved rapid financial growth. Our revenue grew from RMB451.5 million in 2023 to RMB494.0 million in 2024, and further increased to RMB702.7 million in 2025.

SUMMARY

Our Financial Performance

During the Track Record Period, we achieved rapid financial growth. Our revenue grew from RMB451.5 million in 2023 to RMB494.0 million in 2024, and further increased to RMB702.7 million in 2025.

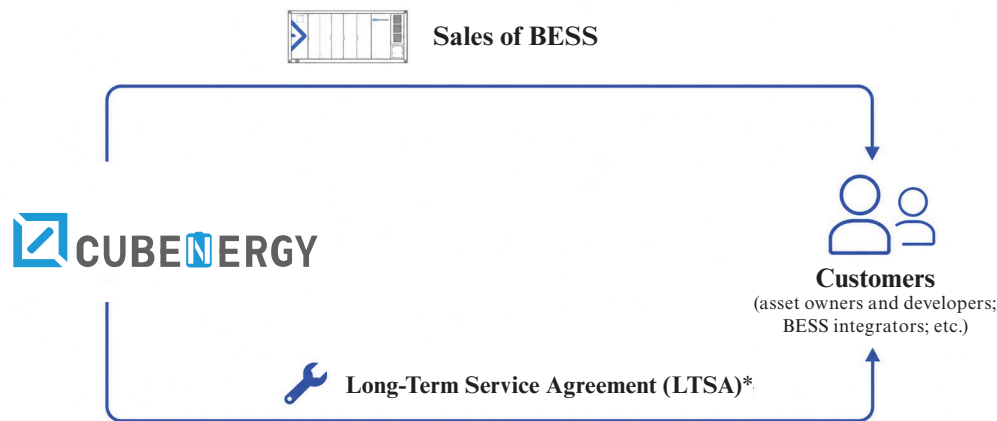
In 2023, 2024, and 2025, we recorded gross profit of RMB103.2 million, RMB131.9 million, and RMB180.5 million, respectively, with gross profit margins of 22.9%, 26.7%, and 25.7% for the same periods. We maintained profitability throughout the Track Record Period, with profit before tax of RMB12.4 million, RMB32.9 million, and RMB59.8 million, and net profit of RMB12.3 million, RMB33.2 million, and RMB53.8 million in 2023, 2024, and 2025, respectively.

Our Business Model

Our business covers product design, configuration, certification, manufacturing, testing, deployment support, commissioning, and O&M support. Our value proposition emphasizes technical differentiation through fully self-developed subsystems comprising the BMS, PCS, and EMS, enabling rapid grid connection, strong adaptability to diverse grid requirements, and optimized total cost of ownership over the system lifecycle. We generate revenue primarily through direct sales of BESS solutions. We have three product series: PowerCombo, FlexCombo, and FlexCube. We offer integrated solutions encompassing hardware, proprietary software, and grid-connection engineering.

With our integrated capabilities, we are well positioned to extend our value proposition beyond BESS sales and into long-term service engagements. To expand our revenue base across the system lifecycle, establish recurring revenue streams and enhance customer stickiness, we commenced entering into long-term service agreements, or LTSAs, in 2025. Under LTSAs, we provide a comprehensive suite of service offerings with selectable components for a specified period, typically ranging from 10 to 15 years, including remote technical support, on-site fault diagnosis and resolution, annual inspection and reporting, spare parts supply. Through our LTSAs, we help customers enhance system reliability and operational efficiency, extend asset lifecycle, and reduce total cost of ownership.

The following graphic illustrates our business model.



* We commenced entering into LTSAs in 2025. No revenue was generated from LTSAs during the Track Record Period.

SUMMARY

We have two principal customer categories: (i) asset owners and developers, including energy infrastructure developers, distribution system operators, C&I enterprises, and renewable energy investment funds; and (ii) BESS integrators who incorporate our products into larger-scale energy projects. We maintain domestic sales operations in China, with a particular focus on provinces with favorable commercial economics for C&I energy storage, and internationally with emphasis on European markets (particularly the Nordic region), Africa, and South America.

See “Business — Our Business Model” for more details.

Our Products

Our product portfolio comprises three principal series of integrated BESS, complemented by proprietary subsystems for BMS, PCS, and EMS. The BMS employs active balancing technology to ensure battery consistency and significantly reduce O&M costs. The PCS integrates diverse grid code models from different countries and regions, combined with a proprietary EMT simulation and modeling platform that provides strong grid adaptability and substantially shortens grid connection times. The EMS provides energy trading support and grid analysis.

Each of our product series features an AC/DC all-in-one design. Each series offers scalable capacity to adapt to different deployment scenarios, depending on grid connection voltage levels, site conditions, logistics and transportation requirements, and local environmental protection and fire safety regulations.

The following table sets forth details of each product series, including their capacity specifications and key applications.

Product Series	Capacity Specifications ⁽¹⁾	Description	Key Applications
PowerCombo	AC 690V output AC 2,580kW DC 5,015kWh	● AC/DC all-in-one 20ft containerized structure (< 44t) ● String PCS structure ● Active balance BMS ● Low operation cost	● Renewable energy ● Peak-valley arbitrage ● Dynamic grid support (voltage/frequency regulation) ● Peak shaving and demand response ● Microgrid stabilization ● Utility-scale grid-forming
FlexCombo	AC 690V output AC 430kW DC 836kWh	● AC/DC all-in-one 2m x 1.8m x 2.5m cabinet (< 8t) ● Easy scalable and augmentation ● Easy transportation and installation ● Extreme environment adaptability	● Weak grid areas and off-grid scenarios, such as copper mine backup power projects
FlexCube	AC 400V output AC 125kW DC 261kWh	● AC/DC all-in-one 1m x 1.4m x 2.38m cabinet (< 3t) ● Fast delivery ● Standard installation procedures ● Cost effective for C&I	● Voltage support ● Peak-valley arbitrage ● Demand response ● Microgrid construction

SUMMARY

Sales Volume and Average Selling Price

We measure sales volume in each year based on the energy capacity of BESS products sold (which represents the core functional output of our BESS solutions) for which revenue is recognized during the year. The average selling price for each year is calculated by dividing BESS revenue recognized during the year by the corresponding sales volume. The following table sets forth the sales volume and average selling price of each product series for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	MWh	RMB/Wh	MWh	RMB/Wh	MWh	RMB/Wh
PowerCombo	275.7	1.6	419.7	1.2	576.5	1.1
FlexCombo	1.7	3.2	1.6	3.0	61.9	0.9

Our FlexCube series was newly launched in 2025. As of December 31, 2025, FlexCube had achieved cumulative shipments of 2.1MWh. However, no revenue or cost of sales related to FlexCube was recognized during the Track Record Period, and we expect to begin recognizing revenue and cost of sales from FlexCube starting in 2026. See “Business — Our Products” for more details.

Our Core Technologies

We have developed a comprehensive suite of proprietary technologies forming the core technical foundation of our product offerings, comprising three interconnected subsystems: BMS, PCS, and EMS. These three subsystems are entirely self-developed, providing us with full control over product functionality and continuous enhancement. We have also developed advanced modeling and simulation capabilities, underpinned by a proprietary EMT model library. The integration of these proprietary technologies enables us to deliver superior grid adaptability, accelerated commissioning timelines, reduced lifecycle costs, and optimized system performance across diverse operating conditions, and to ensure jurisdiction-specific grid compliance.

Our product architecture emphasizes modular design principles that enable platform-based adaption across projects and geographic markets. The BMS, PCS, and EMS subsystems are designed for flexible configuration to accommodate varying regional grid codes, substantially reducing the engineering effort required to adapt products for new markets while maintaining consistent performance characteristics across deployments. We are among the few BESS solution providers in the European market capable of AC/DC high energy density all-in-one designs with EMT simulation and modeling.

See “Business — Our Core Technologies” for more details.

COMPETITIVE STRENGTHS

We believe the following competitive strengths have driven our success and differentiate us from our competitors:

- *Continuous Innovation with Strong In-House R&D Capabilities.* We possess strong in-house R&D capabilities, supported by a CMMI-appraised R&D center, 71 full-time R&D personnel and 49 patents as of December 31, 2025. Our in-house BMS, PCS and EMS capabilities and market-oriented R&D strategy support continuous product iteration across core technologies, system simulation and AI-enabled applications.

SUMMARY

- *High-Performance Products with Global Market Recognition.* Leveraging our integrated software, hardware and system solutions, we deliver high-performance BESS products that support improvements in safety, intelligence, stability, lifespan and cost control.
- *Proprietary Modeling Capabilities to Shorten Grid Connection Timelines.* We have built a proprietary grid-level digital simulation and control modeling capability, supported by our proprietary EMT simulation model library, enabling us to meet EMT model submission requirements across different national grids. Since completing this modeling library, the grid-connection permission timeline for our projects in Europe has generally been shortened to one to three months, helping customers save time and upfront capital expenditure and improve project returns.
- *Efficient Project Delivery and O&M across the Globe.* We provide comprehensive solutions covering product design, configuration, certification, manufacturing, testing, deployment support, commissioning and O&M support. Through global service centers in China, the United States and Germany, together with 24/7 consultation, scheduled inspections and localized sales and technical support, we provide responsive lifecycle support across international markets.
- *Visionary Management Team with Deep Industry Expertise.* Our experienced management team, with senior executives averaging over a decade of industry experience, brings deep industry insight and forward-looking strategic vision. Having identified international market opportunities at an early stage, our management team has pursued a disciplined global expansion strategy while maintaining a focus on evolving customer needs, continuous R&D investment and new energy storage applications.

OUR STRATEGIES

- *Continuous Investment in R&D to Drive Product Innovation and Iteration.* We will continue to focus on R&D of our foundational BMS, PCS and EMS technologies, as well as grid-forming technologies, and iterate our modular grid-forming products to address evolving scenarios such as AI-enabled energy trading, intelligent O&M and next-generation power electronics. We also plan to develop AIDC-compatible energy storage technologies, establish a dedicated R&D and testing center at our Changzhou facility, and continue strengthening R&D talent and collaborative research with leading universities, research institutions and industry partners.
- *Continuous Implementation of Our Global Strategy.* We remain firmly committed to advancing our global development strategy by increasing overseas market resources, deepening our foothold in core markets and penetrating emerging markets. We will accelerate supply chain localization through overseas production bases, increase investment in global marketing and brand development, expand regional marketing infrastructure, and establish regional after-sales service centers in key markets.
- *Continuous Expansion of Our Product Portfolio and Scenarios.* We will continue to build a comprehensive, multi-layered product and service portfolio to support sustained business growth, leveraging our core advantages in BESS R&D, delivery, O&M and localized services. These capabilities have well positioned us to expand our product and service offerings to capture opportunities in new industry verticals and applications.
- *Expanding Production Capacity to Support Growth.* We plan to further expand our production capacity to meet rising global demand, including through our Changzhou production base. We intend to add approximately 9GWh of additional capacity through Phase II expansion and establish overseas production bases with localized pack assembly and system integration capabilities closer to our key markets.

SUMMARY

- *Investment in AI to Enhance Product Competitiveness.* We are continuously advancing the development and deployment of AI-powered tools for the energy trading market and enhancing our full-chain “AI + BMS + PCS + EMS” solution.

RESEARCH AND DEVELOPMENT

We regard R&D as a strategic priority and a cornerstone of our competitive positioning. Our R&D activities focus on proprietary core technologies that underpin our BESS solutions. Our control over these critical technologies enables us to rapidly iterate our product platforms, customize solutions for different grid codes and scenarios, and deliver integrated BESS solutions with performance, reliability and adaptability that are difficult for competitors relying primarily on third-party components to replicate.

Our R&D strategy is closely aligned with market demand, customer requirements and industry technology trends. We focus on the continuous enhancement of our core products, including BESS system integration, BMS, PCS and EMS, thermal management, system simulation and modeling capabilities. In particular, we continue to invest in technologies that improve system safety, grid compatibility, operational efficiency and lifecycle reliability, while also exploring longer-term technology directions such as AI-enabled energy trading, intelligent O&M, and next-generation power electronics.

As of December 31, 2025, our R&D team comprised 71 full-time employees. Our core technical team graduated from leading universities including Tsinghua University, Huazhong University of Science and Technology and Xi'an Jiaotong University, with professional backgrounds spanning electrical engineering, electronic engineering, software development and automation. This multidisciplinary talent base provides the technical foundation required for integrated BESS development. We also maintain collaborative relationships with third-party research institutions and other external service providers to complement our in-house R&D capabilities and accelerate the development and commercialization of our technologies. These collaborations enable us to leverage external expertise and advanced laboratory facilities, enhancing our technical capabilities and improving R&D efficiency. See “Business — Research and Development” for more details.

SALES AND MARKETING

We employ a direct sales model to market and sell our energy storage products, engaging directly with customers to build strong relationships, enhance brand recognition, and maintain customer loyalty. Our direct sales approach enables us to maintain close communication with customers throughout the sales cycle, from initial engagement through project delivery and ongoing support, ensuring that we can effectively address customer requirements and optimize solution configurations for each application scenario. See “Business — Sales and Marketing” for more details.

MANUFACTURING AND PRODUCTION

We operate an order-driven production model combined with selective inventory positioning for standardized products based on sales forecasts. Customers typically place orders approximately 45–120 days prior to expected delivery dates, and the production cycle from container arrival of key components, factory acceptance testing (FAT) through shipment typically requires approximately two to 12 weeks, enabling us to balance production efficiency, working capital optimization and timely order fulfillment across international and domestic markets. Our production operations are currently based at our Dongguan facility in Guangdong Province, with our new Changzhou facility in Jiangsu Province under construction and expected to commence commercial production in or around the fourth quarter of 2026.

Our Dongguan facility in Guangdong Province, which has a total construction area of approximately 36,950 m² and was staffed by more than 130 production employees as of December 31, 2025. The facility operates production lines for containerized energy storage systems and

SUMMARY

modular energy storage products, respectively. In or around the third quarter of 2026, we plan to add a new long-pack production line at the facility to support overseas standard product manufacturing, bringing the total design module production capacity of the facility to 3GWh.

Our Changzhou production base is being constructed at the Changzhou National High-Tech Zone and has a total construction area of approximately 55,000 m², with commercial production commencing in or around the fourth quarter of 2026. After its commencement of operations, the Changzhou facility will focus on next-generation products and large-volume orders, while the Dongguan facility will continue to support existing orders and certain product types. Going forward, we will progressively adjust capacity allocation as products iterate and market demand evolves. During the Track Record Period, we did not experience any major disruptions in production. See “Business — Manufacturing and Production” for more details.

SUPPLY CHAIN MANAGEMENT

Our supply chain function is responsible for procuring all primary raw materials, production equipment, and auxiliary materials required for our manufacturing operations. The procurement function operates as a centralized function based at our Shenzhen headquarters, with plans to add local procurement execution personnel at the Changzhou facility following its commencement of production to optimize supply chain responsiveness consistent with proximity sourcing principles. Our primary procurement categories by value include battery cells, which represent the largest single cost component, along with PCS equipment, structural components, electronic components, and auxiliary materials. Battery cells are sourced from leading domestic cell manufacturers. We maintain relationships with multiple qualified suppliers to ensure supply security and competitive pricing while avoiding dependence on any single source. See “Business — Supply Chain Management” for more details.

COMPETITION

We are subject to competition in the BESS industry. We primarily compete with other BESS solution providers, including both Chinese outbound enterprises and international players, particularly in the European distributed utility-scale BESS market. According to Frost & Sullivan, based on shipment volume, the top 10 providers in the European distributed utility-scale BESS solutions market accounted for a combined market share of 82.7% in 2025, indicating a relatively concentrated market. Our Group held a market share of approximately 5.5% in the European distributed utility-scale BESS market, ranking fifth among Chinese solution providers and eighth among all solution providers. In the Nordic distributed utility-scale BESS market, the top five providers accounted for a combined market share of 81.5%, and our Group held a market share of approximately 22.3%, ranking first among Chinese solution providers and second among all solution providers. Our competitors include multinational corporations with significantly greater financial and operational resources, as well as Chinese enterprises with large-scale manufacturing capabilities and broad product portfolios. See “Industry Overview” in this document for more details.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

Our five largest customers in each year during the Track Record Period were customers of our energy storage system products. The majority of our sales to our five largest customers, in each year during the Track Record Period, were PowerCombo products and solutions. In 2023, 2024, and 2025, the aggregate revenue generated from our five largest customers in each year during the Track Record Period was RMB320.2 million, RMB272.6 million, and RMB356.1 million, representing 70.9%, 55.2%, and 50.6% of our total revenue, respectively. In the same periods, revenue generated from our largest customer in each year during the Track Record Period was RMB209.5 million, RMB76.8 million, and RMB160.3 million, representing 46.4%, 15.6%, and 22.8% of our revenue, respectively.

SUMMARY

Save as aforementioned, during the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors, their close associates or any Shareholder owns more than 5% of our share capital had any interest in any of our top five customers in each year during the Track Record Period. To the best of our knowledge, none of our five largest customers in each year during the Track Record Period is a connected person. See “Business — Major Customers and Suppliers — Major Customers” for more details.

Major Suppliers

During the Track Record Period, we primarily procured raw materials from suppliers based in the PRC and, in certain cases, engineering services from local service provider overseas. In 2023, 2024, and 2025, aggregate purchases from our five largest suppliers in each year during the Track Record Period were RMB239.5 million, RMB258.7 million, and RMB371.6 million, accounting for 74.7%, 68.4%, and 61.1% of our total amount of goods purchased, respectively. In the same periods, purchases from our largest supplier in each year during the Track Record Period were RMB187.5 million, RMB142.7 million, and RMB219.7 million, accounting for 58.5%, 37.7%, and 36.1% of our total amount of goods purchased, respectively.

Save as aforementioned, during the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors, their close associates or any Shareholder owns more than 5% of our share capital had any interest in any of our top five suppliers in each year during the Track Record Period. To the best of our knowledge, none of our five largest suppliers in each year during the Track Record Period is a connected person. See “Business — Major Customers and Suppliers — Major Suppliers” for more details.

Overlapping Customers and Suppliers

During the Track Record Period, to the best knowledge of our Directors, one of our five largest suppliers, namely Customer K/Supplier I, was also our customer in each year during the Track Record Period.

The following table sets forth our Group’s purchase amount and revenue generated from Customer K/Supplier I for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Purchase amount	187,464	142,685	219,657
Revenue	5,487	51,572	16,011

In 2023, 2024, and 2025, our purchases from Customer K/Supplier I were 58.5%, 37.7%, and 36.1% of our total purchases for the respective years, and our sales to Customer K/Supplier I were 1.2%, 10.4%, and 2.3% of our total revenue for the respective years.

Customer K/Supplier I is a leading battery cell supplier and was our earliest battery cell supplier. We have maintained a strong cooperative relationship with this supplier over the years. As our business grows, we have gradually introduced additional suppliers to diversify our supplier base. In recent years, Customer K/Supplier I has established an energy storage system integration business unit, providing both battery cells and energy storage system products to external customers. Due to the long-standing cooperative relationship, Customer K/Supplier I has engaged us for the production of some of its energy storage system integration orders. According to the Frost & Sullivan Report, Customer K/Supplier I also collaborates with other companies in the industry chain to procure energy storage system products, a relatively common practice in the industry. See “Business — Major Customers and Suppliers — Overlapping Customers and Suppliers” for more details.

SUMMARY

RISK FACTORS

There are certain risks relating to an investment in our Shares. A summary of key risk factors is set forth below. Any of the following developments may have a material and adverse effect on our business, financial condition, results of operations, and prospects:

- We face intense competition from substantially larger and better-resourced companies, and we may not be able to maintain or grow our market share.
- Our future growth and success are dependent upon the continued acceptance and adoption of BESS solutions.
- We derive a substantial majority of our revenue from overseas markets, particularly Europe, and are exposed to risks associated with geopolitics, international trade policies, tariffs, and export control.
- If we are unable to successfully manage our rapid growth, our business and prospects may be materially and adversely affected.
- Increases in costs or shortages of raw materials could have an adverse impact on our profitability and cash flows.

See “Risk Factors” for a detailed discussion of the risk factors.

PRE-[REDACTED] INVESTMENTS

Up to the Latest Practicable Date, we underwent several rounds of Pre-[REDACTED] Investments. See “History, Development and Corporate Structure — Pre-[REDACTED] Investments” for more details.

OUR CONTROLLING SHAREHOLDERS

Immediately prior to the [REDACTED], Dr. Men, Dr. Wu, Mr. Xu, Cubenergy Investment and Mr. Qian are collectively entitled to exercise approximately 47.85% of the voting rights at general meetings of our Company by virtue of the Concert Party Agreement. Immediately upon completion of the [REDACTED], assuming that the [REDACTED] is not exercised, the group of Controlling Shareholders will be in aggregate entitled to exercise approximately [REDACTED]% of the voting rights in our Company. Accordingly, Dr. Men, Dr. Wu, Mr. Xu, Cubenergy Investment and Mr. Qian are our Controlling Shareholders. See “Relationship with Our Controlling Shareholders” for more details.

LEGAL PROCEEDINGS AND COMPLIANCE

As of the Latest Practicable Date, there were no litigation or arbitration proceedings brought by us, or pending or threatened against us or any of our Directors, which our Directors believe would individually or in the aggregate, have a material adverse effect on our financial condition or results of operations taken as a whole.

During the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incident which our Directors believe would, individually or in the aggregate, have a material adverse effect on our financial condition or results of operations taken as a whole.

See “Business — Legal Proceedings and Compliance” for more details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants’ Report set out in Appendix I. The summary financial data set forth below should be read together with our Consolidated Financial Statements and the related notes, as well as the section headed “Financial Information.”

SUMMARY

Principal Components of Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue	451,458	494,016	702,706
Cost of sales	(348,239)	(362,141)	(522,187)
Gross profit	103,219	131,875	180,519
Other income and gains	15,803	15,902	17,752
Selling and marketing expenses	(25,763)	(32,520)	(45,410)
Administrative expenses	(39,058)	(31,276)	(38,457)
Research and development expenses	(33,783)	(37,410)	(42,039)
Impairment losses on financial assets, net	(2,352)	(7,273)	(5,667)
Other expenses	(425)	(162)	(70)
Finance costs	(5,230)	(6,260)	(6,827)
Profit before tax	12,411	32,876	59,801
Income tax (expense)/benefit	(80)	294	(5,989)
Profit for the year	12,331	33,170	53,812
Attributable to:			
Owners of the parent	12,331	33,170	54,629
Non-controlling interests	—	—	(817)
	12,331	33,170	53,812

Revenue

During the Track Record Period, we generated revenue primarily from (i) sale of BESS products and solutions; and (ii) others, including O&M services. Revenue from sales of BESS products and solutions is recognized at a point in time when control of the goods is transferred to the customer, generally being when the products are delivered to the customer upon the international trade terms and the customer has accepted the products in accordance with the sales contract. Revenue from O&M services is recognized over the scheduled service period on a time proportion basis.

SUMMARY

The following table sets forth a breakdown of our revenue by type of goods or services, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
BESS business: ⁽¹⁾						
PowerCombo	440,436	97.6	483,456	97.8	639,583	91.0
FlexCombo	5,413	1.2	4,802	1.0	55,273	7.9
Subtotal	445,849	98.8	488,258	98.8	694,856	98.9
Others	5,609	1.2	5,758	1.2	7,850	1.1
	451,458	100.0	494,016	100.0	702,706	100.0

Note:

- (1) Our FlexCube series was newly launched in 2025. As of December 31, 2025, FlexCube had achieved cumulative shipments of 2.1MWh. However, no revenue or cost of sales related to FlexCube was recognized during the Track Record Period, and we expect to begin recognizing revenue and cost of sales from FlexCube starting in 2026.

The following table sets forth a breakdown of our revenue by geographical region, based on the locations of the projects, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese mainland	84,294	18.7	230,458	46.6	85,041	12.1
Europe	110,670	24.5	243,054	49.2	609,119	86.7
Asia Pacific (excluding Chinese mainland)	233,198	51.7	2,726	0.6	2,891	0.4
Other countries/regions	23,296	5.1	17,778	3.6	5,655	0.8
	451,458	100.0	494,016	100.0	702,706	100.0

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) material costs, primarily comprising battery cells, PCS equipment, structural components, and electronic components; (ii) manufacturing costs, primarily comprising depreciation and amortization and outsourcing fees; (iii) warranty fees, associated with warranty retention provisions included in our contracts; (iv) labor cost; and (v) engineering services fees, primarily comprising costs relating to product design, deployment support and commissioning of our BESS, (vi) others, including logistics fees and travel expenses.

SUMMARY

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Material costs	312,338	89.6	305,360	84.3	399,662	76.5
Manufacturing costs	14,871	4.3	18,631	5.1	27,484	5.3
Warranty fees	6,676	1.9	7,337	2.0	10,487	2.0
Labor costs	6,511	1.9	10,720	3.0	16,018	3.1
Engineering service fees	3,032	0.9	15,495	4.3	57,321	11.0
Others	4,811	1.4	4,598	1.3	11,215	2.1
	<u>348,239</u>	<u>100.0</u>	<u>362,141</u>	<u>100.0</u>	<u>522,187</u>	<u>100.0</u>

During the Track Record Period, our cost of sales increased from RMB348.2 million in 2023 to RMB362.1 million in 2024 and further to RMB522.2 million in 2025, primarily in line with our revenue growth and the corresponding increase in production costs. This increase was partially offset by the decline in battery cell prices. The further increase in 2025 was also attributable to the reduction in the export tax rebate rate from 13% to 9%.

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
BESS business:						
PowerCombo	341,278	98.0	354,985	98.0	478,817	91.7
FlexCombo	<u>4,284</u>	<u>1.2</u>	<u>2,889</u>	<u>0.8</u>	<u>37,661</u>	<u>7.2</u>
	345,562	99.2	357,874	98.8	516,478	98.9
Others	<u>2,677</u>	<u>0.8</u>	<u>4,267</u>	<u>1.2</u>	<u>5,709</u>	<u>1.1</u>
	<u>348,239</u>	<u>100.0</u>	<u>362,141</u>	<u>100.0</u>	<u>522,187</u>	<u>100.0</u>

Gross Profit and Gross Profit Margin

Our gross profit was RMB103.2 million, RMB131.9 million, and RMB180.5 million, and our gross profit margin was 22.9%, 26.7%, and 25.7% in 2023, 2024, and 2025, respectively.

SUMMARY

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

	Year ended December 31,					
	2023		2024		2025	
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %
BESS business:						
PowerCombo	99,158	22.5	128,471	26.6	160,766	25.1
FlexCombo	1,129	20.9	1,913	39.8	17,612	31.9
	100,287	22.5	130,384	26.7	178,378	25.7
Others	2,932	52.3	1,491	25.9	2,141	27.3
	103,219	22.9	131,875	26.7	180,519	25.7

During the Track Record Period, our gross profit increased from RMB103.2 million in 2023 to RMB131.9 million in 2024 and further to RMB180.5 million in 2025, primarily driven by revenue growth. Our gross profit margin increased from 22.9% in 2023 to 26.7% in 2024, mainly due to lower battery cell prices, and then remained relatively stable at 25.7% in 2025.

Summary Financial Data from Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total non-current assets	283,313	351,871	343,297
Total current assets	509,878	643,789	997,035
Total assets	793,191	995,660	1,340,332
Total current liabilities	372,066	405,441	645,526
Total non-current liabilities	125,896	115,178	150,473
Total liabilities	497,962	520,619	795,999
Net current assets	137,812	238,348	351,509
Share capital	57,395	61,413	61,413
Reserves	237,834	413,628	483,737
Non-controlling interests	—	—	(817)
Total equity	295,229	475,041	544,333

Our net current assets increased by 73.0% from RMB137.8 million as of December 31, 2023 to RMB238.3 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB99.1 million, (ii) an increase in inventories of RMB38.5 million, and (iii) an increase in prepayments, other receivables and other assets of RMB26.8 million, partially offset by (iv) an increase in contract liabilities of RMB45.2 million, (v) a decrease in restricted bank deposits of RMB33.5 million, and (vi) a decrease in financial assets at fair value through other comprehensive income of RMB3.0 million.

SUMMARY

Our net current assets increased by 47.5% from RMB238.3 million as of December 31, 2024 to RMB351.5 million as of December 31, 2025, primarily due to (i) an increase in inventories of RMB136.0 million, (ii) an increase in certificates of deposit of RMB123.2 million, and (iii) an increase in cash and cash equivalents of RMB55.4 million, partially offset by (iv) an increase in trade and bills payables of RMB163.6 million, (v) an increase in contract liabilities of RMB75.9 million, and (vi) an increase in other payables and accruals of RMB24.1 million.

Summary Financial Data from Consolidated Statements of Cash Flows

The following table sets forth selected cash flow data from our consolidated cash flow statements for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash flows from/(used in) operating activities	172,492	(33,125)	189,186
Net cash flows used in investing activities	(118,347)	(68,965)	(101,746)
Net cash flows from/(used in) financing activities	25,704	105,105	(34,541)
Net increase in cash and cash equivalent	79,849	3,015	52,899
Cash and cash equivalent at beginning of the year	9,237	89,100	93,063
Effect of foreign exchange rate changes, net	14	948	2,550
Cash and cash equivalent at end of the year	89,100	93,063	148,512

Net Cash Flows from/Used in Operating Activities

In 2023, 2024, and 2025, we had net cash flows from operating activities of RMB172.5 million, net cash used in operating activities of RMB33.1 million, and net cash flows from operating activities of RMB189.2 million, respectively.

In 2023, we had net cash flows from operating activities of RMB172.5 million, primarily attributable to our profit before tax of RMB12.4 million, adjusted for non-cash items including share-based payment expenses of RMB20.1 million, depreciation of right-of-use assets of RMB15.6 million, depreciation of property, plant and equipment of RMB5.1 million, and finance costs of RMB5.2 million, as well as favorable working capital movements including (i) a decrease in restricted bank deposits of RMB150.1 million, (ii) an increase in contract liabilities of RMB83.7 million, and (iii) a decrease in trade and bills receivables of RMB59.0 million, partially offset by (iv) an increase in prepayments, other receivables and other assets of RMB41.8 million, and (v) a decrease in trade and bills payables of RMB137.8 million.

In 2024, we had net cash flows used in operating activities of RMB33.1 million, primarily attributable to our profit before tax of RMB32.9 million, adjusted for non-cash items including depreciation of right-of-use assets of RMB15.8 million, share-based payment expenses of RMB10.4 million, depreciation of property, plant and equipment of RMB6.9 million, and finance costs of RMB6.3 million, offset by unfavorable working capital movements including (i) an increase in trade and bills receivables of RMB106.5 million, (ii) an increase in inventories of RMB43.7 million, (iii) an increase in prepayments, other receivables and other assets of RMB25.0 million, and (iv) a decrease in trade and bills payables of RMB10.3 million, partially offset by (v) an increase in contract liabilities of RMB45.2 million and (vi) a decrease in restricted bank deposits of RMB43.6 million.

In 2025, we had net cash flows from operating activities of RMB189.2 million, primarily attributable to our profit before tax of RMB59.8 million, adjusted for non-cash items including depreciation of right-of-use assets of RMB16.7 million, share-based payment expenses of RMB15.5 million, depreciation of property, plant and equipment of RMB11.2 million, finance costs of RMB6.8 million, and impairment of trade receivables of RMB5.6 million, as well as favorable working capital movements including (i) an increase in trade and bills payables of RMB153.6

SUMMARY

million, (ii) an increase in contract liabilities of RMB80.8 million, and (iii) an increase in other payables and accruals of RMB16.5 million, partially offset by (iv) an increase in inventories of RMB139.9 million, (v) an increase in trade and bills receivables of RMB35.2 million, and (vi) an increase in restricted bank deposits of RMB21.3 million.

Net Cash Flows Used in Investing Activities

In 2023, 2024, and 2025, we had net cash flows used in investing activities of RMB118.3 million, RMB69.0 million, and RMB101.7 million, respectively.

In 2023, our net cash flows used in investing activities was RMB118.3 million, primarily due to (i) additions of financial assets at fair value through profit or loss of RMB355.5 million, (ii) additions to certificates of deposit of RMB125.6 million, and (iii) purchases of property, plant, and equipment of RMB22.2 million, partially offset by (iv) proceeds from disposal of financial assets at fair value through profit or loss of RMB356.4 million and (v) proceeds from maturity of certificates of deposit of RMB30.3 million.

In 2024, our net cash flows used in investing activities was RMB69.0 million, compared with RMB118.3 million in 2023, primarily due to (i) additions of financial assets at fair value through profit or loss of RMB434.2 million, (ii) additions to certificates of deposit of RMB61.6 million, (iii) purchases of property, plant, and equipment of RMB14.0 million, and (iv) increase in prepayment for leasehold land of RMB10.0 million, partially offset by (v) proceeds from disposal of financial assets at fair value through profit or loss of RMB433.8 million and (vi) proceeds from maturity of certificates of deposit of RMB20.0 million.

In 2025, our net cash flows used in investing activities was RMB101.7 million, compared with RMB69.0 million in 2024, primarily due to (i) additions of financial assets at fair value through profit or loss of RMB186.6 million, (ii) additions to certificates of deposit of RMB30.2 million, (iii) an increase in restricted bank deposits of RMB20.0 million, (iv) purchases of property, plant, and equipment of RMB29.2 million, and (v) additions to leasehold land of RMB20.6 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB186.0 million.

Net Cash Flows from/Used in Financing Activities

In 2023, 2024, and 2025, we had net cash flows from financing activities of RMB25.7 million, net cash flows from financing activities of RMB105.1 million, and net cash used in financing activities of RMB34.5 million, respectively.

In 2023, our net cash flows from financing activities were RMB25.7 million, primarily due to new bank borrowings of RMB68.0 million, partially offset by repayment of bank borrowings of RMB25.2 million, and the principal portion of lease payments of RMB11.9 million.

In 2024, our net cash flows from financing activities were RMB105.1 million, compared with RMB25.7 million in 2023, primarily due to (i) a capital contribution by shareholders of RMB140.0 million and (ii) new bank borrowings of RMB45.4 million, partially offset by (iii) repayment of bank borrowings of RMB49.0 million, and (iv) principal portion of lease payments of RMB11.2 million.

In 2025, our net cash flows used in financing activities was RMB34.5 million, compared with net cash flows from financing activities of RMB105.1 million in 2024, primarily due to (i) repayment of bank borrowings of RMB160.7 million, (ii) principal portion of lease payments of RMB12.4 million, and (iii) interest paid of RMB6.8 million, partially offset by new bank borrowings of RMB135.2 million. The shift to net cash used in financing activities was primarily attributable to the absence of shareholder capital contributions in 2025 and the net repayment of bank borrowings during the year.

SUMMARY

Working Capital Sufficiency

During the Track Record Period, we funded our operations primarily with cash flows generated from our operating activities, bank borrowings, and capital contributions from shareholders. We manage our cash flow and working capital mainly through closely monitoring our operations and expansion plans. We also diligently review future cash flow requirements and adjust our operation and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations and expansion plans.

Our liquidity and capital resource needs over the next 12 months primarily relate to the procurement of raw materials and components for the production of BESS, capital expenditure for the construction of our Changzhou production base, and general working capital needs. We believe our liquidity requirements will be satisfied by using funds from a combination of cash flow generated from operating activities, debt financing, and other funds raised from the capital markets from time to time. We currently do not have any plans for material external debt financing.

As of April 30, 2026, we had cash and cash equivalents of RMB57.8 million and unutilized bank borrowing facilities of RMB945.9 million.

After taking into consideration the above financial resources available to us, in the absence of unforeseeable circumstances, our Directors are of the opinion that we have sufficient working capital to meet our present and future cash requirements for at least the next 12 months from the date of the document. Our ability to obtain additional funding beyond our anticipated cash needs for the next 12 months following the date of the document, however, is subject to a variety of uncertainties, including our future results of operations, our future business plans, financial condition and cash flows and economic, political, and other conditions in the markets where we and our customers and lenders operate.

Key Financial Ratios

The following table sets forth our key financial ratios as of the date or for the period indicated:

	As of or for the year ended December 31,		
	2023	2024	2025
Turnover growth ⁽¹⁾	7.3%	9.4%	42.2%
Gross profit growth ⁽²⁾	6.3%	27.8%	36.9%
Gross profit margin ⁽³⁾	22.9%	26.7%	25.7%
Return on equity ⁽⁴⁾	4.4%	8.6%	10.6%
Current ratio ⁽⁵⁾	1.4	1.6	1.5
Gearing ratio ⁽⁶⁾	60.6%	35.2%	24.2%

Notes:

- (1) Turnover growth is calculated by dividing the difference between the revenue for the current year and the revenue for the prior year by the revenue for the prior year.
- (2) Gross profit growth is calculated by dividing the difference between the gross profit for the current year and the gross profit for the prior year by the gross profit for the prior year.
- (3) Gross profit margin is calculated by dividing gross profit by revenue.
- (4) Return on equity is calculated by dividing net profit by the average of opening and closing total shareholders' equity.
- (5) Current ratio is calculated by dividing total current assets by total current liabilities.
- (6) Gearing ratio is calculated by dividing total interest-bearing debt by total equity.

SUMMARY

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, we did not declare or pay any dividend. Going forward, we may distribute dividends by way of cash or by other means that we consider appropriate.

We currently do not have a fixed dividend payout ratio. The applicable PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

Any future determination to declare and pay any dividends will be at the discretion of our Board and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that our Board deems relevant. In addition, any final dividends for a financial year will be subject to the Shareholders’ approval.

To the extent profits are distributed as dividends, such portion of profits may not be reinvested in our operations. There can be no assurance that we will be able to declare or distribute any dividend in the amount set forth in any plan to our Board or at all. Furthermore, if we or any of our subsidiaries incur debt on our or its own behalf in the future, the instruments governing the debt may restrict our ability to pay dividends. The past dividend distribution record may not be used as a reference or basis in determining the level of dividends that may be declared or paid by us in the future.

[REDACTED]

[REDACTED]

SUMMARY

[REDACTED]

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include [REDACTED] and [REDACTED] and [REDACTED]. We expect to incur a total of HK\$[REDACTED] of [REDACTED] expenses (assuming an [REDACTED] of HK\$[REDACTED], being the [REDACTED] of the indicative [REDACTED] between HK\$[REDACTED] and HK\$[REDACTED], and assuming that the [REDACTED] is not exercised) until the completion of the [REDACTED], which accounts for [REDACTED]% of the gross [REDACTED] from the [REDACTED]. We estimate that approximately HK\$[REDACTED] will be charged to our consolidated income statement, and the remaining balance of approximately HK\$[REDACTED] is expected to be [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED] expenses of HK\$[REDACTED], fees and expenses of [REDACTED] of HK\$[REDACTED] and other expenses of HK\$[REDACTED]. The [REDACTED] expenses above are the best estimate as at the Latest Practicable Date and are for reference only. The actual amount may differ from this estimate.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the midpoint of the range of the [REDACTED] stated in this document), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED] (assuming the [REDACTED] is not exercised). We intend to use our [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for production capacity expansion, including the construction and upgrade of production lines to enhance our delivery capabilities.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our R&D capabilities.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for the construction and upgrade of our marketing and after-sales service network.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

We anticipate using approximately [REDACTED]% of the [REDACTED] allocated for production capacity expansion, approximately [REDACTED]% of [REDACTED] allocated for R&D enhancement, and approximately [REDACTED]% of [REDACTED] allocated for marketing and after-sales service network within 24 months following the [REDACTED]. See “Future Plans and Use of [REDACTED]” in this document for more details.

RECENT DEVELOPMENTS AND NO ADVERSE MATERIAL CHANGE

Our net profit/(loss) for the period between January 1, 2026 and the Latest Practicable Date experienced downward pressure from factors including (i) increasing battery cell prices, (ii) reduction in export tax rebate rate effective April 1, 2026 in accordance with rules and regulations promulgated jointly by China’s Ministry of Finance and the SAT, (iii) increased share-based payment, (iv) lower average selling price in line with prevailing industry-wide pricing trend, and (v) [REDACTED] expenses. We expect that our net profit/(loss) for 2026 may decline compared to 2025.

Save as disclosed above, after due and careful consideration, our Directors confirm that, as of the date of the document, there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, and there is no event since December 31, 2025 which would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in “Glossary of Technical Terms” in this document.

“Accountants’ Report”	the accountants’ report of our Company, the text of which is set out in Appendix I to this document
“AFRC”	the Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the articles of association of our Company adopted on June 8, 2026 which shall become effective as of the date on which the H Shares are [REDACTED] on the Stock Exchange, as amended from time to time, a summary of which is set out in “Summary of the Articles of Association” in Appendix III to this document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Board” or “Board of Directors”	the board of directors of our Company
“business day”	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAGR”	compound annual growth rate
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Chairman”	the chairman of our Board
“China”, “Chinese Mainland”, or “PRC”	People’s Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires otherwise, references in this document to “China” and “the PRC” do not apply to Hong Kong, Macau, and Taiwan
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented, or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented, or otherwise modified from time to time
“Company” or “our Company”	Shenzhen Cubenergy Co., Ltd. (深圳庫博能源股份有限公司), a limited liability company established in the PRC on October 17, 2014 and converted to a joint stock company with limited liability on May 9, 2023
“Concert Party Agreement”	the concert party agreement relating to Shenzhen Cubenergy Co., Ltd. (深圳庫博能源科技有限公司一致行動協議) dated October 19, 2021 entered into among Dr. Men, Dr. Wu, Mr. Xu, Mr. Qian, and Cubenergy Investment, as amended and supplemented from time to time
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, refers to Dr. Men, Dr. Wu, Mr. Xu, Cubenergy Investment and Mr. Qian
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Cubenergy Changzhou”	Changzhou Cubenergy Liye New Energy Co., Ltd. (常州庫博利業新能源有限公司), a limited liability company established in the PRC on September 14, 2023, and a wholly-owned subsidiary of our Company
“Cubenergy Dongguan”	Dongguan Cubenergy Technology Co., Ltd. (東莞庫博能源科技有限公司), a limited liability company established in the PRC on April 2, 2019, and a wholly-owned subsidiary of our Company
“Cubenergy GmbH”	Cubenergy GmbH, a company incorporated in Germany on October 6, 2023, and an indirectly wholly-owned subsidiary of our Company
“Cubenergy Hong Kong”	Cubenergy (Hong Kong) Limited, a company incorporated in Hong Kong on June 16, 2023, and a wholly-owned subsidiary of our Company
“Cubenergy Inc.”	Cubenergy Inc., a company incorporated in the State of Delaware, the United States of America on August 25, 2023, and an indirectly wholly-owned subsidiary of our Company
“Cubenergy Investment”	Shenzhen Cubenergy Investment Center (Limited Partnership) (深圳庫博能源投資中心(有限合夥)), a limited partnership established in the PRC on May 21, 2018, and one of our employee incentive platforms and Controlling Shareholders
“Cubenergy New Energy”	Shenzhen Cubenergy New Energy Co., Ltd. (深圳庫博新能源有限公司), a limited liability company established in the PRC on March 3, 2017, and a wholly-owned subsidiary of our Company
“Cubenergy Qihang”	Shenzhen Cubenergy Qihang Investment Center (Limited Partnership) (深圳庫博啟航投資中心(有限合夥)), a limited partnership established in the PRC on April 20, 2026, and one of our employee incentive platforms
“Cubenergy Sichuan”	Sichuan Qingrong Cubenergy Technology Co., Ltd. (四川清蓉庫博能源科技有限公司), a limited liability company established in the PRC on May 16, 2017, and a wholly-owned subsidiary of our Company
[REDACTED]	[REDACTED]
“Director(s)”	the directors of our Company, including all executive, non-executive, and independent non-executive Directors

DEFINITIONS

“Dongguan Liye”	Dongguan Liye New Energy Co., Ltd. (東莞利業新能源有限公司), a limited liability company established in the PRC on July 26, 2022, and a wholly-owned subsidiary of our Company
“Dr. Men”	Dr. Men Kun (門錕), our Chairman, executive Director and Controlling Shareholder
“Dr. Wu”	Dr. Wu Junyang (吳俊陽), our executive Director, general manager and Controlling Shareholder
“EIT Law”	the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法), as enacted by the NPC on March 16, 2007 and effective on January 1, 2008, as amended, supplemented, or otherwise modified from time to time
“EU”	European Union
[REDACTED]	[REDACTED]
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
[REDACTED]	[REDACTED]
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our independent industry consultant
“Frost & Sullivan Report”	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this document
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Group” or “our Group”	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
“Guide”	Guide for New Listing Applicants issued by the Stock Exchange, as amended or supplemented from time to time
[REDACTED]	[REDACTED]
“H Share(s)”	overseas listed foreign Share(s) in the share capital of our Company with a nominal value of RMB0.20 each, which are to be [REDACTED] on the Stock Exchange and [REDACTED] in Hong Kong dollars
“HK\$”, “Hong Kong Dollars”, or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong

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DEFINITIONS

[REDACTED]

“Hong Kong”

[REDACTED]

[REDACTED]

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

DEFINITIONS

“IEA”	International Energy Agency
“Independent Third Party(ies)”	party or parties that, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is or are not a connected person or connected persons of our Company within the meaning of the Listing Rules
[REDACTED]	[REDACTED]
“Latest Practicable Date”	[June 8], 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
[REDACTED]	[REDACTED]
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Qian”	Mr. Qian Cheng (錢誠), formerly known as Yang Xueming (楊學明), one of our Controlling Shareholders
“Mr. Xu”	Mr. Xu Bin (徐斌), our executive Director, deputy general manager and Controlling Shareholder
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of our Board
“NPC”	the National People’s Congress (全國人民代表大會)

DEFINITIONS

[REDACTED]	[REDACTED]
“Overseas Listing Trial Measures”	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023 and effective from March 31, 2023, and the relevant supporting guidelines promulgated by the CSRC from time to time
“Paneco Cubenergy”	Paneco Cubenergy (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability on April 15, 2024 and a non-wholly owned subsidiary of our Company
“Paneco Energie”	Paneco Energie SAS, a simplified joint stock company incorporated in France on September 11, 2023, and a substantial shareholder of Paneco Cubenergy
“PBOC”	the People’s Bank of China (中國人民銀行)
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented, or otherwise modified from time to time
“PRC Legal Advisor”	Zhong Lun Law Firm, our legal advisor as to PRC laws
“PRC Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented, or otherwise modified from time to time
“Pre-[REDACTED] Investment(s)”	the pre-[REDACTED] investment(s) in our Company, details of which are set forth in “History, Development and Corporate Structure — Pre-[REDACTED] Investments” in this document
“Pre-[REDACTED] Investor(s)”	the investor(s) of the Pre-[REDACTED] Investments, details of which are set forth in “History, Development and Corporate Structure — Pre-[REDACTED] Investments” in this document

DEFINITIONS

[REDACTED]	[REDACTED]
“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Persons”	the Sole Sponsor, the [REDACTED] , the [REDACTED] , the [REDACTED] , the [REDACTED] , the [REDACTED] , any of their or our Company’s respective directors, officers, employees, partners, agents, advisers or representatives or any other parties involved in the [REDACTED]
“Remuneration and Assessment Committee”	the remuneration and assessment committee of our Board
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR” or “SAIC”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), and formerly known as the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
“Share(s)”	ordinary shares in the share capital of our Company with a nominal value of RMB0.20 each
“Shareholder(s)”	holder(s) of our Share(s)
“SMM”	Shanghai Metals Market
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

“Sole Sponsor”	the sole sponsor as named in “Directors and Parties Involved in the [REDACTED]” in this document
[REDACTED]	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchange and Clearing Limited
“Strategy Committee”	the strategy committee of our Board
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Track Record Period”	the period comprising the three financial years ended December 31, 2023, 2024, and 2025
[REDACTED]	[REDACTED]
“United Kingdom”	The United Kingdom of Great Britain and Northern Ireland
[REDACTED]	[REDACTED]
“U.S.” or “United States”	the United States of America, its territories, its possessions, and all areas subject to its jurisdiction
“U.S. persons”	U.S. persons as defined in Regulation S
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented, or otherwise modified from time to time
“US\$” or “USD”	United States dollars, the lawful currency of the United States
[REDACTED]	[REDACTED]
“%”	per cent

In this document, unless expressly stated or the context requires otherwise:

- *all information and data is of the Latest Practicable Date;*
- *certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them;*

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DEFINITIONS

- *for ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons, or other entities (including certain of our subsidiaries) have been included in the document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only; and*
- *references to “provinces” of China include provinces, municipalities under direct administration of the central government, and provincial-level autonomous regions.*

GLOSSARY OF TECHNICAL TERMS

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

“AC”	alternating current, an electric current that periodically reverses direction, commonly used in power transmission and distribution systems
“AGC”	automatic generation control, a system that automatically adjusts power generation output to maintain grid frequency and power balance
“AI”	artificial intelligence
“AI data centers (AIDCs)”	facility engineered with high-density computing accelerators, advanced cooling infrastructure, and massive power capacity specifically designed to handle the intensive, parallel workloads of artificial intelligence training and inference
“ATE”	automatic testing equipment, equipment that automatically completes performance detection, parameter measurement and fault diagnosis of electronic products without manual intervention
“BESS”	battery energy storage system, technology for storing energy in battery and then using that same energy to ensure overall efficiency and reliability in energy systems
“BMS”	battery management systems, a system that monitors, controls and protects battery performance, safety and lifespan
“C&I”	commercial and industrial, referring to commercial and industrial applications in the energy storage system market
“CAGR”	compound annual growth rate
“DC”	direct current, an electric current that flows in one direction continuously, widely used in batteries and electronic devices
“DNV”	DNV AS, an independent assurance and risk management organization providing classification, testing, certification, technical advisory and verification services, including for energy and infrastructure projects
“DSO”	distribution system operator, entity responsible for operating, maintaining and developing electricity distribution networks
“DSP”	digital signal processor, specialized microprocessor designed to perform mathematical operations on digital signals at high speed and in real time
“EMD”	Electricity Market Design in the EU electricity market
“EMS”	energy management system, a control and optimization system used to monitor, dispatch and manage energy storage assets and related power resources to improve operational efficiency, system stability and economic performance
“EMT”	electromagnetic transient, fast short-term variations of voltage, current and other electromagnetic quantities in power systems caused by sudden disturbances

GLOSSARY OF TECHNICAL TERMS

“EPC”	engineering, procurement and construction, a contractual framework for executing large-scale infrastructure projects, including energy storage and photovoltaic systems
“GWh”	gigawatt hour, a unit of electric energy generated or consumed over one hour, 1 GWh = 1 billion Wh
“HVAC”	heating, ventilation, and air conditioning
“HVDC”	high-voltage direct current, technology used direct current and high voltages in electric power transmission, generally for long distances
“ICT”	information and communications technology, digital technologies and communication systems used to support data collection, remote monitoring, intelligent control and platform-based management of ESS
“kWh”	kilowatt-hours, a unit of electric energy, 1 kWh = 1,000 Wh
“LCOS”	levelized cost of storage, a metric used to measure the average cost of storing and discharging electricity over the lifetime of an ESS
“MWh”	megawatt-hours, a unit of electric energy, 1 MWh = 1 million Wh
“O&M”	operation and maintenance, activities related to the operation, monitoring and maintenance of energy storage system throughout their lifecycle
“Open circuit voltage (OCV)”	the difference of electrical potential between two terminals of an electronic device when disconnected from any circuit
“Outgoing quality control (OQC)”	outgoing quality control, the final quality inspection or control process conducted on finished products before shipment to confirm compliance with applicable specifications, packaging, labeling, documentation and customer requirements
“PCB”	printed circuit board, a board that mechanically supports and electrically connects electronic components through conductive tracks, pads, vias and other features on or within an insulating substrate
“PCS”	power conversion systems, equipment used to convert electrical power flows between batteries and the grid
“PV”	photovoltaic, technology that converts sunlight directly into electricity through photovoltaic materials
“R&D”	research and development, activities focused on developing new technologies, products and solutions to improve energy storage performance
“RCD”	resistance capacitance diode, a combined snubber circuit composed of resistor, capacitor and diode for suppressing voltage spikes in power electronic circuits
“State of charge (SOC)”	the remaining charge or available capacity of a battery relative to its maximum available capacity, usually expressed as a percentage
“State of health (SOH)”	a measure of a battery’s condition or aging status relative to a fresh or rated battery, commonly assessed by comparing current available capacity or performance with original rated capacity

GLOSSARY OF TECHNICAL TERMS

“TOU”	time-of-use, electricity pricing mechanism that incentivizes energy storage deployment by differentiating electricity prices across peak and off-peak periods
“TSO”	transmission system operator, entity responsible for managing electricity transmission networks and balancing power supply and demand across the grid
“Voltage”	briefly as V, measurement of electrical potential difference used to characterize the operating conditions of energy storage systems and power equipment
“VPP”	virtual power plant, platform that aggregates distributed energy resources for coordinated operation and grid participation

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words “aim”, “anticipate”, “believe”, “can”, “continue”, “could”, “estimate”, “expect”, “going forward”, “intend”, “may”, “might”, “ought to”, “plan”, “potential”, “project”, “seek”, “should”, “will”, “would”, and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity, and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties, and assumptions, including the other risk factors as described in this document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from that expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following: (i) our operations, business prospects, business strategies and plans to achieve these strategies; (ii) our ability to maintain relationship with, and the actions and developments affecting, our major customers and suppliers; (iii) future developments, trends, general economic, political and business conditions and changes to the regulatory environment in the industries and markets in which we operate or plan to operate; (iv) our ability to maintain the market leading positions; (v) the actions and developments of our competitors; (vi) our future capital needs and capital expenditure plans; (vii) our ability to retain senior management and key personnel and recruit qualified staff; (viii) our ability to defend our intellectual rights and protect confidentiality; (ix) the effectiveness of our quality control systems; (x) change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, including those pertaining to the industry and markets in which we operate; (xi) our dividend policy; and (xii) all other risks and uncertainties described in “Risk Factors” and elsewhere.

Subject to the requirements of applicable laws, rules, and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events, or otherwise. As a result of these and other risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

In this document, statements of or references to our intentions or those of our Directors are made as of the date of this document. Any such information may change in light of future developments.

RISK FACTORS

An [REDACTED] in our Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations, and prospects. In any such case, the [REDACTED] of our Shares could decline, and you may lose all or part of your [REDACTED]. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We face intense competition from substantially larger and better-resourced companies, and we may not be able to maintain or grow our market share.

The BESS industry is developing rapidly, with a highly competitive and increasingly concentrated landscape. In 2025, the top ten providers in the European distributed utility-scale BESS solutions market accounted for a combined market share of 82.7%, indicating a relatively concentrated market, and market participants included both Chinese outbound enterprises and international players. We compete with established domestic and international competitors in the markets where we operate, including leading enterprises with stronger financial resources, broader technology portfolios, larger sales and service networks, deeper manufacturing scale, more extensive supply chain optimization capabilities, and greater experience in power trading, intelligent dispatch, and asset operation. Such competitors may leverage their market influence to gain competitive advantages, offer preferential or exclusive terms to customers or suppliers, or exert significant pricing pressure that places us at a disadvantage.

According to Frost & Sullivan, based on shipment volume, we held market share of approximately 5.5% in the European distributed utility-scale BESS market in 2025, ranking fifth among Chinese solution providers and eighth among all solution providers; in the Nordic distributed utility-scale BESS market, we held market share of approximately 22.3%, ranking first among Chinese solution providers and second among all solution providers. Although we have achieved a meaningful market position in certain European sub-markets, particularly the Nordic region, the industry is characterized by high technical, customer, delivery, and marketization barriers, including the need for in-house R&D capabilities, rigorous certifications in mature markets, localized service teams, cross-regional delivery capabilities, global supply chain optimization, and intelligent dispatch capabilities. We cannot guarantee that we will maintain or grow our market position or market share as competition intensifies or as leading participants expand their advantages.

We need to continuously develop new products, refine existing products, and advance our technologies to remain competitive. The development and launch of new products, solutions, software systems, and other forms of technology involve complex efforts and there may be uncertainties at various stages before a product is launched. Any delay in the financing, design, development, production, and eventual launch of our new products or solutions or updates to our software systems could materially damage our competitiveness. To the extent that such delays occur, our growth prospects could be adversely affected as we may fail to compete with our peers or keep up with competing products.

If our competitors could provide similar products and services with similar quality, convenience, and price as we do, we may have to lower prices for our products and services, all of which could lead to reduced revenues and profitability. If we are unable to maintain our competitiveness through continuous product and technological innovations, or if our existing products or new product launches are unable to maintain profitability, our gross margins may be materially and adversely affected.

RISK FACTORS

Our future growth and success are dependent upon the continued acceptance and adoption of BESS solutions.

Our future growth is dependent upon the continued acceptance and adoption of BESS solutions by our customers, primarily consisting of enterprises. The market for BESS solutions is still rapidly evolving, characterized by rapidly evolving technologies, competitive pricing, evolving industry standards and changing customer demands and behaviors, changing levels of concern related to environmental issues, and governmental initiatives related to climate change and the environment generally. Although the demand for BESS solutions has grown in recent years, there is no guarantee of continuing growth for future demand. Demand for BESS solutions is volatile, being affected by numerous factors, such as (i) perceptions about the features, quality, safety, performance and cost of BESS solutions, especially if adverse events or accidents occur that are linked to the quality or safety of BESS solutions; (ii) status of government regulations, policies, and economic incentives related to new energy industries; (iii) customers’ demand for the downstream uses and technologies of BESS solutions; (iv) concerns regarding the stability of the electrical grid and centralized power stations; (v) development of battery cell technologies, including the potential decline of battery’s ability to hold a charge over time; (vi) customers’ environmental consciousness; (vii) conditions in the energy industry in general; and (viii) macroeconomic factors.

Globally, there have been fluctuations in terms of year-over-year growth in sales volume recently for BESS solutions. It cannot be predicted how the demand for BESS solutions will develop in the future. General economic factors, such as decrease in household income or economic growth in the countries where we conduct business, may adversely affect such demand. Certain BESS companies operating in China and overseas markets have suffered declining performance or financial difficulties as a result of the market slowdown. If the BESS market evolves at a slower pace than anticipated, or if there is a decline in the demand for BESS solutions, or energy consumption behaviors do not align with our expectations, the demand for BESS solutions, including ours, will be affected. As a result, our business, results of operations, financial condition, and prospects would be harmed.

We derive a substantial majority of our revenue from overseas markets, particularly Europe, and are exposed to risks associated with geopolitics, international trade policies, tariffs, and export control.

We are significantly dependent on overseas markets for our revenue. Overseas revenue accounted for 81.3%, 53.4%, and 87.9% of our total revenue in 2023, 2024, and 2025, respectively, with Europe constituting our primary market. As our domestic business grows, the proportion of revenue generated in China may increase over time; however, we expect overseas revenue to continue to represent a significant proportion of our total revenue, and we cannot guarantee that our domestic business will grow at the rate we anticipate, or at all. Our results of operations would be materially and adversely affected by any deterioration in conditions in the European or other major overseas markets where we have presence.

Meanwhile, our production capabilities are currently concentrated in China, and our localized overseas production, sales, marketing, and after-sales service infrastructure remains at an early stage of development. We intend to use a portion of the [REDACTED] from the [REDACTED] to establish overseas production bases and to expand localized marketing and after-sales capabilities. Expanding our international footprint is an important part of our future growth and strategic development. Our international operations and expansion efforts may require significant resources and management attention and subject us to intellectual property, regulatory, economic, operational, and political risks and uncertainties that are different from those in China.

We are also exposed to risks associated with geopolitics, international trade policies and tariffs, in particular with respect to the United States. Changes in global political, regulatory, and economic conditions, or in laws and policies governing foreign trade, manufacturing, development, and investment in the territories or countries where we currently purchase materials, seek to offer our products and services, or conduct our business, could adversely affect our business, results of

RISK FACTORS

operations, financial condition, and prospects. Further developments that escalate trade tensions between the United States and China, or the imposition of additional tariffs or trade restrictions by other jurisdictions, including the EU, could adversely impact our business operations, pricing competitiveness, profit margins, and growth prospects. A number of other nations have proposed or instituted similar measures directed at trade with China, and we cannot predict the form, scope, or timing of any future trade policy changes.

Additionally, as we expand our operations in overseas markets, we may become subject to various restrictions under applicable export control laws and regulations. Changes in our offerings or technologies, or changes in export and import laws, may delay the introduction and growth of our business in international markets, prevent our customers from using our products and services, or in some cases prevent the access or use of our products and services to and from certain countries, governments, persons, or entities altogether. Any decreased use of our products and services or limitation on our ability to export or sell our products and services would likely harm our business, results of operations, financial condition, and prospects.

Our overseas production base plan remains at the planning and implementation stage and is not yet operational. We cannot assure investors that we will be able to acquire or lease suitable production premises, procure and install specialized production equipment, establish pack assembly and system integration production lines, recruit qualified local personnel, or commence localized overseas production within the expected timeframe or on commercially acceptable terms. Accordingly, we may not be able to reduce transportation costs, shorten delivery cycles, improve overseas delivery capabilities, or reduce our reliance on China-based manufacturing for export as anticipated. If any of the risks described in this section materialize, our business, results of operations, financial condition, and prospects would be materially and adversely affected.

If we are unable to successfully manage our rapid growth, our business and prospects may be materially and adversely affected.

We experienced rapid growth during the Track Record Period. Our revenue increased by 9.4% from RMB451.5 million in 2023 to RMB494.0 million in 2024, and further increased by 42.2% to RMB702.7 million in 2025. As our business grows, we will continue to encounter challenges in implementing our managerial, operating, and financial strategies to keep up with our growth. The major challenges in managing our business growth include, among other things, (i) executing our strategies and business initiatives successfully; (ii) establishing or expanding design, manufacturing, sales and service facilities as well as service network; (iii) establishing or expanding our sales networks in existing and new markets; (iv) managing a larger organization with a growing number of employees; (v) controlling expenses and investments in anticipation of expanded operations; (vi) implementing and enhancing administrative infrastructure, systems and processes; (vii) improving our operational, financial and management controls, compliance programs, and reporting systems; and (viii) addressing new market and potentially unforeseen challenges as they arise. If we fail to respond to these challenges and manage our growth effectively, our revenue may decline or fail to grow, our business, results of operations, financial condition, and prospects may be adversely affected.

Increases in costs or shortages of raw materials could have an adverse impact on our profitability and cash flows.

The cost of production of our products depends upon the prices and availability of raw materials, which have a significant impact on our cost of sales. Our principal raw materials include battery cells, which represent the largest single cost component, along with PCS equipment, structural components, electronic components, and auxiliary materials. Prices of battery cells fluctuated during the Track Record Period, see “Industry Overview — Competitive Landscape of the European BESS Industry — Raw Material Price Analysis” for more details, and are subject to market supply and demand dynamics, global demand for key materials, and macroeconomic conditions.

RISK FACTORS

Furthermore, we rely on a limited number of suppliers for our production, including a small number of key battery cell suppliers. A significant interruption in the operations of any of these suppliers, or any material misconduct or disputes involving our suppliers, could adversely affect our business, results of operations, financial condition, and prospects.

If our products and services do not meet customer expectations in terms of quality, availability, and user experience, or if our products suffer from undetected defects, errors, or bugs in hardware or software, our business, results of operations, financial condition, and prospects may be adversely affected.

We may fail to provide quality products and services if we fail to continue to innovate on product design, maintain a widespread service network, handle customer complaints properly, or offer appropriate after-sale services, or if there are technical errors or other incidents affecting our solutions, among others. If we do not quickly resolve such issues, our ability to retain customers or sell additional products and services to existing customers could suffer, and our brand and reputation could be harmed, which in turn could adversely affect our business, results of operations, financial condition, and prospects. Moreover, we believe BESS solutions are highly scenario-specific, and our ability to offer functions that tailor to different needs are highly critical to our ability to attract and retain customers. If we cannot offer functions that cater to customers’ evolving demand, or our competitors are better at addressing these requirements, we may lose our customers and our business, results of operations, financial condition, and prospects may be adversely affected. In addition to failing to provide satisfactory products and services to our customers, we may not be able to maintain our relationship with them for various other reasons, which include our customers’ own business model, the availability of comparable solutions from competitors, and macroeconomic factors. Any adverse development in these respects may adversely affect our customer base, and in turn affect our business, results of operations, financial condition, and prospects.

Furthermore, due to the complex product development and production process, our products may contain undetected defects or failures, which may be difficult to detect at an early stage of the production process and often are time-consuming, expensive, or impossible to correct. Any such defects or errors, or the perception of such defects or errors, or other performance problems could result in, among other things, (i) expenditure of significant financial and product development resources, including recalls, in efforts to analyze, correct, eliminate, or work around errors or defects; (ii) loss of existing or potential customers or other business partners or customers; (iii) interruptions or delays in sales; (iv) delayed or lost revenue; (v) delay or failure to attain market acceptance; (vi) delay in the development or release of new functionality or improvements; (vii) negative publicity and reputational harm; (viii) sales credits or refunds; (ix) exposure of confidential or proprietary information; (x) diversion of development and customer service resources; (xi) breach of warranty claims; (xii) legal claims under applicable laws, rules and regulations; and (xiii) the expense and risk of litigation, any of which may adversely affect our business, results of operations, financial condition, and prospects.

A limited number of customers account for a substantial portion of our revenue, and any decrease in, or loss of, business from any of them could significantly harm our results of operations.

A limited number of customers have accounted for a substantial portion of our revenue during the Track Record Period. In 2023, 2024, and 2025, the aggregate revenue generated from our five largest customers in each year during the Track Record Period was RMB320.2 million, RMB272.6 million, and RMB356.1 million, representing 70.9%, 55.2%, and 50.6% of our total revenue, respectively. In the same periods, revenue generated from our largest customer in each year during the Track Record Period was RMB209.5 million, RMB76.8 million, and RMB160.3 million, representing 46.4%, 15.6%, and 22.8% of our revenue, respectively. Although our customer concentration decreased during the Track Record Period as our business scale expanded and we entered new markets, we expect that we will continue to be dependent upon a limited number of customers for a meaningful portion of our revenues in the foreseeable future.

RISK FACTORS

We cannot guarantee that we will always receive favorable treatment in our collaborations with these customers who have substantial negotiating power arising from the large order volumes they place. Such customers are in a strong position to negotiate commercial terms including pricing, payment terms, delivery schedules, warranty obligations, and other contractual terms, any of which could adversely affect our profitability. Furthermore, we have no exclusivity arrangements with our major customers, all of whom maintain relationships with alternative suppliers. As a result, our existing customers are under no obligation to continue placing orders with us.

The loss of one or more major customers, a significant reduction in purchase orders from any major customer, or the failure to secure sufficient new customers to maintain or grow our revenue would materially and adversely affect our business, results of operations, financial condition, and prospects. In addition, as we drive sales of products with higher profit margins in the long term and expand our sales and service network, we cannot guarantee that such growth initiatives, strategies, and operating plans will successfully enhance our business as anticipated. Their execution may require significant investments and may face implementation challenges, potentially leading to delays or cost overruns.

We rely on a limited number of suppliers for our production. A significant interruption in the operations of our suppliers could potentially affect our operations and any material misconduct or disputes involving our suppliers could adversely affect our business, results of operations, financial condition, and prospects.

In 2023, 2024, and 2025, aggregate purchases from our five largest suppliers in each year during the Track Record Period were RMB239.5 million, RMB258.7 million, and RMB371.6 million, accounting for 74.7%, 68.4%, and 61.1% of our total amount of goods purchased, respectively. In the same periods, purchases from our largest supplier in each year during the Track Record Period were RMB187.5 million, RMB142.7 million, and RMB219.7 million, accounting for 58.5%, 37.7%, and 36.1% of our total amount of goods purchased, respectively. See “Business — Major Customers and Suppliers — Major Suppliers” for more information. Certain of our suppliers are subject to various regulations and are required to obtain and maintain various qualifications, government licenses, and approvals. If any of these suppliers loses its qualification or eligibility because of its failure to comply with regulatory requirements, we may not be able to find alternative suppliers in a timely manner or at all.

As we continue to expand overseas, some of our suppliers may be located outside China or may import certain equipment and materials from manufacturers located outside China and resell to us. As a result, trade or regulatory embargoes imposed by foreign countries or China could also result in delays or shortages that could adversely affect our business. Moreover, general economic conditions could also adversely affect the financial viability of our suppliers, resulting in their inability to provide materials and services used in our operations. In addition, suppliers may fail to supply products that meet our quality standards. If we are unable to identify alternative materials or suppliers and secure approval for their use in a timely manner, our business, results of operations, financial condition, and prospects could be adversely affected. Any change in suppliers could require significant effort or investment in circumstances where the items supplied are integral to product performance or incorporate unique technology, and the loss of any existing supply contract could have an adverse effect on us.

We benefit from a number of government incentives and preferential tax treatments, and any reduction, modification, or elimination of such benefits, or any adverse change in domestic energy storage regulatory policy, could harm our business.

Governments in China and abroad provide rebates, tax credits, and other incentives that support green and new energy technologies, such as solar power and EVs, which are part of the ESS ecosystem. We recorded government grants of RMB7.4 million, RMB2.3 million, and RMB1.8 million in 2023, 2024, and 2025, respectively.

RISK FACTORS

Additionally, we qualified as a High and New Technology Enterprise and were entitled to a preferential income tax rate of 15% during the Track Record Period. This preferential status is subject to triennial re-certification, with the next review due at the end of 2026. While we believe the renewal risk is low given our ongoing R&D activities and technology profile, we cannot guarantee that we will continue to be recognized as a High-Tech Enterprise. Failure to recertify could result in our Shenzhen subsidiary being subject to the standard 25% EIT rate, which would substantially increase our tax burden and materially and adversely affect our results of operations and financial performance. We are also subject to risks of uncertainties in tax treatment, such as developments in tax laws and regulations or practices of local tax authorities in the countries, regions, or municipalities where we have operations.

There is no assurance that the government incentives and preferential tax treatments from which we benefited during the Track Record Period are not reduced, eliminated, amended, or exhausted in the future. For example, China’s Ministry of Finance and the SAT have progressively reduced the export tax rebate rate for certain photovoltaic products and batteries. Effective December 2024, the rebate rate was reduced from 13% to 9%, followed by a further reduction to 6% effective April 2026. It has been announced that the export tax rebate for these products will be eliminated entirely effective January 2027. Such changes in China’s export tax rebate rate policy had and are expected to continue to have an adverse effect on our pricing strategies and profitability, particularly in 2026. Any further reduction or removal of similar support or government incentives or preferential tax treatments could have a material and adverse effect on our pricing strategies, profitability, and financial results.

Our future success and growth potential are dependent on our ability to successfully commission and ramp up production at our Changzhou production base, and any failure or delay in doing so would materially and adversely affect our ability to achieve our revenue targets.

Our ability to maintain our growth depends on the successful commissioning and production ramp-up of our new Changzhou production base located in the Changzhou National High-Tech Zone, Jiangsu Province. The Changzhou base is being developed in two phases, with a long-term designed capacity of 15GWh. The Phase I of the Changzhou base is expected to commence commercial production in or around the fourth quarter of 2026. The near-term production target for the Phase I of the Changzhou base is approximately 6GWh.

Our production capacity expansion plans are subject to interruptions caused by risks commonly associated with large construction and expansion projects, such as adverse weather conditions, natural disasters, accidents, unforeseen circumstances, contractor performance, and other factors beyond our control. Even if the Changzhou production base is completed on schedule, our ability to ramp up production to the levels required to meet our revenue targets is subject to additional uncertainties, including the timely recruitment and training of new production workers, the successful commissioning of automated and semi-automated production lines, the procurement of sufficient raw materials and components, and the successful qualification of the products by our customers.

Furthermore, expanding our production capacity is costly. We intend to allocate a significant portion of the [REDACTED] from the [REDACTED] to production capacity expansion, including the Changzhou production base and overseas production bases; however, such [REDACTED] may not be sufficient to cover cost overruns, changes in project scope, delays, higher equipment or construction costs, or other funding needs, and our ability to obtain additional capital to fund any shortfall is subject to a number of uncertainties, including those relating to our future business development, financial condition and results of operations, general market conditions for financing activities by companies in our industry, and macroeconomic and other conditions in China and globally. If we cannot obtain sufficient capital on acceptable terms to meet our needs, we may not be able to execute our growth strategies.

RISK FACTORS

If we fail to achieve the designed capacity expansion at the Changzhou base on time, or if the Changzhou base is underutilized, our ability to fulfill orders, meet customer demand, and achieve our stated financial targets could be materially impaired. Any of the foregoing circumstances could have a material and adverse effect on our business, results of operations, financial condition, and prospects.

We are subject to economic sanctions risks across multiple jurisdictions, which could materially and adversely affect our business.

Our Group conducts business across multiple jurisdictions, including but not limited to China, the EU, the United Kingdom, and the United States. As a result, we are subject to, or may become subject to, economic and trade sanctions laws and regulations administered by various governmental authorities, including the United Nations, the EU, the United States (including sanctions administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control), the United Kingdom and other applicable jurisdictions. These sanctions regimes prohibit or restrict transactions with certain countries, regions, governments, entities and individuals that are designated on applicable sanctions lists. They also restrict certain activities, including the provision of goods, services, technology, and financial resources, to or from sanctioned targets. The scope and interpretation of sanctions laws are continuously evolving and may be expanded or modified at any time. Compliance with these evolving requirements may impose additional costs, restrict our ability to conduct business in certain markets, and require changes to our business practices, supply chain, or customer relationships.

Our suppliers, customers and other business counterparties, whether in China or overseas, may themselves be subject to sanctions or other restrictions. Any failure to timely identify and manage sanctioned or other high-risk counterparties, or any designation of us or our counterparties on an applicable sanctions list or finding of a violation of applicable sanctions laws, could expose us to investigations, significant penalties, including fines, restrictions on business activities, revocation of export or import privileges, or criminal proceedings, additional regulatory scrutiny, and reputational damage. Any such events could materially and adversely affect our business operations, financial condition, results of operations, and prospects. Additionally, the costs of monitoring and ensuring compliance with applicable sanctions laws and any required changes to our business practices to ensure compliance could be significant.

We are subject to the applicable laws and regulations relating to data security and privacy protection and may face relevant legal or administrative proceedings, which may adversely affect our reputation and business operations.

We are subject to laws and regulations relating to data security and privacy protection, including restrictions on the collection, usage and storage of personal information and requirements to take steps to prevent personal data from being divulged, stolen or tampered with. In addition, we may be influenced by misconduct of our employees or third parties, such as misappropriating or illegally disclosing confidential information obtained in our business operations. Regulatory requirements on data security and privacy protection are constantly evolving, resulting in uncertainties about the scope of our responsibilities in that regard. We cannot guarantee that relevant interpretation or implementation of the laws or regulations will not adversely affect us. We may also become subject to legal proceedings, regulatory actions or penalties relating to data security and privacy protection, which may further adversely affect our business, financial condition and results of operations.

Our IT infrastructure may experience unexpected system failure, interruption, inadequacy, or security breaches.

Our IT infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload. We may encounter problems when upgrading our systems or services and undetected programming errors, which could adversely affect the performance of our operating systems and user experience.

RISK FACTORS

Our business depends on the performance and reliability of the internet infrastructure in the countries and regions in which we operate. We rely on this infrastructure to provide data communications primarily through local telecommunication lines and wireless networks. We cannot assure you that a sophisticated internet infrastructure will be maintained, and we may not have access to alternative networks on a timely basis, if at all, in case of disruptions, failures, or other problems.

We also utilize information technology systems, including third-party systems, to process operational and financial information and to comply with regulatory, legal, and tax requirements. We depend on information technology for electronic communications between our personnel, customers, and suppliers. We cannot guarantee that our IT systems or the third-party IT systems that we use will function properly or will not experience any suspension or disruption.

In particular, our IT systems may be vulnerable to interruptions, including during the process of upgrading or replacing software, databases or components, natural disasters, terrorist attacks, telecommunications failures, computer viruses, cyber-attacks, hackers, unauthorized access attempts, and other security issues. The IT security initiatives and disaster recovery plans we have implemented may not be adequate. Any significant failure of our systems, including failures that prevent our systems from functioning as intended, could cause leakage of personal data of our customers, loss of trade secrets, disruption to our services, and loss of customers and sales, and may have negative impact on our operations or business reputation.

Security breaches and attacks against our systems and network, and any potential breaches or failure to otherwise protect personal, confidential and proprietary information, could damage our reputation and negatively impact our business.

Our cybersecurity measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks, and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of customer information, or a denial of service or other interruption to our business operations.

As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, we may be unable to anticipate, or implement adequate measures to protect against these attacks. We have in the past and are likely again in the future to be subject to these types of attacks. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyberattacks. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liability, our reputation would be harmed, and we could face substantial loss and customer dissatisfaction.

Failure to comply with labor laws and regulations may adversely affect our business and results of operations.

We are required by the local laws and regulations to comply with various requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employee’s probation, and unilaterally terminating labor contracts. In the event that we decide to terminate employment contracts with some of our employees or otherwise change our employment or labor practices, the relevant local laws and regulations, such as the PRC Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

RISK FACTORS

In accordance with relevant PRC laws and regulations, an employer shall pay basic pension insurance, basic medical insurance, work related injury insurance, unemployment insurance, maternity insurance, and housing provident fund (collectively, the “Employee Benefits”) for its employees in accordance with the rates and bases provided under relevant regulations and shall withhold the Employee Benefits that should be assumed by its employees. As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practices do not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. We cannot assure you that the relevant governmental authorities will not require us to rectify any such non-compliance and/or impose late fees or fines on us, which may adversely affect our business, financial condition, and results of operations.

Our insurance coverage may be insufficient to cover all risks involved in our business operations.

We have obtained insurance to cover certain potential risks and liabilities. However, we may not be able to acquire any insurance for certain types of risks such as business liability or business interruption insurance for all of our operations, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. For example, we do not maintain key-man life insurance. Any business disruption, litigation, regulatory action, outbreak of diseases, or natural disaster, or disputes or liabilities arising from our business could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition, and results of operations could be materially and adversely affected.

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

We have established risk management and internal control systems consisting of relevant organizational frameworks, policies, procedures, and risk management methods in order to manage our risk exposure, primarily including market risk, credit risk, liquidity risk, operational risk, compliance risk, and legal risk, and we expect to continue to improve such risk management and internal control systems from time to time. See “Business — Internal Control and Risk Management” for further details.

However, our risk management and internal control systems may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks, including risks that are unidentified or unanticipated. We will become a [REDACTED] upon completion of the [REDACTED], and our internal controls will be essential to the integrity of our business and financial results. Our [REDACTED] reporting obligations are expected to place a strain on our management, operational, and financial resources and systems in the foreseeable future. If we encounter difficulties in improving our internal controls and management information systems, we may incur additional costs and management time in meeting our improvement goals. We cannot assure you that the measures taken to improve our internal controls will be effective. If we fail to maintain effective internal controls in the future, our business, financial condition, results of operation, and reputation may be materially and adversely affected.

Our risk management capabilities are also limited by the information, tools, or technologies available to us. If our internal control system fails to detect potential risks in our business as intended, or is otherwise exposed to weaknesses and deficiencies, our business, financial condition, and results of operations could be materially and adversely affected. Effective implementation of our risk management and internal controls policies and procedures also depends on effective implementation by our employees. There can be no assurance that such implementation by our employees will always function as intended, or such implementation will not be subject to human

RISK FACTORS

errors, mistakes, or intentional misconduct. If we fail to implement our policies and procedures in a timely manner, or fail to identify risks that affect our business with sufficient time to plan for contingencies for such events, our business, financial condition, and results of operations could be materially and adversely affected.

We may not be able to fully protect our intellectual property rights.

We face challenges in protecting our intellectual property rights and enforcing corresponding contractual rights. We rely on a combination of patents, trademarks, copyrights, and trade secrets, as well as confidentiality procedures and contractual provisions, to protect our intellectual property rights. We also enter into confidentiality agreements with our employees and third parties who may access our proprietary information, and we take security measures to control access to our proprietary technology and information. We might not be able to obtain broad protection for all of our intellectual property. The protection of our intellectual property rights may require the expenditure of significant financial, managerial, and operational resources. The process of obtaining intellectual property protections can be expensive and time-consuming, and we may not be able to pursue all necessary or desirable actions at a reasonable cost or in a timely manner.

In addition, policing any unauthorized use of our intellectual property is difficult, time-consuming, and costly and the steps we have taken may be inadequate to prevent the misappropriation of our intellectual property. Confidentiality agreements may be breached by counterparties, and they may use our intellectual property without authorization. In the event that we resort to litigation to protect our intellectual property rights, litigation could result in substantial costs and a diversion of our managerial and financial resources. There can be no assurance that we will prevail in any litigation. Furthermore, the intellectual property protection mechanisms that we rely on may not be sufficient in the jurisdictions in which we operate. For example, effective intellectual property protection may not be available in every country in which we currently, or in the future, will operate.

The degree of future protection afforded by our intellectual property rights is uncertain. Intellectual property rights have time and geographical limitations and may not adequately protect our business, or permit us to maintain our competitive advantage. The following examples are illustrative:

- others may be able to independently develop similar or alternative technologies or designs that are similar to our services and products but are not covered under the patents that we own;
- we might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own, which could result in the patent applications not being issued or being invalidated after issuance;
- we are exposed to risks of unauthorized use of our trademarks by third parties;
- we may fail to apply for or obtain adequate intellectual property protection in all the jurisdictions in which we operate; and
- the patents of others may have an adverse effect on our business.

Any of the aforementioned threats to our competitive advantage could have a material adverse effect on our business. If we fail to protect or enforce our intellectual property rights, our customers and partners may devalue our services, and our ability to compete effectively may be impaired, which could have a material adverse effect on our business, financial condition, and results of operations.

RISK FACTORS

We may be subject to intellectual property infringement claims, which may be expensive and time-consuming to defend and may disrupt our business and operation by diverting our financial and management resources.

We cannot be certain that third parties will not claim that our business infringes upon or otherwise violates patents, copyrights, or other intellectual property rights that they hold. We may be involved in litigation in respect of our products and services in relation to allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation, and other violations of other parties’ rights. The validity, enforceability, and scope of protection of intellectual property rights are not consistently developed in the jurisdictions where we operate. We may face allegations that we have infringed on the patents, trademarks, copyrights, and other intellectual property rights of third parties. As we face increasing competition and as litigation becomes a more common method for resolving commercial disputes, we face a higher risk of being the subject of intellectual property infringement claims. Defending against intellectual property claims is costly and can impose a significant burden on our management and resources, and favorable final outcomes may not be obtained in all cases. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our services to reduce the risk of future liability, may have a material adverse effect on our business, results of operations and prospects.

We may not be able to obtain additional funding on acceptable terms or at all, which may affect our ability to expand our business or meet unforeseen contingencies.

We may need additional funding to fund our operations or expansion plans. Our expansion plans may change due to changing circumstances or unforeseen contingencies. Any change in our expansion plans may require us to obtain additional external debt or equity financing. If we are unable to obtain such financing, or are unable to obtain such financing in a timely manner on commercially acceptable terms, we may not be able to expand our business and our operations may be adversely affected. The availability of external funding is subject to various factors, including government approvals, prevailing capital market conditions, credit availability, interest rates, and our business performance, some of which are beyond our control. Our inability to procure additional financing in a timely manner on terms commercially acceptable to us could materially and adversely affect our business, results of operations financial conditions and expansion plans.

We rely on third parties to manufacture certain components of our products.

We have engaged third-party contract manufacturers for certain production processes of our products. The services provided by these third-party suppliers could be interrupted by various factors beyond our control, such as sub-standard production quality, poor workmanship, natural disasters, pandemics, adverse weather conditions, social unrest, labor strikes, and mishandling of products. Any delays, losses, or damages may result in loss of customers, sales, and turnover, which may adversely affect our business, financial condition, and results of operations.

We face exposure to foreign currency exchange rate fluctuations, and such fluctuations could adversely affect our business, operating results, and financial condition.

As we continue to expand our international operations, we will become increasingly exposed to the effects of fluctuations in currency exchange rates. During the Track Record Period, most of our revenue was denominated in euros and U.S. dollars, while our expenditures were primarily denominated in Renminbi. Because we conduct business in currencies other than Renminbi but report our operating results in Renminbi, we also face translation exposure to fluctuations in currency exchange rates, which could hinder our ability to predict our future results and earnings and could impact our operating results. In 2023, 2024, and 2025, we recorded net foreign exchange losses of RMB0.2 million and net foreign exchange gains of RMB2.6 million, and net foreign exchange gains of RMB1.8 million, respectively.

RISK FACTORS

During the Track Record Period, we have leveraged certain hedging measures, such as forward currency contracts and foreign currency options, in an effort to reduce our exposure to foreign exchange risks, and we may maintain or further enhance our hedging policies in the future. However, the availability and effectiveness of these hedging measures may be limited, and we may not be able to adequately cover our exposure or at all.

In addition, as the [REDACTED] from the [REDACTED] will be in Hong Kong dollars, fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the [REDACTED] from the [REDACTED]. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our PRC subsidiaries. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar, U.S. dollar, or euro would affect our financial results in Renminbi terms without giving effect to any underlying change in our business or results of operations.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China’s foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the Renminbi and other currencies in the future.

We are exposed to credit risks related to our trade and bills receivables.

We face credit risks attributable to our trade and bills receivables due from our customers for goods sold or services performed in the ordinary course of our business. The net carrying amount of our trade and bills receivables as of December 31, 2023, 2024, and 2025 was RMB31.6 million, RMB130.7 million, and RMB157.9 million, respectively. In 2023, 2024, and 2025, our average trade and bills receivables turnover days were 55, 67, and 83 days, respectively. The fluctuation and extension of trade and bills receivable turnover may have a material and adverse effect on our cash flow and liquidity position. See “Financial Information — Description of Major Line Items in our Consolidated Statement of Financial Position — Trade and Bills Receivables” for more information.

Our finance department monitors credit risk and overdue balances for trade and bills receivables are regularly reviewed by our senior management. As there is limited financial or public information on many of our counterparties, we cannot assure you that all of our counterparties are creditworthy and reputable and will not default on us in the future, despite our efforts to conduct credit assessments on them. As a result, we are exposed to risks that our counterparties may fail to fulfill their obligations to us under our contracts.

In addition, there may be a risk of delay in payment by our customers within their respective credit periods, which in turn, may also result in an impairment loss provision. There is no assurance that we will be able to fully recover our trade and bills receivables from the customers or that they will settle our trade and bill receivables in a timely manner. In the event that settlements from customers are not made on a timely manner, or at all, our financial condition and results of operations may be materially and adversely affected.

Failure to maintain optimal inventory levels could increase our inventory holding costs.

If we fail to estimate the sales of our products or our consumption of supplies, we may be exposed to increased inventory risks due to the accumulation of excess inventory of our products or supplies as a result of reasons such as slow-moving inventory. An unexpected decrease in the market demand for the products we sell could lead to excessive or obsolescent inventory, and we may be forced to offer discounts to dispose of slow-moving inventory, which in turn may materially and adversely affect our financial condition and results of operations.

RISK FACTORS

We recorded net cash used in operating activities in 2024 and may experience negative operating cash flows in the future.

In 2023, 2024, and 2025, we had net cash flows from operating activities of RMB172.5 million, net cash used in operating activities of RMB33.1 million, and net cash flows from operating activities of RMB189.2 million, respectively. Our net cash used in operating activities in 2024 was primarily attributable to unfavorable working capital movements, including an increase in trade and bills receivables of RMB106.5 million, an increase in inventories of RMB43.7 million, an increase in prepayments, other receivables and other assets of RMB25.0 million and a decrease in trade and bills payables of RMB10.3 million, partially offset by an increase in contract liabilities of RMB45.2 million and a decrease in restricted bank deposits of RMB43.6 million. We may experience negative operating cash flows in future periods if we are unable to manage working capital, customer collections, inventory levels, or supplier payment terms, which could materially and adversely affect our liquidity, financial condition, and ability to fund operations and expansion plans.

We may incur significant costs relating to the warranties we provide for our BESS, and our provisions to cover future potential claims under our product warranties may be insufficient.

We generally provide product warranties ranging from one to five years, see “Business — Sales and Marketing — Warranties for Our Products and Solutions” for more details. We have a provision for these potential warranty expenses, which is based on our historical maintenance expenses incurred and management’s estimates of future warranty costs. As of December 31, 2023, 2024, and 2025, our provision was RMB10.6 million, RMB11.8 million, and RMB14.9 million, respectively. There is no assurance that future warranty claims will be consistent with past history. In the event that we experience a significant increase in warranty claims, there is no assurance that our provision will be sufficient. This could have a material adverse effect on our business, financial condition and results of operations.

Failure to retain the services of our senior management and key personnel could severely disrupt our business and growth.

Our success significantly depends upon the continued service of our senior management and key personnel. If we lose any of our senior management and key personnel we may not be able to identify, hire, and train suitable qualified replacements and may incur additional expenses and time to recruit and train new personnel, which could severely disrupt our business and growth. In addition, although each member of our senior management has signed a non-compete agreement with us, we may not always be able to successfully enforce these provisions should any of them leave us. Any of the above events could severely disrupt our business and growth.

Failure to comply with any restrictive covenants of our indebtedness could have an adverse effect on our cash flow and liquidity.

Under any debt financing arrangement that we may enter into in the future, we may be subject to certain covenants that could, among other things, restrict our business and operations and impose certain financial requirements. If we breach any of these covenants, our lenders may be entitled to accelerate our debt obligations. Any default under our debt obligations could require that we repay these debts prior to maturity, and may also limit our ability to obtain additional financing, which in turn may have a material adverse effect on our cash flow and liquidity.

The lease for our Dongguan facility has not been registered with the relevant authorities, and any defects in or challenges to the title or our right to use the facility could adversely affect our operations.

We lease our Dongguan facility at No. 8 Dongshan Mumian Yiheng West Road, Qishi Town, Dongguan, Guangdong Province from Guangdong Kaisheng Technology Development Co., Ltd. for new energy manufacturing, with a leased area of 36,950.00 m² and a lease term from June 1, 2023 to May 31, 2033. The relevant property has an immovable property ownership certificate, but the lease registration filing for such property had not been completed as of the Latest Practicable Date.

RISK FACTORS

Under the applicable PRC regulations, after a property lease contract is entered into, the parties to the lease are required to complete lease registration with the relevant construction or real estate authority within 30 days. Failure to complete such registration may result in an order to rectify, and if a party that is a legal entity fails to rectify within the stipulated deadline, it may be subject to a fine ranging from RMB1,000 to RMB10,000. Although the failure to complete lease registration does not affect the validity of the lease contract under the Civil Code, and we had not been ordered to rectify or fined in connection with the unregistered Dongguan lease as of the Latest Practicable Date, there is no assurance that we will not be required to complete the registration filing or become subject to penalties in the future. If we are unable to continue using the Dongguan facility on commercially acceptable terms, or if any dispute arises as to the lessor’s property title or our leasehold rights, our production and business operations may be disrupted, and our business, financial condition, and results of operations may be adversely affected.

We may be subject to additional contributions of social insurance and housing provident funds and late payment fees or fines imposed by relevant governmental authorities.

Companies operating in China are required to participate in various employee benefit plans, including social insurance and housing provident funds. Under applicable PRC laws and regulations, if an employer fails to pay social insurance contributions in full and on time, the social insurance contribution collection institution may order it to pay or make up the shortfall within a prescribed period and impose late payment fees of 0.05% per day from the date of default; if the employer still fails to pay within the prescribed period, the relevant administrative authorities may impose a fine of one to three times the overdue amount. If an employer fails to pay or underpays housing provident fund contributions, the housing provident fund management center may order it to make the required contributions within a prescribed period; if it still fails to do so, compulsory enforcement by a court may be sought.

During the Track Record Period, we and our PRC subsidiaries did not fully pay social insurance and housing provident fund contributions based on employees’ total wages as the contribution base. Beginning in 2026, we and our PRC subsidiaries gradually standardized our contribution practices. As of the Latest Practicable Date, no competent human resources and social security or housing provident fund authority had issued any notice or order to us or our PRC subsidiaries requiring payment or rectification in respect of such underpayments, and we and our PRC subsidiaries had not been subject to administrative penalties in this respect. We have confirmed that, if we receive any notice from the competent authorities requiring payment of social insurance or housing provident fund contributions, we will make the required payments.

Although our PRC Legal Advisor is of the view that the risk of us and our PRC subsidiaries being proactively required by competent authorities to pay outstanding social insurance and housing provident fund contributions and being penalized for the underpayments during the Track Record Period is remote, there can be no assurance that the relevant authorities will not require us to make additional contributions or impose late payment fees or fines in the future. If we are required to make additional contributions, pay late payment fees or fines, or incur material expenses or operational disruptions in connection with social insurance or housing provident fund matters, our business, financial condition, and results of operations may be materially and adversely affected.

We are subject to risks related to properly and timely obtaining and maintaining the requisite licenses, permits, registrations, and filings applicable to our business according to evolving legal requirements.

Under the applicable laws and regulations in China and overseas markets, we are required to obtain or complete a number of licenses, approvals, registrations, filings, and other permissions for our operation.

With respect to the Changzhou production base, we have communicated with the relevant local regulatory authorities and are preparing to apply for the approval of environmental impact assessment. Under applicable PRC laws and regulations, failure to obtain the approval may result in orders to cessation of construction, fines ranging from 1% to 5% of relevant investment amount, and/or orders to restore the site to its original condition. Our PRC Legal Advisor has informed us that the relevant regulatory authorities have not identified any anomalies that would affect our

RISK FACTORS

ability to obtain the approval, and is of the view that the risk of us being required to take the aforementioned regulatory actions is remote. Nevertheless, there can be no assurance that we will be able to obtain such approval in a timely manner or at all, or that we will not be subject to penalties or other regulatory actions imposed by the relevant authorities.

Save as disclosed above, as of the Latest Practicable Date, we obtained all requisite licenses, approvals, and permits from relevant authorities that are material to our operations, and we expect that there is no material legal impediment to the renewal of such licenses, approvals, and permits. As a fast-growing company that is continuously exploring new approaches to conduct our business and capture growth opportunities, we may become subject to additional license, approval, and other requirements as we develop and expand our business scope and engage in different business activities. We may fail to meet such requirements timely or at all, in which case we may be subject to administrative penalties and our ability to expand our business and sustain our growth may be materially affected. In addition, certain licenses, permits, or registrations we hold are subject to periodic renewal. If we fail to maintain or renew one or more of our licenses and certificates when their current term expires, or obtain such renewals on a timely manner, our operations could be disrupted. If any of these risks materializes, our business, results of operations, financial condition, and prospects may be adversely affected.

Our business growth and results of operations may be adversely affect by changes in global and regional macroeconomic conditions, force majeure events, natural disasters, pandemics, acts of war or terrorism, or the occurrence of other incidents that are beyond our control.

Uncertainties about global and regional macroeconomic conditions including fluctuation of interest rates, inflation level, conditions in the industries in which we operate, unemployment, labor and healthcare costs, access to credit, consumer confidence and other factors beyond our control may pose risks and materially and adversely affect the demand for our products.

In addition, natural disasters such as floods, earthquakes, fire or drought, the outbreak of a widespread health epidemic, acts of war, terrorism or other force majeure events beyond our control may disrupt our R&D, manufacturing, supply chain management, and business operations, all of which could adversely affect our business, results of operations, financial condition, and prospects. Ongoing geopolitical instability in the Middle East, including recent military conflict involving Iran, Israel and the United States, could adversely affect global economic conditions, financial markets and investor sentiment. In February 2026, military strikes by the United States and Israel against Iranian targets, followed by retaliatory actions by Iran, significantly increased geopolitical tensions in the Middle East. The situation remains volatile and unpredictable, and any further escalation could adversely affect global markets, commodity prices, supply chains and investor confidence. In particular, this conflict could disrupt oil and natural gas supplies, particularly if shipping through the Strait of Hormuz is interrupted, leading to increased energy prices, inflationary pressures and adverse macroeconomic conditions.

We may be unable to detect, deter, and prevent all instances of fraud or other illegal actions and misconducts committed by our employees, suppliers, or other third parties.

We may be exposed to fraud, bribery, or other misconduct committed by our employees, suppliers, or any other third parties that could subject us to financial losses, liabilities, and sanctions imposed by governmental authorities, which may adversely affect our reputation. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material instances of fraud, bribery, and other misconduct involving employees, suppliers, and other third parties. However, we cannot assure you that there will not be any such instances in the future and we may be unable to prevent, detect, or deter all such instances of misconduct. Any such misconduct committed against our interests, which may include undetected past acts or future acts, may have a material and adverse effect on our business, results of operations, financial condition, and prospects.

RISK FACTORS

We are subject to risks relating to litigation and disputes, which could adversely affect our business, results of operations, financial condition, and prospects.

We may be subject to claims, litigation and disputes and various legal and administrative proceedings, and, as a result, penalties and new claims may arise in the future. In addition, agreements we entered into sometimes include indemnification provisions which may subject us to costs and damages in the event of a claim against an indemnified third party. Regardless of the merit of particular claims, legal and administrative proceedings, such as litigations, injunctions, and governmental investigations, may be expensive, time consuming, or disruptive to our operations and distracting to management.

Our Directors have confirmed that, during the Track Record Period and up to the Latest Practicable Date, there were no legal or administrative proceedings pending or threatened against us or any of our Directors that could, individually or in the aggregate, have a material effect on our business, financial condition, or results of operations. However, new legal or administrative proceedings and claims may arise in the future and the current legal or administrative proceedings and claims we face are subject to inherent uncertainties. If one or more legal or administrative matters were resolved against us or an indemnified third party for amounts in excess of our management’s expectations, our business, results of operations, financial condition, and prospects could be materially and adversely affected. Further, such an outcome could result in significant compensatory or punitive monetary damages, disgorgement of revenue or profits, remedial corporate measures, injunctive relief, or specific performance against us that could materially and adversely affect our business, results of operations, financial condition, and prospects. For further details regarding our legal proceedings and compliance matters, see “Business — Legal Proceedings and Compliance”.

We may be adversely affected by any negative publicity concerning us and our business, shareholders, affiliates, directors, officers, other employees, business partners, other third parties as well as the industry in which we operate, regardless of its accuracy, that could harm our reputation and in turn adversely affect our business, results of operations, financial condition, and prospects.

Maintaining and enhancing our reputation and brand recognition is crucial to our relationships with customers, distributors, installers, and ESS industry participants. Any loss of trust in our products and services could diminish our brand value, impacting revenue and profitability. Our position as a trusted BESS solutions provider relies on product quality, end-user satisfaction, and effective marketing and brand promotion. Negative perceptions or publicity about us and our business, shareholders, affiliates, directors, officers, employees, business partners, other third parties, as well as the industry in which we operate, even if factually incorrect or based on isolated incidents, could erode trust and confidence and damage our reputation among existing and potential customers. In turn, this could decrease the demand for our products, increase regulatory scrutiny and detrimentally affect our business.

In addition to traditional media, there has been an increasing use of social media platforms and similar devices globally, including instant messaging applications, social media websites, and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. Negative publicity concerning these parties could be related to a wide variety of matters, including, but are not limited to (i) alleged misconduct or other improper activities committed by our directors, officers, and employees, as well as our business partners; (ii) false or malicious allegations or rumors about us or our directors, shareholders, affiliates, officers, and employees; (iii) complaints by our customers about our products; (iv) security breaches of private customer or transaction data; (v) employment-related claims relating to alleged employment discrimination, wage and hour violations; and (vi) governmental and regulatory investigations or penalties resulting from our failure to comply with applicable laws and regulations. The availability of information on instant messaging applications and social media platforms is virtually immediate, as is its impact, without affording us an opportunity for redress or correction. The risks associated with any such negative publicity or incorrect information cannot be completely eliminated or mitigated and may materially harm our reputation, business, financial condition, and results of operations.

RISK FACTORS

Furthermore, our brand name and our business may be harmed by aggressive marketing and communication strategies by competitors and third parties. We may be subject to government or regulatory investigation or third-party claims as a result and we may be required to spend significant time and incur substantial costs to react to and address these consequences. There is no assurance that we will be able to effectively refute each of the allegations within a reasonable period of time, or at all. Additionally, public allegations, directly or indirectly, against us or our business partners, may be posted online by anyone on an anonymous basis. Social media platforms may not necessarily filter or check the accuracy of information before publishing them and we are often afforded little or no time to respond. As a result, our reputation may be adversely affected and our ability to attract and retain customers and maintain our market share and our financial conditions may suffer.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS IN WHICH WE OPERATE

We may be subject to the approval, filing, or other requirements of the CSRC or other PRC governmental authorities in connection with the [REDACTED] and future capital raising activities.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Administrative Measures**”) and five supporting guidelines, which became effective on March 31, 2023. The Trial Administrative Measures require, among other things, that PRC domestic enterprises that seek to issue and list securities in overseas markets, either directly or indirectly, file the required documents with the CSRC within three business days after their application for overseas listing is submitted.

On February 24, 2023, the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Archives Rules**”), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, whether in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. Failure to comply may materially affect our business, results of operations, or financial conditions.

If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures, or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for our future financing activities. These regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the proceeds from such future financing activities into the PRC, or take other actions to restrict our financing activities, any of which could have a material and adverse effect on our financial conditions and business prospects.

Changes in the political and economic policies of the jurisdictions in which we operate may materially and adversely affect our business, financial condition, and results of operations.

We are headquartered in Shenzhen, China, and all of our manufacturing operations are currently conducted in China, while our sales and other business operations are conducted across Europe, the United States, and other international markets. Accordingly, our business, financial condition, and results of operations may be influenced to a significant degree by political, economic, and social conditions in these markets.

RISK FACTORS

In some jurisdictions in which we operate, governments play a significant role in regulating industry development by imposing industrial policies and exercising control over economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policies, and providing preferential treatment to particular industries or companies. Governmental actions to control inflation and other policies and regulations have often involved, among other measures, price controls, currency devaluations, capital controls, and limits on imports. Growth of the economy in each of our geographic markets has been uneven, both geographically and among various sectors. An economic downturn, whether actual or perceived, a decrease in economic growth rates, or an otherwise uncertain economic outlook in any of the jurisdictions where we operate could have a material adverse effect on our business, financial condition, and results of operations.

Some of the markets in which we operate have experienced, and may in the future experience, political instability, including strikes, demonstrations, protests, or other types of civil disorder. These instabilities and any adverse changes in the political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations, or affect our ability to expand our customer base and enter new markets.

[REDACTED] may experience difficulties in effecting service of legal process and enforcing judgments against us and our Directors, supervisors, and senior management.

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

With respect of judgments rendered by Hong Kong courts, on January 18, 2019, the Supreme People’s Court and the Hong Kong Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**Arrangement**”), which came into effect on January 29, 2024, seeking to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the PRC. The Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. After the Arrangement became effective, a judgment rendered by a Hong Kong court can generally be recognized and enforced in the PRC even if the parties in the dispute do not enter into a choice of court agreement in writing. However, we cannot guarantee that all judgments made by Hong Kong courts will be recognized and enforced in the PRC, as whether a specific judgment will be recognized and enforced is still subject to a case-by-case examination by the relevant court in accordance with the Arrangement.

[REDACTED] may experience difficulties in enforcing judgments due to limited availability of reciprocal recognition and enforcement of judicial rulings and awards of certain other jurisdictions. In addition, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules.

We are subject to PRC foreign exchange controls, which may limit our ability to transfer funds between our entities, pay dividends, and otherwise deploy our capital.

The conversion of Renminbi into foreign currencies is subject to applicable laws and regulations in the PRC, and there is no guarantee that, under a given exchange rate, we will have sufficient foreign exchange to satisfy all of our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the

RISK FACTORS

SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Following the completion of the [REDACTED], we will, under existing regulations, be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies will continue in the future. Any insufficiency of foreign exchange may restrict our ability to pay dividends to Shareholders, satisfy other foreign exchange requirements, capitalize our capital expenditure plans, or fund our business operations, and may adversely affect our results of operations, financial performance, and business prospects.

Our operations are subject to PRC tax laws and regulations, and any dividends paid to non-PRC resident [REDACTED] on our H Shares, or gains on the sale of our H Shares, may be subject to PRC withholding tax.

We are subject to periodic examinations on the fulfillment of our tax obligations under PRC tax laws and regulations by PRC tax authorities. The PRC tax laws and regulations may be subject to interpretations and adjustments by relevant authorities, and future examinations by PRC tax authorities may result in fines, other penalties, or actions that could materially and adversely affect our results of operations, financial performance, and business prospects.

As a PRC enterprise, we are subject to PRC tax on our global income. Under the current PRC EIT Law and its implementation regulations, dividends paid by us to non-PRC resident enterprise holders of H Shares that do not have establishments or premises in China, or whose income is not related to their establishments or premises in China, are subject to PRC enterprise income tax at a withholding rate of 10%. We intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares. Non-PRC resident enterprises entitled to a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund is subject to PRC tax authorities’ approval.

With respect to non-PRC resident individual holders of H Shares, pursuant to existing regulations and circulars, individuals’ income from dividends paid by enterprises with foreign investment has been temporarily exempt from individual income tax, and income from the transfer of H Shares has also been temporarily exempt from individual income tax. However, there is no assurance that the PRC tax authorities will not change these practices, which could result in the levying of income tax on non-PRC resident individual holders on gains from the sale of our H Shares or on dividends received. The interpretation and application of existing applicable PRC tax laws and regulations may change, and new taxes may be imposed, which in either case may adversely affect the value of your investment in our H Shares.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares, and the [REDACTED] and [REDACTED] of our H Shares may be volatile.

Prior to the completion of the [REDACTED], there has been no [REDACTED] market for our H Shares. There can be no guarantee that an active [REDACTED] for our H Shares will develop or be sustained after the completion of the [REDACTED]. The [REDACTED] is the result of negotiations between our Company and the [REDACTED] (for itself and on behalf of the [REDACTED]), and may not be indicative of the [REDACTED] at which our H Shares will [REDACTED] following the completion of the [REDACTED]. The [REDACTED] of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

RISK FACTORS

The [REDACTED] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including the performance and share price fluctuations of other companies with business operations located mainly in PRC that have listed their securities in Hong Kong. A number of PRC-based companies have listed their securities, and some are in the process of preparing to list their securities, in Hong Kong. The trading performances of the securities of these companies at the time of or after their initial public offerings may affect the overall [REDACTED] sentiment towards PRC-based companies listed in Hong Kong, and consequently may impact the [REDACTED] performance of our H Shares. These factors may significantly affect the [REDACTED] and volume of our H Shares, regardless of our actual operating performance.

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

The [REDACTED] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [REDACTED], the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Pursuant to applicable PRC law, within one year following the [REDACTED], all existing Shareholders (including any pre-[REDACTED] investors) are prohibited from disposing of any Shares held by them. Due to this lock-up requirement, the [REDACTED] and volume of the H Shares in the short term following the [REDACTED] may be significantly affected.

Future sales, or perceived sales, of substantial amounts of our securities — including any future [REDACTED] — could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we [REDACTED] more securities in the future. New shares or securities [REDACTED] by us may also confer rights and privileges that take priority over those conferred by the H Shares.

You will incur immediate and substantial dilution and may experience further dilution if we [REDACTED] additional Shares in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of Shares in the [REDACTED] will experience an immediate dilution in consolidated net tangible asset value. To expand our business, we may consider further [REDACTED] and [REDACTED] additional Shares in the future. Purchasers of Shares in the [REDACTED] may experience dilution in the net tangible asset value per Share if we [REDACTED] additional Shares in the future at a [REDACTED] that is lower than the net tangible asset value per Share at that time.

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

Immediately upon the completion of the [REDACTED], our Controlling Shareholders will hold a controlling interest in our total issued Shares. Our Controlling Shareholders will, through their voting power at Shareholders’ meetings and their delegates or positions on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders, in their capacity of Shareholders, may not act in the best interests of our minority Shareholders. In addition, without the approval of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay, or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and may significantly reduce the [REDACTED] of our H Shares.

RISK FACTORS

There can be no assurance that we will declare and distribute any amount of dividends in the future.

Under PRC law, dividends may be paid only out of distributable profit. Distributable profit is our profit as determined under PRC Generally Accepted Accounting Principles (PRC GAAP) or IFRS Accounting Standards, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. Any distributable profits that are not distributed in a given year are retained and become available for distribution in subsequent years. The calculation of our distributable profits under PRC GAAP differs in certain respects from the calculation under IFRS Accounting Standards. As a result, our Company and our PRC operating subsidiaries may not be able to pay a dividend in a given year even if they have profits as determined under IFRS Accounting Standards but do not have distributable profits as determined under PRC GAAP, or vice versa.

There can be no assurance that future dividends will be declared or paid. The declaration, payment, and amount of any future dividends are subject to the discretion of our Directors, after taking into account our results of operations, financial condition, cash requirements and availability, and other factors as they may deem relevant, and subject to the approval at a Shareholders’ meeting. We may not have sufficient or any distributable profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

Certain statistics and market data contained in this Document are derived from third-party reports and publicly available official sources, and we cannot guarantee their accuracy or completeness.

This document, particularly the section headed “Industry Overview”, contains information and statistics relating to the global BESS industry. Such information and statistics have been derived from various official government and other publications and from a third-party report commissioned by us. We cannot guarantee the quality or reliability of such information. The information from official government sources has not been independently verified by us or any of the Relevant Persons. No representation is given as to the accuracy of such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere, and such information may not be complete or up-to-date. You should consider carefully the weight placed on such information or statistics.

You should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

Prior to the [REDACTED] of this document, there has been press and media coverage regarding us, our business, our industry, and the [REDACTED]. There may be additional press and media coverage regarding us, our business, our industry, and the [REDACTED] subsequent to the date of the document but prior to the completion of the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information, projections, valuations, and other information. None of us or any other person involved in the [REDACTED] has authorized the disclosure of any such information in the press or media, and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or [REDACTED]. We make no representation as to the appropriateness, accuracy, completeness, or reliability of any such information or [REDACTED]. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong, and in normal circumstances, at least two of the executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant’s arrangements for maintaining regular communication with the Stock Exchange.

Our headquarters, management and assets are primarily located in the PRC. Our executive Directors ordinarily reside in the PRC and play important roles in our business operations. Since the management and operation of our Group have been mainly under the supervision of our executive Directors and senior management, our Company considers that it would be impractical and not commercially necessary for our Group to relocate or appoint additional executive Directors solely for the purpose of satisfying Rule 8.12 of the Listing Rules. Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, [and the Stock Exchange has granted,] a waiver from compliance with Rules 8.12 and 19A.15 of the Listing Rules on the basis that the following measures have been adopted by us:

- (a) our Company has appointed two authorized representatives, Dr. Men and Mr. Tse Yu Yeung (謝愉陽) (“**Mr. Tse**”), pursuant to Rule 3.05 of the Listing Rules, who will act as our Company’s principal channel of communication with the Stock Exchange. Mr. Tse is ordinarily resident in Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of our authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;
- (b) both our authorized representatives have means to contact all our Directors (including our independent non-executive Directors) promptly at all times, as and when the Stock Exchange wishes to contact our Directors on any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange upon reasonable notice, when required. All Directors have provided his/her mobile phone numbers and email addresses (where available) to our authorized representatives. In the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives or maintain an open line of communication via his/her mobile phone and all Directors and authorized representatives have provided his/her mobile phone numbers, office phone numbers and email addresses (where available) to the Stock Exchange;
- (c) we have appointed Altus Capital Limited as our compliance advisor (the “**Compliance Advisor**”) pursuant to Rule 3A.19 of the Listing Rules, which has access at all times to our authorized representatives, Directors, senior management, and other officers of our Company, and will act as an additional channel of communication with the Stock Exchange in addition to our authorized representatives; and
- (d) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will promptly inform the Stock Exchange of any changes to our authorized representatives and/or the Compliance Advisor.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide, a new applicant for listing on the Stock Exchange must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

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

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

Our Company has appointed Mr. Wang Li (王利) (“**Mr. Wang**”) and Mr. Tse as our joint company secretaries. See “Directors and Senior Management — Joint Company Secretaries” for their biographies.

Our Company believes that it would be in the best interests of the Company and the corporate governance of our Group to have as its joint company secretary a person such as Mr. Wang, who joined our Group in December 2021 and is chief financial officer and secretary of the Board with day-to-day knowledge of our financial operations and our Company’s affairs. Mr. Wang has the necessary nexus to our Board and close working relationship with management of our Company in order to perform the function of a joint company secretary and to take the necessary actions in an effective and efficient manner. However, Mr. Wang presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Tse, who is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Mr. Wang for an initial period of three years from the [REDACTED] to enable Mr. Wang to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, [and the Stock Exchange has granted,] a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Wang may be appointed as a joint company secretary of our Company.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

The waiver is valid for an initial period of three years from the [REDACTED], and is granted on the condition that Mr. Tse, as a joint company secretary of our Company, will work closely with Mr. Wang to jointly discharge the duties and responsibilities as company secretaries and assist Mr. Wang in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Tse will also assist Mr. Wang in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Tse is expected to work closely with Mr. Wang and will maintain regular contact with Mr. Wang, the Directors and the senior management of our Company. In addition, Mr. Wang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. Mr. Wang will also be assisted by (a) the Compliance Advisor, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisors of our Company, on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations. Before the end of the three-year period, we will demonstrate and seek confirmation from the Stock Exchange that Mr. Wang, having had the benefit of Mr. Tse’s assistance during the three-year period, has attained the relevant experience under Note 2 to Rule 3.28 and is capable of discharging the functions of company secretary so that a further waiver would not be necessary.

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[REDACTED]

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[REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

For more information on our Directors, see “Directors and Senior Management”.

Name	Residential address	Nationality
Executive Directors		
Dr. Men Kun (門錕)	Room 2H, Building B19, Weilan Coast, Nanshan District, Shenzhen, Guangdong Province, PRC	Chinese (Hong Kong)
Dr. Wu Junyang (吳俊陽)	Room 2101, Building 9C, CITIC Redview Bay, Shahe East Road, Nanshan District, Shenzhen, Guangdong Province, PRC	Chinese
Mr. Xu Bin (徐斌)	Room 8A, Unit 1, Building 1, Ruiheyena, Baishi Third Road, Nanshan District, Shenzhen, Guangdong Province, PRC	Chinese
Non-executive Directors		
Dr. Zhao Liang (趙亮)	16F, Block C, International Innovation Center, No. 1006 Shennan Road, Futian District, Shenzhen, Guangdong Province, PRC	Chinese
Dr. Jiao Na (焦娜)	Room 4205, Unit 2, Building 1, Futong Jiuyao Mansion, Futian District, Shenzhen, Guangdong Province, PRC	Chinese
Independent non-executive Directors		
Prof. Kang Xiaoning (康小寧)	Room 2201, Block 28, Unit 1, Annex No. 2, 28 Xianning West Road, Beilin District, Xi'an, Shaanxi Province, PRC	Chinese
Ms. Chen Yan (陳燕)	Room 302, Building 3A, ZhaoShang HaiQin, Gongye 8th Road, Nanshan District, Shenzhen, Guangdong Province, PRC	Chinese
Prof. Chen Yu (陳羽)	Room 102, Unit 2, Building 12, Longhu Bay, Zhoucun District, Zibo, Shandong Province, PRC	Chinese
Ms. Li Weiqing (李偉青)	10/F, Villa Lucerne, 39 Village Road, Happy Valley, Hong Kong	Chinese (Hong Kong)

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

Guotai Junan Capital Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

[REDACTED]

[REDACTED]

Legal Advisors to our Company

as to Hong Kong law:
Allen Overy Shearman Sterling
9/F, Three Exchange Square
Central, Hong Kong

as to PRC law:
Zhong Lun Law Firm
22–24/F & 27–31/F, South Tower of CP Center
20 Jin He East Avenue
Chaoyang District, Beijing
PRC

**Legal Advisors to the Sole Sponsor and
the [REDACTED]**

as to Hong Kong law:
Dentons Hong Kong LLP
Suite 3201, Jardine House
1 Connaught Place
Central, Hong Kong

as to PRC law:
Jingtian & Gongcheng
34/F, Tower 3
China Central Place, 77 Jianguo Road
Chaoyang District, Beijing
PRC

Auditors and Reporting Accountants

Ernst & Young
Certified Public Accountants
*Registered Public Interest Entity under the Accounting and
Financial Reporting Council Ordinance*
27/F, One Taikoo Place
979 King’s Road
Quarry Bay
Hong Kong

Independent Industry Consultant

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
Suite 2504
Wheelock Square
1717 Nanjing West Road
Shanghai 200040
China

[REDACTED]

[REDACTED]

CORPORATE INFORMATION

Registered office and headquarters	2/F, Building 2, Tongchan New Materials Industrial Park, No. 28 Langshan Road, Nanshan District Shenzhen, Guangdong Province, PRC
Principal place of business in Hong Kong	46/F, Hopewell Centre 183 Queen’s Road East Wanchai Hong Kong
Company’s website	www.cubenergy.com <i>(The information on the website does not form part of this document)</i>
Joint Company Secretaries	Mr. Wang Li (王利) 2/F, Building 2, Tongchan New Materials Industrial Park, No. 28 Langshan Road, Nanshan District Shenzhen, Guangdong Province, PRC Mr. Tse Yu Yeung (謝愉陽) <i>(an associate member of both HKCGI and CGI)</i> 46/F, Hopewell Centre 183 Queen’s Road East Wanchai Hong Kong
Authorized Representatives	Dr. Men Kun (門鋸) Room 2H, Building B19, Weilan Coast, Nanshan District, Shenzhen, Guangdong Province, PRC Mr. Tse Yu Yeung (謝愉陽) 46/F, Hopewell Centre 183 Queen’s Road East Wanchai Hong Kong
Audit Committee	Ms. Chen Yan (陳燕) <i>(Chairperson)</i> Prof. Chen Yu (陳羽) Prof. Kang Xiaoning (康小寧)
Remuneration and Assessment Committee	Ms. Chen Yan (陳燕) <i>(Chairperson)</i> Dr. Men Kun (門鋸) Ms. Li Weiqing (李偉青)
Nomination Committee	Prof. Kang Xiaoning (康小寧) <i>(Chairperson)</i> Dr. Men Kun (門鋸) Ms. Chen Yan (陳燕)
Strategy Committee	Dr. Men Kun (門鋸) <i>(Chairperson)</i> Dr. Wu Junyang (吳俊陽) Prof. Chen Yu (陳羽)
Compliance Advisor	Altus Capital Limited 21 Wing Wo Street Central Hong Kong

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CORPORATE INFORMATION

[REDACTED]

Principal Banks

[REDACTED]

Bank of China, Shenzhen Shuiku Xincun Branch

No. 3042, Aiguo Road, Luohu District
Shenzhen, Guangdong Province
PRC

China Construction Bank, Shenzhen Shekou Branch

1F, Haijing Plaza
No. 18 Taizi Road
Shekou
Nanshan District
Shenzhen
Guangdong Province
PRC

INDUSTRY OVERVIEW

The information and statistics set forth in this section and other chapters of this document have been extracted from Frost & Sullivan reports commissioned by us, as well as various official government publications and other publicly available publications. We have engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report for the [REDACTED]. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the sole sponsor, the [REDACTED], the [REDACTED] or any other party involved in the [REDACTED] and no representation is given as to its accuracy.

OVERVIEW OF THE GLOBAL BESS INDUSTRY

Background of ESS, Energy Storage Full Lifecycle Solutions, and Definition of BESS

The global power system is undergoing market-oriented transformation driven by electrification and renewable energy. While the rapid growth of total installed power capacity and renewable energy supply promotes a cleaner energy structure, it also poses challenges to the stable operation and efficiency of the power grid due to the inherent intermittency and volatility of renewables. Traditional power system is hard to meet real-time load balancing requirements, leading to an urgent need for upgraded grid intelligence and flexible regulation capabilities. In this context, energy storage full lifecycle solutions featuring energy time-shift and power regulation capabilities have gradually evolved into a rigid demand to ensure the safety, stability, and economic operation of new power system. Among them, BESS is the core type of ESS, with the global shipment volume of BESS occupying over 90% of the energy storage system (ESS) market in 2025.

BESS integrates key hardware and software modules, including battery cells, BMS, PCS, and EMS. These systems are evolving to provide both capacity value and ancillary service capabilities, forming energy storage full lifecycle solutions. These full lifecycle solutions providers possess independent R&D capabilities for core systems such as BMS, PCS, and EMS, building integrated solution frameworks through deep synergy between hardware and software. Furthermore, leading enterprises are extending their reach into energy trading and asset operation services. By leveraging algorithmic models and AI technology, they develop intelligent scheduling and revenue optimization systems to achieve strategic management and dynamic decision-making for participation in spot markets, ancillary service markets, and capacity markets.

Analysis of BESS Applications

From the perspective of end users, BESS can be categorized into three types: centralized utility-scale BESS (generation-side, TSO side), distributed utility-scale BESS (DSO side, medium-to-large C&I side), and small C&I and residential BESS.

INDUSTRY OVERVIEW

Illustration of BESS Applications, by End Users

Terminal Application	Core Scenarios	Interconnection Voltage	Management and Control Party	Power Supply and Demand Links
Centralized Utility-Scale BESS	Generation-side and transmission grid peak shaving and valley filling, voltage/frequency regulation, black start, and smoothing grid connection for large-scale wind and solar power bases, etc.	Generation-side: 10kV and above Transmission grid: 110kV, 220kV and above (high voltage and extra-high voltage)	Power generation enterprises, TSO	Power sources are primarily large traditional power plants and centralized large-scale renewable energy bases; consumers are regional or national macro-grids, not directly targeting any single end-user.
Distributed Utility-Scale BESS	Distribution grids and medium-to-large C&I voltage/frequency regulation, peak-valley arbitrage, demand charge management, microgrid, emergency backup power, etc.	Distribution grid and medium-to-large C&I: covering 6kV to 35kV (medium-to-low voltage)	DSO, medium-to-large C&I owners	This sector closely integrates centralized and distributed power producers with the distribution grid and high-energy-consuming medium-to-large C&I owners.
Small C&I and Residential BESS	Small C&I enabling internal charging pile expansion, building/factory peak shaving and valley filling, reduction of capacity charges, etc. Residential BESS maximizing household PV self-consumption rate, utilizing TOU tariffs for household electricity bill management, etc.	Small C&I: 380V/400V Residential: Single-phase 220V/110V or low-voltage three-phase 380V/400V	Small C&I owners, house owners	Power sources are primarily the grid and distributed PV systems; the core consumers are small C&I owners and residential users.

Sources: European Network of Transmission System Operators for Electricity (ENTSO-E), EU DSO Entity, Frost & Sullivan

From a functional perspective, BESS primarily cover voltage/frequency regulation, peak-valley arbitrage, demand response, microgrid, and other scenarios.

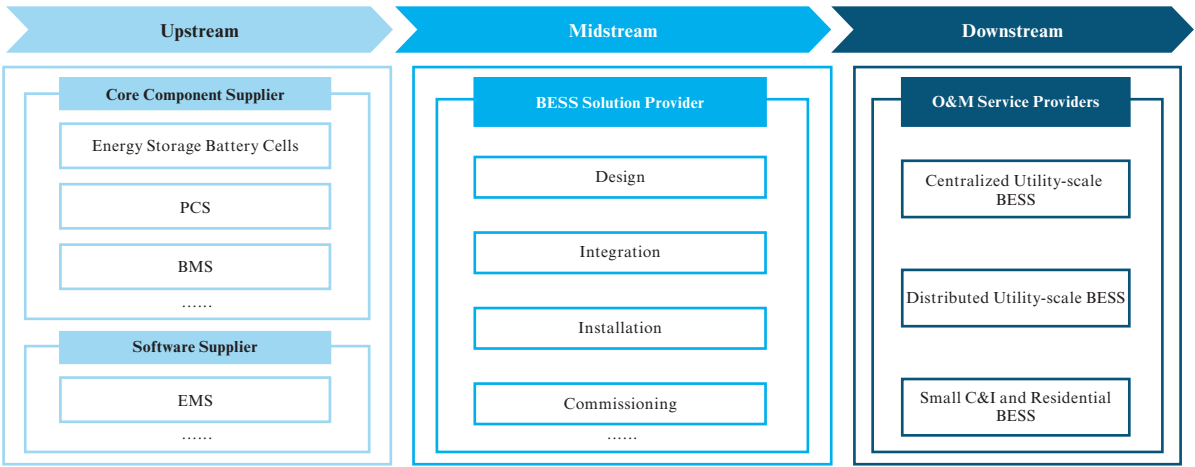
- Voltage/frequency regulation are core scenarios for ensuring the safe operation of the power grid. By responding rapidly to grid frequency fluctuations, they ensure the dynamic balance of the power system.
- Peak-valley arbitrage capitalizes on the temporal differences in electricity prices by charging during off-peak periods and discharging during peak periods to capture revenue from price spreads.
- Demand response refers to the dynamic interaction in which end-users actively shift or curtail their short-term electrical load to assist in balancing real-time grid supply and demand, ultimately realizing the dynamic expansion of energy storage.
- Microgrid is typically combined with distributed PV to provide low-carbon backup power solutions for infrastructure such as data centers.

Value Chain Analysis of the Global BESS Industry

The upstream segment primarily consists of manufacturers of core components, such as energy storage battery cells, PCS, and BMS, as well as software providers for EMS. The midstream segment is led by BESS solution providers responsible for system design, integration, installation, and commissioning. The downstream mainly comprises O&M service providers across various scenarios, who handle system O&M and energy management. Core applications include centralized utility-scale BESS, distributed utility-scale BESS, small C&I and residential BESS. Companies that possess in-house software R&D capabilities across the entire chain achieve deep coupling and safety synergy between hardware and software. This enhances the management of battery consistency, significantly shortens grid-connection time, and provides customers with superior system response and the capacity to support ancillary power services.

INDUSTRY OVERVIEW

Value Chain Analysis of Global BESS Industry

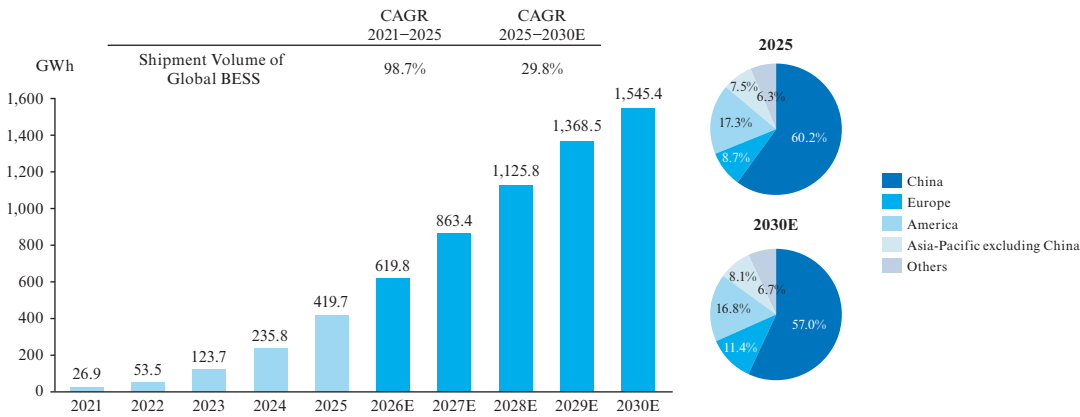


Sources: China Industrial Association of Power Sources (CIAPS), Frost & Sullivan

Market Size Analysis of the Global BESS Industry

From 2021 to 2025, shipment volume of global BESS grew from 26.9GWh to 419.7GWh, representing a CAGR of 98.7%. Shipment volume of global BESS are projected to further increase to 1,545.4GWh by 2030, with a CAGR of approximately 29.8% from 2025 to 2030. By regions, China is the largest market with BESS shipment volume increasing from 5.3GWh in 2021 to 252.5GWh in 2025, achieving a CAGR of 162.7%. Looking ahead, the European BESS market is expected to achieve the fastest growth, driven by the centralized and distributed utility-scale BESS segments. Shipment volume of European BESS are projected to rise from 36.5GWh in 2025 to 176.9GWh in 2030, representing a CAGR of 37.1%.

Shipment Volume of Global BESS by Regions, 2021–2030E



Sources: International Energy Agency (IEA), European Association for Storage of Energy (EASE), China Energy Storage Alliance (CNESA), and Frost & Sullivan

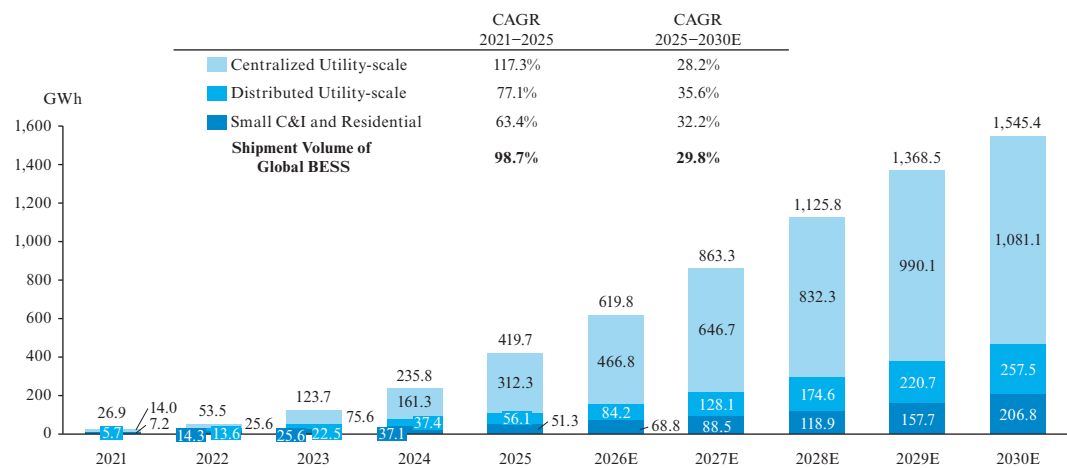
Notes: BESS refers exclusively to system with lithium-ion battery cells. In terms of shipment volume in 2025, lithium-ion batteries accounted for nearly 99% of the ESS market, while other sectors are minor.

By applications, centralized utility-scale BESS remains the largest segment, driven by the demand for grid-side peak shaving and voltage/frequency regulation, as well as the large-scale integration of renewable energy. Distributed utility-scale BESS maintains a high-growth momentum. The massive integration of high proportions of distributed renewable energy has intensified local grid congestion and fluctuations, creating an urgent need for the deployment of BESS. These systems

INDUSTRY OVERVIEW

serve as the cost-effective alternative to expensive traditional grid expansion and facilitate a transition toward active grid management, driving explosive growth in this segment, particularly in Europe. Shipment volume of distributed utility-scale BESS are projected to grow from 56.1GWh in 2025 to 257.5GWh by 2030, representing a CAGR of 35.6%. Small C&I and residential BESS serve as critical carrier for user-side energy management and power self-sufficiency, with market activity primarily concentrated in Europe, Asia-Pacific, and Africa.

Shipment Volume of Global BESS by Applications, 2021–2030E



Sources: IEA, EASE, CNESA, and Frost & Sullivan

Note: In China, distributed utility-scale BESS corresponds only to medium-to-large C&I applications.

Market Drivers and Development Trends of the Global BESS Industry

High Portion of Renewables Integration Driving Growth in Rigid Demand for Energy Storage

Against the backdrop of the continuous advancement of global “Dual Carbon” targets, the rapid expansion of renewable energy installed capacity is driving the transformation of power system toward a high-proportion renewable energy structure. The share of solar and wind power in the global power mix increased from 4.4% in 2010 to approximately 30% in 2025 and is expected to exceed 50% by 2030. Given the inherent intermittency and volatility of wind and solar power, the rapid increase in installed capacity significantly adds to grid regulation pressure, reinforcing the rigid demand for BESS. By smoothing renewable energy output, participating in peak shaving and voltage/frequency regulation, and enabling the temporal and spatial shifting of energy, BESS effectively enhances the grid’s capacity to integration capacity of renewable energy and improve overall system stability.

Strong Policy Support and Declining Energy Storage Costs

Continuous policy support serves as a fundamental driver for industry growth. In October 2025, China released the Proposal of the Central Committee of the Chinese Communist Party on Drawing Up the 15th Five-Year Plan for National Economic and Social Development (《中共中央關於製定國民經濟和社會發展第十五個五年規劃的建議》), which pointed out the need to further improve capacity pricing mechanisms for diversified flexible resources such as new types of energy storage and VPP, and to gradually establish complete electricity, capacity, and ancillary service markets. In March 2023, the European Commission released a draft plan for electricity market reform, and in July, the European Parliament officially voted to pass the Electricity Market Design, providing a legal and institutional framework for energy storage development while strengthening its independent status and investment predictability in the electricity market. These policies improve the industry’s development environment across multiple dimensions, laying the institutional foundation for large-scale energy storage applications. Furthermore, the continuous decline in the overall cost

INDUSTRY OVERVIEW

of BESS has further lowered application barriers, driving the sustained expansion of the global market. In 2025, the global average LCOS was decreased from nearly RMB0.1/kWh in 2021 to RMB0.085/kWh in 2025, and it is expected to further decline to RMB0.06/kWh by 2030.

Expansion of Computing Power Driven by AIDC Boosting Energy Storage Demand

With the rapid iteration of AI technology and continuous expansion of large-scale models, the construction of AIDC has entered an accelerated phase. Global data center capital expenditure is expected to grow from approximately USD250 billion in 2025 to over USD500 billion by 2030. The continuous increase in computing power density, coupled with the large-scale deployment of AI servers, has led to a rapid surge in data center power demand. Global data center electricity consumption is projected to rise from nearly 500 billion kWh in 2025 to over 2 trillion kWh by 2030. Driven by high computing power density and the need for continuous operation, data center loads are characterized by high continuity and reliability, placing higher demands on grid stability, power quality, and peak regulation capabilities. In the context of an increasing share of renewable energy and heightened power system volatility, BESS has become critical infrastructure for supporting green power supply for AIDC, achieving peak shaving and valley filling, and enhancing power supply security. Global shipment volume of BESS for AIDC are expected to exceed 300GWh by 2030, accelerating the release of demand for BESS installations.

Technical Routes Evolving Toward Grid-Forming, Intelligence, and Long-Duration

As the proportion of renewable energy rises and grid structures become more complex, technical routes for BESS are evolving from traditional grid-following to grid-forming capabilities to enhance the system’s active support for grid frequency and voltage. Meanwhile, software and algorithmic capabilities are increasingly becoming the core competitive strengths of intelligent BESS. Through the optimization and upgrade of BMS, PCS, EMS, and intelligent dispatch algorithms, BESS can achieve state prediction, strategy optimization, and multi-market synergistic response, thereby improving operational safety and revenue management capabilities. The deep application of AI and data analytics further strengthens the system’s forecasting capabilities and refined management levels. VPP and AI energy trading technologies are evolving into real-time spot market forecasting and automated optimization decision-making based on large models and multi-agent synergy. This helps transform BESS into financial assets capable of autonomously participating in ancillary services and electricity spot trading to maximize total lifecycle returns. In addition, multiple countries globally have explicitly mandated the configuration of long-duration BESS exceeding four-hour duration, promoting its large-scale commercialization. Moving forward, the evolution to six-hour and eight-hour duration BESS will ensure the needs of energy-intensive scenarios, driving long-duration BESS to be widely adopted. Collectively, these technical trends are driving a leapfrog improvement in the comprehensive performance of BESS, laying a solid foundation for the development of new power system.

Entry Barriers of the Global BESS Industry

BESS industry has high comprehensive entry barriers, with a significant gap existing between leading enterprises and new entrants across four core dimensions. In terms of technical barriers, leading enterprises rely on their in-house R&D of core BMS, PCS, and EMS as well as electromagnetic transient simulation capabilities to effectively ensure high-demand system synergy and grid-connection stability. Regarding customer barriers, leading players have penetrated the tier 1 supply chains of mature markets such as Europe through multiple rounds of rigorous certifications, establishing brand barriers while new entrants facing substantial expansion costs. Meanwhile, leveraging standardized modular designs and localized service teams, leading enterprises have built barriers for cross-regional product delivery. Finally, with the market-oriented development of the industry, leading enterprises have further raised marketization barriers by comprehensive asset operation capabilities extending to energy trading, resulting in new players facing severe competitive challenges across all aspects, including core technology accumulation, project delivery, global networks, and risk resistance.

INDUSTRY OVERVIEW

OVERVIEW OF THE EUROPEAN BESS INDUSTRY

Analysis of the Current Status of the European BESS Industry

The European power grid consists of more than 40 TSO and over 2,500 DSO. Its highly market-oriented structure and well-established electricity trading mechanisms have a profound impact on the business models and technological evolution of BESS. On one hand, the demand from TSO for voltage/frequency regulation of cross-regional high-voltage transmission networks, combined with DSO needs for local distribution grid congestion management and voltage support, has given rise to a highly developed ancillary services market and local flexibility market. On the other hand, although regulatory frameworks usually remain unified within individual countries, Europe’s fragmented, multi-country landscape results in differences in grid connection requirements, dispatch protocols, and market entry prequalification standards across jurisdictions, significantly increasing the barriers to grid adaptation and regulatory compliance for cross-border deployment of BESS. This environment also drives BESS solution providers to equip highly intelligent EMS and VPP control algorithms, enabling millisecond-level grid response and automated cross-market optimization in a multi-layered, high-frequency, and heterogeneous European electricity market.

Looking ahead, as intermittent renewable energy sources such as wind and solar are increasingly integrated into the grid, accounting for over 30% of total power generation in Europe by 2025, the traditional power system, originally designed with limited flexibility, is facing growing challenges. This has turned energy storage into a structural necessity for distribution networks. With the rapid proliferation of distributed energy resources and the expansion of high-power charging infrastructure for heavy-duty electric commercial vehicles, distribution grids across Europe are experiencing significant load volatility and localized congestion. BESS serves as the critical hub for providing voltage/frequency regulation and enhancing grid flexibility. Further, most European countries are not equipped with the automatic generation control (AGC) system, resulting in limited secondary frequency regulation capabilities.

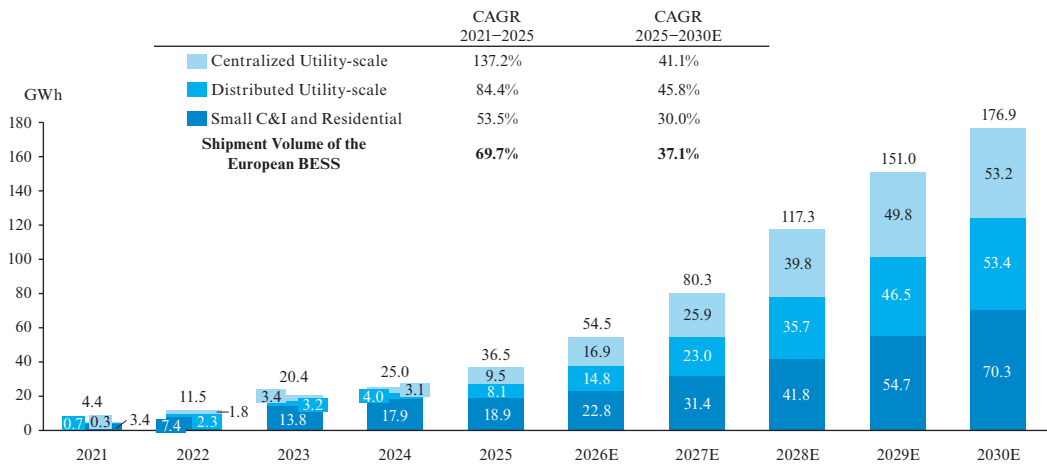
The Nordic BESS market exhibits strong commercial characteristics, including high value and high returns: Benefiting from one of the world’s most mature electricity trading platforms, the Nord Pool, the Nordic region offers abundant and highly profitable scenarios for BESS, while also imposing stringent requirements on system reliability under extreme conditions and on refined operational management. For BESS solution providers with end-to-end in-house capabilities, the Nordic region represents not only a high-value market but also a key testing ground for advanced technologies, brand establishment, and expansion across the broader European market.

Market Size Analysis of the European BESS Industry

The European BESS market is experiencing rapid growth, with market size increasing from 4.4GWh in 2021 to 36.5GWh in 2025, and projected to reach 176.9GWh by 2030, representing a CAGR of 37.1% from 2025 to 2030. Among this, distributed utility-scale BESS is experiencing progressively mature business models and improving project economics, driven by increasing electricity price volatility, widening peak-to-valley price spreads, and rising demand from enterprises for energy cost management and power supply reliability. DSO are increasingly adopting BESS as the core solution to provide local grid flexibility, alleviate capacity expansion pressures, and defer costly traditional grid upgrade investments. In addition, the expanding peak-to-valley price differentials and stringent carbon emission requirements across Europe are accelerating the adoption of energy storage among medium-to-large C&I users for economic arbitrage and enhanced energy self-sufficiency. As a result, the share of distributed utility-scale BESS within the overall European BESS market is expected to increase from 22.2% in 2025 to 30.2% by 2030.

INDUSTRY OVERVIEW

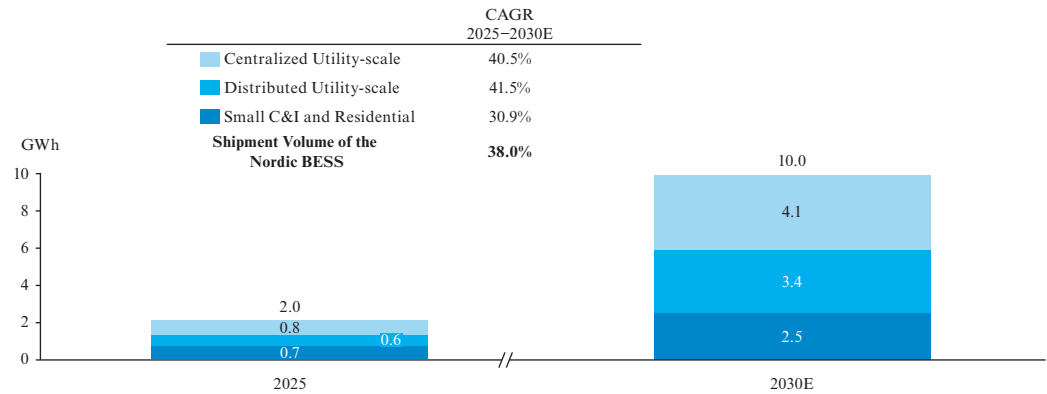
Shipment Volume of the European BESS by Applications, 2021–2030E



Sources: IEA, EASE, Frost & Sullivan

The Nordic power system is predominantly powered by clean energy. Due to the cold winter weather, electricity load exhibits notable seasonal fluctuations. Meanwhile, Nordic nations are accelerating their transition toward renewable energy. In particular, driven by the dual impacts of large-scale renewable energy grid integration and the phase-out of certain traditional baseload power sources, the volatility of their power system, along with the associated pressure on voltage/frequency regulation, is becoming increasingly pronounced. Against this backdrop, the market size for BESS in the Nordic region is projected to expand from 2.0GWh in 2025 to 10.0GWh in 2030, representing a CAGR of 38.0% over this period.

Shipment Volume of the Nordic BESS by Applications, 2025 & 2030E



Sources: IEA, EASE, Frost & Sullivan

Market Drivers and Development Trends of the European BESS Industry

Amidst Grid Connection Queues and Limited Land Resources, Distributed Utility-scale BESS Forming the Core of Europe’s Future Development

Large-scale ground-mounted power plants in Europe are facing challenges such as scarce land resources and grid connection queues lasting several years, which has continuously extended the implementation timeline for hundred-megawatt-level centralized utility-scale BESS projects. Against this backdrop, distributed utility-scale BESS projects that connect to DSO and C&I users align with Europe’s physical conditions. By utilizing small idle land while avoiding lengthy high-voltage grid connection approval processes, these projects enable voltage/frequency regulation applications on

INDUSTRY OVERVIEW

the distribution network side, provide local grid support for DSO, and participate in spot market trading, ensuring that the European BESS market remains both feasible to deploy and highly profitable.

European Reform of Electricity Market Design and Localized Incentive Policies

The European policy evolution provides long-term certainty for distributed utility-scale energy storage projects. The reform of EMD reached in early 2024 by the EU explicitly requires member states to assess local grid flexibility needs and mandates DSO to introduce market-based mechanisms for procuring flexibility resources, rather than relying solely on hardware expansion. In addition, several national governments have introduced tax reductions, grid fee exemptions, and targeted subsidy schemes for distributed utility-scale BESS. These regulatory frameworks establish profitability guarantees for distributed utility-scale BESS as an independent market entity, positioning it as a core infrastructure asset for European next-generation decentralized power system.

European Distribution Grid Congestion and Pressure for Infrastructure Upgrades Driving Substantial Demand for DSO-side BESS

Aging distribution grid infrastructure has led to localized voltage violations and severe network congestion. Compared with the high costs associated with traditional capacity expansion and grid reinforcement, the flexible deployment of BESS at DSO nodes has become the fastest and most cost-effective solution to alleviate local grid bottlenecks, while providing voltage/frequency regulation, thereby fostering a broad local flexibility services market for DSO.

OVERVIEW OF THE CHINA'S BESS INDUSTRY

Analysis of the Current Status of the China's BESS Industry

The BESS industry in China is currently at a critical stage of transitioning towards market-oriented value realization, with independent energy storage emerging as a core driver of industry development. At present, the Guiding Opinions on Accelerating the Development of New Energy Storage (《關於加快推動新型儲能發展的指導意見》) jointly issued by the National Development and Reform Commission and the National Energy Administration serves as the top-level policy framework, together with the continuous improvement of electricity spot market trading rules and ancillary service compensation mechanisms across provinces and municipalities, forming the key policy support for the development of independent energy storage. In 2025, the issuance of the “No. 136 Policy” and the Notice on Comprehensively Accelerating the Construction of the Electricity Spot Market (《關於全面加快電力現貨市場建設工作的通知》) further promoted the integration of products and O&M, and clarified the pathway for electricity market-oriented reform. These policies aim to establish a closed-loop commercial model for BESS by defining diversified revenue streams, including peak shaving and voltage/frequency regulation, capacity leasing, ancillary services, and peak-to-valley arbitrage in spot markets, thereby enabling BESS assets in China to evolve into investable income-generating assets. As the transmission and distribution operator market in China is relatively concentrated, participants in the independent energy storage market are required to adapt to stringent grid dispatch requirements and keep pace with differentiated electricity market reforms, forming localized competitive barriers.

Electricity market reform and increasingly diversified revenue models: In 2025, the volume of market-based electricity trading in China reached 6.6 trillion kWh, representing an approximately sevenfold increase compared to 2015, with its share of total electricity consumption rising from less than 15% to nearly 65%. Except for guaranteed supply and self-consumed electricity, most electricity has been transacted through market mechanisms. In 2026, the General Office of the State Council issued the Implementation Opinions on Improving the National Unified Electricity Market System (《關於完善全國統一電力市場體繫的實施意見》), which set out that a national unified electricity market system is to be basically established by 2030, with the share of market-based electricity trading increasing to approximately 70%, and to be fully established by 2035. As the

INDUSTRY OVERVIEW

framework of the unified electricity market continues to improve, the institutional space for BESS to participate as independent market entities in electricity trading and ancillary services continues to expand.

China’s BESS market holds a significant position globally: The shipment volume of BESS in China increased significantly from 5.3GWh in 2021 to 252.5GWh in 2025. Looking ahead, with the continued improvement of policy frameworks, ongoing technological advancements and accelerated industrialization, the market size is expected to further increase to 880.9GWh by 2030, representing a CAGR of 28.4% from 2025 to 2030.

OVERVIEW OF THE AMERICAN AND OTHER REGIONS’ BESS INDUSTRY

Americas: With the rapid penetration of distributed energy in North America and Latin America, together with the surge in high energy-consuming loads such as data centers, distribution networks are facing increasing pressure in voltage/frequency regulation and localized overloading. BESS has become a key solution for maintaining grid balance and addressing peak-to-valley imbalances in the Americas. Currently, the BESS market in the Americas presents growth opportunities driven by both high potential and off-grid demand. In the United States, due to aging main grid infrastructure and frequent extreme weather events, demand for BESS has increased in high value-added C&I scenarios such as data centers and healthcare institutions, in order to ensure power supply security in these scenarios. This places higher requirements on intelligent dispatch and millisecond-level switching capabilities of BESS. In Latin American countries such as Peru, the cost of extending the main grid to remote areas and mining regions is relatively high, and off-grid, energy-intensive mining sites have strong demand for microgrids. In such scenarios, BESS focuses on high reliability and strong grid-support capabilities.

Africa: Power grid infrastructure in Africa is relatively underdeveloped, and microgrid are gradually replacing traditional and costly diesel generation, becoming a more economical solution for addressing power supply challenges in remote communities and large independent mining areas. Meanwhile, with the continued decline in BESS hardware costs and capital inflows from international financial institutions, the distributed utility-scale BESS market in Africa is gradually evolving towards larger-scale distributed deployment with improving investment returns and commercial viability.

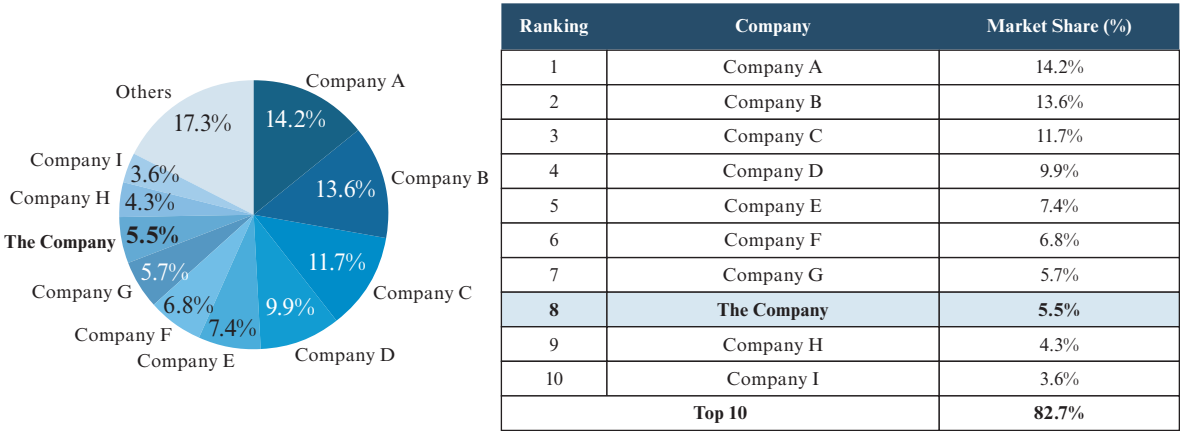
Other regions (e.g., Japan, South Korea and Australia): In Japan and South Korea, constrained land resources and rising electricity prices are supporting the growth of distributed utility-scale BESS markets, in order to meet the demand from high energy-consuming enterprises for peak shaving, electricity cost reduction and enhanced power supply resilience under extreme conditions. In Australia, the high penetration of rooftop PV system has led to reverse power flow and voltage constraint issues in distribution networks, driving the deployment of community-level distributed utility-scale BESS on the distribution side to facilitate local consumption of renewable energy and alleviate localized congestion.

COMPETITIVE LANDSCAPE OF THE EUROPEAN BESS INDUSTRY

In 2025, the top 10 providers in the European distributed utility-scale BESS solutions market accounted for a combined market share of 82.7%, indicating a relatively concentrated market. Market participants include both Chinese outbound enterprises and international players, forming a competitive landscape characterized by the coexistence of domestic and overseas providers. Among them, the Company held a market share of approximately 5.5% in the European distributed utility-scale BESS market, ranking fifth among Chinese solution providers and eighth among all solution providers.

INDUSTRY OVERVIEW

Top 10 Distributed Utility-Scale BESS Solution Providers in Europe, by Shipment Volume, 2025



Sources: Annual reports of listed companies, Frost & Sullivan

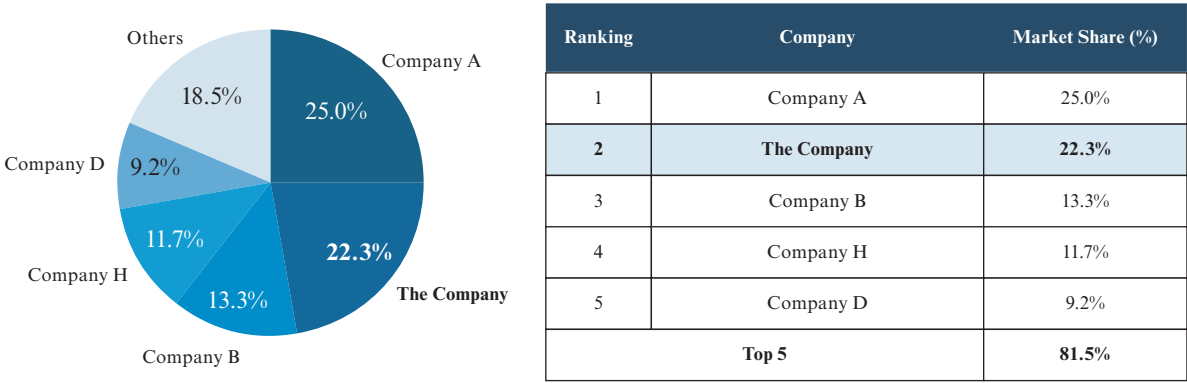
Notes:

1. Company A, established in 1973 and listed on Tokyo Stock Exchange, is primarily engaged in the R&D and manufacturing of motors, automotive components, BESS, etc. Its BESS business mainly focuses on the scenarios of centralized and distributed utility-scale BESS.
2. Company B, established in 1997 and listed on Shenzhen Stock Exchange, is primarily engaged in the R&D and manufacturing of photovoltaic inverters, BESS, and related power conversion equipment.
3. Company C, established in 2003 and listed on NASDAQ, is primarily engaged in the R&D and manufacturing of electric vehicles, BESS, and energy storage solutions.
4. Company D, established in 1987, is primarily engaged in the provision of ICT infrastructure and digital energy technologies, including power electronics and smart energy solutions. Its BESS business mainly focuses on centralized and distributed utility-scale BESS.
5. Company E, established in 2018 and listed on NASDAQ, is primarily engaged in the provision of energy storage products, digital platforms and lifecycle services, with offerings covering utility-scale BESS and energy management software.
6. Company F, established in 1995 and listed on the Hong Kong Stock Exchange and Shenzhen Stock Exchange, is primarily engaged in the R&D and manufacturing of batteries, electric vehicles and related BESS, with vertically integrated capabilities across battery production and system solutions.
7. Company G, established in 2007, is primarily engaged in the provision of renewable energy system solutions, including wind power, BESS and EMS, with integrated capabilities across generation and storage technologies.
8. Company H, established in 1937 and listed on Euronext Amsterdam, is primarily engaged in the development and manufacturing of smart grid solutions, EV charging equipment and BESS, with integrated capabilities across grid infrastructure and energy storage applications.
9. Company I, established in 2014, is primarily engaged in the provision of innovative PV-hybrid, off-grid, battery-based, and power-to-gas (hydrogen) projects. Its BESS business mainly focuses on the scenarios of off-grid and hybrid energy systems.

In 2025, the top five providers in the Nordic distributed utility-scale BESS solutions market accounted for a combined market share of 81.5%, indicating a concentrated market. Among them, the Company held a market share of approximately 22.3% in the Nordic distributed utility-scale BESS market, ranking first among Chinese solution providers and second among all solution providers.

INDUSTRY OVERVIEW

Top 5 Distributed Utility-Scale BESS Solution Providers in the Nordic Region, by Shipment Volume, 2025



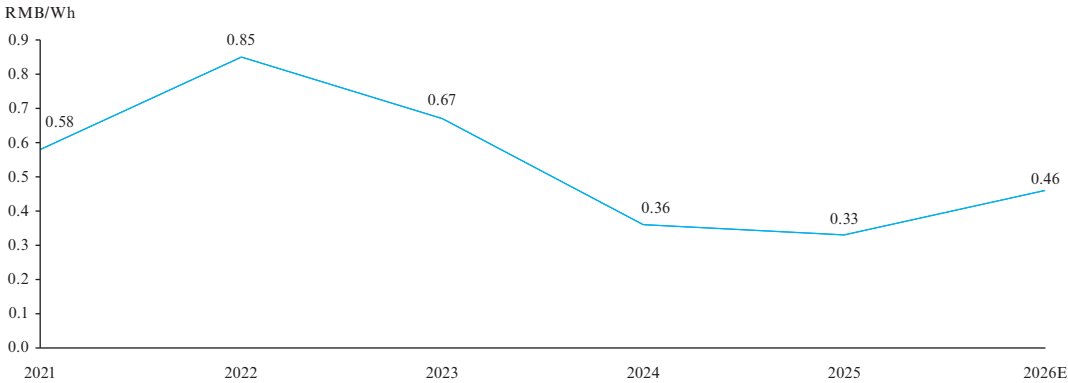
Sources: Annual reports of listed companies, Frost & Sullivan

Raw Material Price Analysis

Energy storage lithium-ion battery cells are the core component of BESS, primarily used for the storage and release of electrical energy. Suppliers of energy storage lithium-ion battery cells are typically concentrated among a limited number of manufacturers. From 2021 to 2022, driven by the rapid growth in demand from new energy vehicles and energy storage applications, prices of upstream key raw materials such as lithium and nickel increased, together with a phase of tight supply chains, resulting in an overall increase in cell prices. After 2022, as upstream production capacity was gradually released, raw material prices declined and industry competition intensified, cell prices exhibited a downward trend. The price of energy storage lithium-ion battery cells decreased from RMB0.85/Wh in 2022 to RMB0.33/Wh in 2025. Since October 2025, driven by the rapid price increase of lithium carbonate, the key raw material, and the approaching year-end deadline for BESS grid connections in China, prices of battery cell began to rise. In 2026, influenced by a tight supply-demand balance and the rapid expansion of the BESS market, the average price of lithium carbonate experienced a rapid surge and remained stable at a high level. From October 2025 to May 2026, the monthly average price of lithium carbonate surged by over 150%. Consequently, during the same period, the monthly average price of energy storage lithium-ion battery cells rose rapidly from RMB0.34/Wh to RMB0.45/Wh, representing a cumulative increase of 32.4%. It is projected that the annual average price of energy storage lithium-ion battery cells in 2026 will rise to RMB0.46/Wh, marking a significant rebound compared to 2025. Looking ahead, as the supply-demand balance gradually stabilizes and advancements in cell manufacturing technologies continue to drive cost optimization, the price of energy storage lithium-ion battery cells is expected to remain relatively stable and decrease to the range from RMB0.25/Wh to RMB0.30/Wh in 2030, with moderate fluctuations within a certain range.

INDUSTRY OVERVIEW

Average Price of Energy Storage Lithium-ion Battery Cells in China, 2021–2026E



Sources: SMM, Frost & Sullivan

Note: Energy storage lithium-ion battery cells are primarily concentrated in the Chinese market.

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on the global, European, China’s, American and other regions’ BESS industry to prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in New York in 1961, providing industry research and market strategies. We have entered into an agreement to pay Frost & Sullivan RMB550,000 for the preparation of the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed research, including discussions with several leading industry participants regarding industry conditions and interviews with relevant individuals. Frost & Sullivan also conducted secondary research, including reviewing company reports, independent research reports, and data from its own research database. Frost & Sullivan derived the estimated statistics of total market size based on historical data analysis incorporating macroeconomic data, taking into account the aforementioned main industry drivers. Its market engineering forecast methodology combines multiple forecasting techniques with a system based on market engineering measurements and relies on the expertise of the analyst team to integrate the key market elements investigated during the project research phase. Such elements primarily include expert opinion forecasting methods, integration of market drivers and constraints, integration of market challenges, integration of market engineering measurement trends, and integration of econometric variables.

The Frost & Sullivan Report was prepared based on the following assumptions: (i) the social, economic, and political environments globally and in Chinese mainland are likely to remain stable during the forecast period; and (ii) the key relevant industry drivers may drive the market during the forecast period.

This section and other chapters of the document excerpt portions of information from the Frost & Sullivan Report, aiming to provide potential [REDACTED] with a more comprehensive introduction to the industry in which we operate. The Directors confirm that, to the best of their knowledge and after making reasonable enquiries, there have been no material adverse changes in overall market information since the date of the release of the Frost & Sullivan Report which are sufficient to make material corrections, contradict or have an impact on such information.

REGULATORY OVERVIEW

OVERVIEW

This section sets out a summary of the major relevant laws, regulations, rules and policies which may have a material impact on our business. This summary does not purport to be a complete description of all laws and regulations applicable to our business and operations. [REDACTED] should note that the summary below is based on relevant laws and regulations in effect as of the date of the document and may be subject to changes.

PRC LAWS, REGULATIONS AND POLICIES

Industrial Policies

The Catalogue for Guiding Industry Restructuring (2024 Version) (《產業結構調整指導目錄(2024年本)》), issued by the National Development and Reform Commission of the PRC (the “NDRC”) on December 27, 2023, and effective as of February 1, 2024, stipulates that the technologies and equipment for new power systems, power system regulation, digital upgrade of power systems, and power infrastructure construction belong to the category of state-encouraged industries.

The Energy Law of the PRC (《中華人民共和國能源法》), promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) on November 8, 2024, and implemented on January 1, 2025, mandates the advancement of energy efficiency, supports the growth of distributed energy systems and integrated energy services — including multi-energy complementarity and combined supply — actively fosters market-driven energy conservation mechanisms such as contractual energy management, and elevates the standards for end-use energy consumption towards cleaner, lower-carbon, more efficient, and smarter practices.

Pursuant to the Guiding Opinions on Accelerating the Development of New Energy Storage (《關於加快推動新型儲能發展的指導意見》), promulgated by the NDRC and the National Energy Administration (the “NEA”) on July 15, 2021 and effective on the same date, the new energy storage sector is targeted to transition from its initial commercialization phase to a stage of large-scale development by 2025. By 2030, the sector aims to achieve fully market-oriented development, positioning new energy storage as a crucial pillar for realizing carbon peak and carbon neutrality goals within the energy industry. The development objectives also emphasize achieving independent and controllable core technologies and equipment, with installed capacity being fundamentally aligned with the demands of the new power system. Ultimately, new energy storage is envisioned to serve as a key enabler for the energy sector’s carbon peak and carbon neutrality efforts.

The New Energy Storage Development Implementation Plan for China’s 14th Five-Year Plan Period (《「十四五」新型儲能發展實施方案》), promulgated by the NDRC and the NEA on January 29, 2022 and effective on the same date, outlines that by 2025, new energy storage will evolve from initial commercialization to large-scale development and meet the conditions for extensive commercial application. By 2030, new energy storage will realize fully market-oriented development.

Pursuant to the Special Action Plan for Large-Scale Construction of New Energy Storage (2025–2027) (《新型儲能規模化建設專項行動方案(2025–2027年)》), promulgated by the NDRC and the NEA on August 27, 2025 and effective on the same date, by 2027, new energy storage will basically achieve large-scale and market-oriented development. Its technological innovation capability and equipment manufacturing capacity will remain among the world’s leading levels. Market mechanisms, business models and standard systems will be basically mature and well-established. A diversified energy storage system adapted to the stable operation of the new power system will be initially established, forming an overall pattern of overall planning, diversified complementarity and efficient operation.

REGULATORY OVERVIEW

Pursuant to the Electric Power Law of the PRC (《中華人民共和國電力法》), promulgated by the SCNPC on December 29, 2018 and effective on the same date, Electricity construction enterprises, power generation enterprises and power grid operating enterprises will, in accordance with the law, have autonomy over their operations and be responsible for their own profits and losses and must accept the supervision of the departments in charge of electric power.

In accordance with the Basic Rules for the Operation of the Electric Power Market (《電力市場運行基本規則》), promulgated by the NDRC on April 25, 2024, and implemented on July 1, 2024, the term “members of the electric power market” encompasses business entities, electric power market operators, and grid enterprises that provide transmission and distribution services. Specifically, business entities include power generation enterprises, electricity sellers, electricity users, and new market participants such as those engaged in energy storage, VPP, and load aggregation, all of whom take part in market transactions. The development of the technical support system for the electric power market must meet established performance indicator requirements and incorporate functionalities including energy management, transaction management, electric energy measurement, settlement systems, contract management, quotation processing, market analysis and forecasting, trading information dissemination, and regulatory systems.

Regulations On Safety Production And Fire Safety

Pursuant to the Work Safety Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002, effective from November 1, 2002, and most recently amended on June 10, 2021, all entities engaged in production and business activities within the country must adhere to this law and other relevant safety regulations. They are required to enhance their management and oversight of production safety, improve protective measures at production sites, and establish a comprehensive safety production responsibility system to ensure workplace safety. Production entities must implement national or industry safety standards established by law and provide the safety conditions mandated by these standards. Entities that fail to meet the required safety production conditions are prohibited from engaging in production and operational activities. The production entities who violate the Work Safety Law of the PRC may be subject to administrative penalties and ordered to suspend production or business operations, or even criminal liability if causes serious consequences.

The Fire Protection Law of the PRC (《中華人民共和國消防法》), initially promulgated by the SCNPC on April 29, 1998, and most recently amended and promulgated on April 29, 2021, stipulates that the fire protection design and construction of building projects must conform to the national technical standards for construction fire safety. Developers, designers, construction contractors, and project supervisors are legally accountable for the quality of such fire protection design and construction. A fire safety design review and inspection system is implemented for projects mandated by national standards to undergo such design scrutiny. Any project legally required to pass fire safety inspection that fails to undergo or pass said inspection is prohibited from being put into use. For other projects that do not pass random inspections conducted in accordance with the law, their use must be suspended.

Regulations On Import And Export Of Goods

The Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), promulgated by the SCNPC on May 12, 1994, effective from July 1, 1994, and most recently amended on December 27, 2025 with effect from March 1, 2026, establishes the principle of free import and export of goods and technologies. To monitor such trade, the State Council’s competent foreign trade department may implement an automatic import and export licensing system for certain freely traded goods and publish corresponding catalogs. For goods subject to this automatic licensing, the consignee or consignor must obtain the license from the said department or its entrusted institution before completing customs declaration procedures.

REGULATORY OVERVIEW

Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》), promulgated by the SCNPC on January 22, 1987, and last amended and effective on April 29, 2021, the declaration of import and export goods can be handled either by the consignees and consignors themselves or by customs brokers they entrust who are registered with the customs authorities, unless otherwise stipulated by law. Both the consignees/consignors for importing or exporting goods and the customs brokers engaged in declaration activities are required to register with the customs in accordance with legal provisions.

Pursuant to the Administrative Provisions on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), promulgated by the General Administration of Customs on November 19, 2021, and effective from January 1, 2022, mandate that consignees and consignors of imported or exported goods, as well as customs brokers performing declaration services, must complete filing formalities with the relevant customs administration department as required by law.

Regulations on Product Liability

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “**Product Quality Law**”), promulgated by the SCNPC on February 22, 1993 and last amended on December 29, 2018, is the principal governing law relating to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products produced by them, and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable for compensating for any personal injury or property damage, other than the defective product itself, resulting from the defects in the product, unless the manufacturer is able to prove that (1) the product has never been distributed; (2) the defects causing injuries or damages did not exist at the time when the product was distributed; or (3) the science and technology at the time when the product was distributed was at a level incapable of detecting the defects. A seller shall be liable for compensating for any personal injury or property damage of others caused by the defects in the product if such defects are attributable to the seller. A seller shall pay compensation if it fails to indicate either the manufacturer or the supplier of the defective product. A person who is injured or whose property is damaged by the defects in the product may claim for compensation from the manufacturer or the seller.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”) promulgated by the National People’s Congress (the “**NPC**”) in May 28, 2020 and effective from January 1, 2021, manufacturers or suppliers of defective products that cause property damage or personal injury to any person may be held civilly liable for such damage or injury.

The Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》) was promulgated on October 31, 1993, last amended on October 25, 2013 and became effective on March 15, 2014 to protect consumers’ rights when they purchase or use goods and accept services. Operators shall comply with this law when they provide customers with the goods manufactured or sold by them and/or provide services to customers. Operators shall pay high attention to protecting customers’ privacy and must strictly keep confidential any consumer information they obtain during their business operations.

REGULATORY OVERVIEW

Laws and Regulations on Anti-Unfair Competition

Since the early 1990s, legislative authorities at all levels in China have enacted a series of laws and regulations against commercial bribery. According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the “**Anti-Unfair Competition Law**”), which was last amended on June 27, 2025, operators shall abide by the principle of voluntariness, equality, impartiality, integrity and adhere to laws and business ethics during market transactions. Operators in violation of the Anti-Unfair Competition Law shall bear corresponding civil, administrative or criminal liabilities depending on the specific circumstances.

Pursuant to the Interim Provisions on the Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) issued by the State Administration for Industry and Commerce of the PRC (predecessor of the State Administration for Market Regulation) on November 15, 1996, commercial bribery refers to the acts of business operators offering money, property, or using other means to bribe counterpart entities or individuals for the purpose of selling or purchasing goods. “Other means” refers to means used to provide any form of benefit other than money or property, such as the provision of domestic and foreign travel. Under the Anti-Unfair Competition Law and the Interim Provisions on the Prohibition of Commercial Bribery, regulatory authorities may impose fines depending on the severity of the case, and any illegal gains shall be confiscated.

Regulations on Company Establishment and Foreign Investment

Company Law

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》) (the “**PRC Company Law**”), which was promulgated by the SCNPC on December 29, 1993, amended on December 29, 2023 and took effect on July 1, 2024. The PRC Company Law generally governs two types of companies: limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of a company to its creditors is limited to the entire value of assets owned by the company. Liabilities of shareholders of a joint stock limited company are limited to the amount of capital they are legally obliged to contribute for the shares for which they have subscribed.

The shareholders’ meeting is the authority of the company, which exercises its powers in accordance with the PRC Company Law. The shareholders’ meeting shall exercise the following functions and powers:

- (1) electing and replacing directors and supervisors, and deciding on their remuneration;
- (2) reviewing and approving the reports of the board of directors;
- (3) reviewing and approving the reports of the board of supervisors;
- (4) reviewing and approving the plans for profit distribution and making up losses of the company;
- (5) making resolutions on the increase or decrease of the registered capital of the company;
- (6) making resolutions on the issuance of corporate bonds;
- (7) making resolutions on the merger, split-up, dissolution, liquidation or change of corporate form of the company;
- (8) amending the articles of association; and
- (9) other functions and powers as prescribed in the articles of association.

The shareholders’ meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

REGULATORY OVERVIEW

An annual shareholders’ meeting shall be held every year. If any of the following circumstances occur, an interim shareholders’ meeting shall be held within two months:

- (1) where the number of directors is less than two-thirds of the number as provided for by PRC Company Law or the articles of association;
- (2) where the outstanding losses of the company amounted to one-third of the company’s total capital stock;
- (3) where shareholders individually or in aggregate holding 10% or more of the company’s shares request the convening of an extraordinary meeting;
- (4) where the board of directors deems it necessary;
- (5) where the board of supervisors proposes; or
- (6) any other circumstances as provided for in the articles of association.

The shares held by a shareholder may be transferred to other shareholders or to persons other than the shareholders of the company. Where the articles of association of the company have any restriction on the transfer of shares, the transfer shall be carried out in accordance with the articles of association. The share transfer by a shareholder shall be conducted on a lawfully established stock exchange or by any other means as prescribed by the State Council.

The shares shall be transferred by a shareholder in the form of endorsement or by any other means prescribed by the relevant laws or administrative regulations. After the transfer, the company shall record the name and domicile of the transferee in the register of shareholders. The register of shareholders shall not be modified within 20 days before any shareholders’ meeting is held, or within 5 days prior to the benchmark date decided by the company for the distribution of dividends. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

Foreign Investment Law and Relevant Catalogue of Industries

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) was promulgated by the NPC on March 15, 2019 and became effective on January 1, 2020. Since January 1, 2020, the Law on Sino-foreign Equity Joint Ventures of the PRC (《中華人民共和國中外合資經營企業法》), the Law on Wholly Foreign-owned Enterprises of the PRC (《中華人民共和國外資企業法》) and the Law on Sino-foreign Cooperative Joint Ventures of the PRC (《中華人民共和國中外合作經營企業法》) have been repealed simultaneously, and the organizational form, structure, and operations of foreign-invested enterprises are subject to the Company Law and other applicable laws and regulations.

China adopts the management system of pre-establishment national treatment and negative list for foreign investment. Foreign investors shall not invest in any field with investment prohibited by the negative list for foreign investment access. Foreign investors shall meet the investment conditions stipulated under the negative list for any field with investment restricted by the negative list for foreign investment access. For the fields not included in the negative list for foreign investment access, management shall be conducted under the principle of consistency for domestic and foreign investment.

The Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) was promulgated by State Council on December 26, 2019 and became effective on January 1, 2020. According to the regulation, foreign investors may not invest in a field where their investment is prohibited as specified in the negative list. To invest in a field where their investment is restricted as specified in the negative list, foreign investors shall comply with the special administrative measures for restrictive access such as requirements for shareholding ratios

REGULATORY OVERVIEW

and senior executives as specified in the negative list. The registration of foreign-funded enterprises shall be conducted in accordance with the law by the market regulatory department of the State Council or the market regulatory departments of the local people’s governments authorized by it. Foreign investors or foreign-funded enterprises shall report investment information to the commerce departments through the enterprise registration system and the enterprise credit information publicity system.

According to the Industry Guidelines on Encouraged Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》), which was jointly promulgated by the NDRC and the Ministry of Commerce of the PRC, and the Foreign Investment Access Special Management Measures (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”) which was promulgated on September 6, 2024 and implemented on November 1, 2024, industries for foreign investment are classified into the encouraged foreign investment industry, restricted foreign investment industry and prohibited foreign investment industry. Foreign-invested projects that are not listed in the Negative List 2024 are permitted foreign-invested projects.

Regulations on Intellectual Property Rights

Trademark Law

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982 and last amended on April 23, 2019 (the latest revised version became effective from November 1, 2019) and the Implementation Regulations for the PRC Trademark Law (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and amended on April 29, 2014 (the latest revised version became effective from May 1, 2014), registered trademarks including commodity trademarks, service marks, collective trademarks and certification marks, refer to trademarks that have been approved and registered by the Trademark Office of the National Intellectual Property Administration (the “CNIPA”). The trademark registrants shall enjoy the exclusive right to use the marks, which shall be protected by the law. Any natural person, legal person or other organization, intending to acquire the exclusive right to use a trademark for his/her/its goods or service in the course of their manufacturing and business activities, shall file an application for the registration of the trademark with the Trademark Office of the CNIPA. The Trademark Law of the PRC has adopted a “first come, first file” principle with respect to trademark registration. Where trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance by unfair means a trademark that has already been used by another party and has already gained a “sufficient degree of reputation” through such party’s use.

Patent Law

The Patent Law of the PRC (《中華人民共和國專利法》) was promulgated by the SCNPC on March 12, 1984 and last amended on October 17, 2020 (the latest revised version became effective from June 1, 2021). The Implementation Regulations for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) was promulgated by the State Council on June 15, 2001 and last amended on December 11, 2023 (the latest revised version became effective from January 20, 2024). According to the regulations mentioned above, “invention-creations” shall mean invention patent, utility model patent or design patent. Any invention or utility model for which patent right may be granted must possess novelty, inventiveness and practical applicability. Invention patent shall be valid for 20 years from the date of application, utility model patent shall be valid for 10 years from the date of application and design patent shall be valid for 15 years from the date of application. The patent right entitled to its owner shall be protected by the laws. Unauthorized exploitation of a patent may constitute infringement, subject to applicable exceptions under the law, such as experimental use, Bolar exception, prior use rights, or compulsory licensing.

REGULATORY OVERVIEW

Trade Secret

According to the Anti-Unfair Competition Law, the term “trade secrets” refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the Anti-Unfair Competition Law, business operators are prohibited from infringing others’ trade secrets by: (i) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other unfair means; (ii) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the item (i) above; (iii) disclosing, using, or allowing another person use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; (iv) abetting a person, or tempting another person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation or the requirements of the right holder for keeping the trade secret confidential. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others’ trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and impose fine on the infringing parties.

Copyright Law

The Copyright Law of the PRC (《中華人民共和國著作權法》) was promulgated by the SCNPC on September 7, 1990 and last amended on November 11, 2020. Works of Chinese citizens, legal entities or other organizations, whether published or not, shall enjoy copyright in accordance with the Copyright Law. Works include written works, oral works, musical, dramatic, opera, dance, acrobatic artistic works, fine arts, architectural works, photographic works, audio-visual works, graphic works and model works, computer software and other intellectual achievements which comply with the characteristics of the works. Except as otherwise provided in the Copyright Law, copying, distributing, performing, screening, broadcasting, compiling, or distributing through the information network the work to the public, without the permission of the copyright owner, shall constitute infringement of copyright.

According to the Measures for Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and last amended on June 16, 2004 (the latest revised version became effective from July 1, 2004), and the Computer Software Protection Regulations (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013, software developed by Chinese citizens, legal persons or other organizations shall be automatically protected immediately after its development, whether published or not. Software copyright may be registered with the software registration agency appointed by the State Council copyright administrative department.

Domain Names

The Ministry of Industry and Information Technology (the “MIIT”) promulgated the Administrative Measure for Internet Domain Names (《互聯網域名管理辦法》) on August 24, 2017, which became effective from November 1, 2017. According to this measure, the MIIT is in charge of the administration of PRC internet domain names and the domain name services follow a “first come, first file” principle. Use of domain names by providers of internet information services shall comply with laws and regulations and the relevant provisions of the telecommunication administrative authorities and shall not use a domain name to carry out illegal acts.

REGULATORY OVERVIEW

Regulations on Tax

Individual Income Tax

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “**Individual Income Tax Law**”) lastly amended by the SCNPC on August 31, 2018 and implemented on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) lastly amended by the State Council on December 18, 2018 and implemented on January 1, 2019, dividends paid by Chinese mainland companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%.

Pursuant to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) jointly promulgated by the MOF, the SAT and the CSRC on September 7, 2015 and implemented on September 8, 2015, where an individual holds the shares of a listed company obtained from the public offering and market transfer, if the holding period is more than one year, the dividends and bonus income shall be temporarily exempted from individual income tax. Where an individual holds shares of a listed company from the public offering and market transfer, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) promulgated by the SAT on June 28, 2011, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us.

Enterprise Income Tax

Pursuant to the EIT Law of the PRC (《中華人民共和國企業所得稅法》), which was promulgated on March 16, 2007 and amended on February 24, 2017 and December 29, 2018 (the latest amendment was implemented from December 29, 2018) and the Implementation Regulations for the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was promulgated on December 6, 2007, last amended on December 6, 2024 and implemented from January 20, 2025, taxpayers consist of resident enterprises and non-resident enterprises. Resident enterprises are defined as enterprises that are established in the PRC in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual administration is conducted in the PRC. Non-resident enterprises refers to enterprises that are established in accordance with the laws of foreign countries and whose actual administration is conducted outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from the PRC. The EIT Law applies a uniform 25% EIT rate to both foreign-invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. However, if non-resident enterprises have not established institutions or premises in the PRC, or have established institutions or premises in the PRC but the income derived has no actual connection with such established institutions or premises, the EIT is, in that case, set at the rate of 10% for their income sourced from inside the PRC.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得

REGULATORY OVERVIEW

稅有關問題的通知》) promulgated by the SAT and implemented on November 6, 2008, a PRC resident enterprise is required to withhold EIT at a unified rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived out of profit generated since 2008.

Pursuant to the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), promulgated by the SAT and implemented on July 24, 2009, Chinese resident enterprises that issue and trade shares publicly (A shares, B shares, and overseas shares) in China shall, after distributing the dividends of 2008 and subsequent years to the non-resident enterprise shareholders, withhold and pay the corporate income tax at a 10% tax rate. In the event that a non-resident enterprise shareholder needs to be entitled to the treatment of the tax agreement, the matter shall be handled in accordance with the appropriate requirements of the tax agreement.

In February 2015, the State Administration of Taxation (the “SAT”) issued the Announcement of the SAT on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises (《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (the “SAT Circular 7”). According to the SAT Circular 7, an “indirect transfer” of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. The SAT Circular 7 provides two exemptions: (i) where a non-resident enterprise derives income from the indirect transfer of PRC taxable assets by acquiring and selling equity interests of the same listed overseas company on a public market; and (ii) where the non-resident enterprise had directly held and transferred such PRC taxable assets, the income from the transfer of such PRC taxable assets would have been exempted from enterprise income tax in the PRC under an applicable tax treaty or arrangement.

The Announcement of the SAT on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》) (the “SAT Circular 37”) was promulgated by the SAT on October 17, 2017 and amended on June 15, 2018, which replaced or supplemented certain previous provisions in the Circular 7. The SAT Circular 37 purports to clarify certain issues in the implementation of the SAT Circular 7 and other regulations, by providing, among others, the definition of equity transfer income and tax basis, the foreign exchange rate to be used in the calculation of withholding amount, and the date of occurrence of the withholding obligation. Specifically, the SAT Circular 37 provides that where the transfer income subject to withholding at source is derived by a non-PRC resident enterprise in installments, the installments may first be treated as recovery of costs of previous investments. Upon recovery of all costs, the tax amount to be withheld must then be computed and withheld.

Withholding Tax

Pursuant to the Enterprise Income Tax Law and the Implementation Regulations for the Enterprise Income Tax Law, if non-resident enterprises have not established institutions or premises in the PRC, or have established institutions or premises in the PRC but the income derived has no actual connection with such established institutions or premises, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. According to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) effective from December 8, 2006, dividends repatriated from a PRC entity to its Hong Kong shareholder owning more than 25% of its capital would be entitled to a reduced withholding tax rate of 5% subject to certain conditions.

REGULATORY OVERVIEW

The SAT issued the Administrative Measures on Entitlement of Non-resident Taxpayers to Treatment under Treaties (《非居民納稅人享受協定待遇管理辦法》) on October 14, 2019 and effective on January 1, 2020, which applies to non-resident taxpayers who have tax liability in China and need to claim treaty benefits. Non-resident taxpayers enjoying its tax treaty benefits shall adopt the method of “self-assessment, claims by declaration and retention of the relevant materials for future inspection”. Non-resident taxpayers who make their own declaration shall make self-assessment regarding whether they are entitled to tax treaty benefits and submit the relevant reports, statements and materials as required, and simultaneously collect and retain the relevant materials for future inspection. Also, tax authorities at any level shall, through strengthening follow-up administration for non-resident taxpayers’ entitlement to tax treaty benefits, implement tax treaties accurately and prevent risks of indiscriminately application of tax treaties, tax evasion and tax avoidance.

Value-added Tax and Business Tax

According to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by the SCNPC on December 25, 2024, and effective on January 1, 2026, entities and individuals (including individual businesses) engaged in sale of goods, services, intangible assets and immovables (hereinafter referred to as the “taxable transactions”) and importation of goods within the territory of the PRC (hereinafter referred to as “in China” in short) are VAT payers and shall pay VAT in accordance with this Law.

According to the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value added Tax to Replace Business Tax (《關於全面推開營業稅改徵增值稅試點的通知》), which was promulgated by the Ministry of Finance (the “MOF”) and the SAT on March 23, 2016 and last amended on December 29, 2025, the pilot program of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner from May 1, 2016, and all taxpayer of business tax engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax.

According to the Circular of the MOF and the SAT on Adjusting Value-added Tax Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》), which was promulgated on April 4, 2018 and became effective on May 1, 2018, where a taxpayer engages in value-added tax taxable sales activities or import of goods, the previous applicable value-added tax rates of 17% and 11% are adjusted to be 16% and 10% respectively.

According to the Circular on Policies to Deepen Value-added Tax Reform (《關於深化增值稅改革有關政策的公告》), which was promulgated on March 20, 2019 and became effective on April 1, 2019, where a general VAT payer engages in value-added tax taxable sales activities or import of goods, the previous applicable value-added tax rates of 16% and 10% are adjusted to be 13% and 9% respectively.

Regulations on Labor Protection

Labor Law and Labor Contract Law

The Labor Law of the PRC (《中華人民共和國勞動法》) was promulgated by the SCNPC on July 5, 1994 and was amended on August 27, 2009 and December 29, 2018 (the latest amendment became effective from December 29, 2018). The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) was promulgated by the SCNPC on June 29, 2007 and was amended on December 28, 2012 (the latest amendment became effective from July 1, 2013). The Implementing Regulations of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) were promulgated and became effective on September 18, 2008. These laws together stipulate the labor contracts, settlement of labor dispute, labor remuneration, protection of occupational safety and healthcare, social insurance and welfare, etc. Written labor contracts must be entered into in order to establish the labor relationship between employers and employees. Employers are also required to pay wages no lower than the local minimum wage standards to their employees.

REGULATORY OVERVIEW

Social Insurance and Housing Provident Funds

The Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and amended on December 29, 2018, governs the PRC social insurance system. It requires employers and/or employees (as the case may be) to register social insurance with competent authorities and contribute required amount of social insurance funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity insurance. Employers who failed to complete social security registration shall be ordered by the social security administrative authorities to make correction within a stipulated period; where correction is not made within the stipulated period, the employer shall be subject to a fine ranging from one to three times the amount of the social security premiums payable, and the person(s)-in-charge who is/are directly accountable and other directly accountable personnel shall be subject to a fine ranging from RMB500 to RMB3,000. Employers who failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

Under the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999 and last amended on March 24, 2019, an employer shall make contribution registration with the housing provident fund management and complete the formalities of opening housing provident fund accounts for its employees. Where an employer fails to undertake payment and deposit registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. Where an employer is overdue in the payment of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the payment within a prescribed time limit; where the payment has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

Regulations Relating to Property Leasing

According to the Management Measures for the Lease of Commercial House (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and came into effect on February 1, 2011, within 30 days after the conclusion of the lease contract, the parties shall register the lease contract for the record with the competent authority. In case of any violation of the foregoing provisions, the competent construction (real estate) departments may order rectification within a time limit, failure to do so within the time limit by an entity, a fine of not less than RMB1,000 but not more than RMB10,000 shall be imposed for each such lease contract. Pursuant to the Civil Code, failure to complete such registration shall not affect the validity of the lease contract.

Regulations on Environmental Protection

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the “**Environmental Protection Law**”), which was promulgated by the SCNPC on December 26, 1989, last amended on April 24, 2014 and came into effect on January 1, 2015, the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on October 28, 2002 and last amended on December 29, 2018, and the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998, last amended on July 16, 2017 and came into effect on October 1, 2017, enterprises which plan to construct projects shall engage qualified professionals to provide the assessment reports, assessment form, or registration form on

REGULATORY OVERVIEW

the environmental impact of such projects. The assessment reports, assessment form, or registration form shall be filed with or approved by the relevant environmental protection bureau prior to the commencement of any construction work.

According to the Environmental Protection Law and the Regulation on Administration of Discharge Permit (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and came into effect on March 1, 2021, the Measures for Pollutant Discharge Permitting Administration (《排污許可管理辦法》), promulgated by the Ministry of Ecology and Environment on April 1, 2024 came into effect on July 1, 2024, enterprises, public institutions and other producers and business operators shall, in accordance with factors such as the amount of pollutants produced, the amount of pollutants discharged and the extent of their impact on the environment, carry out the management of pollutant discharge permits with a focus, simplified management and pollutant discharge registration. Public institutions and other producers or operators that are subject to the administration of permitting of pollutant discharges shall apply for a pollutant discharge permit in accordance with the provisions, and may not discharge pollutants, if a pollutant discharge permit fails to be obtained. Enterprises, institutions and other producers and operators that produce and discharge pollutants in small volumes and affect the environment at a small level shall file a pollutant discharging registration form and are exempted from being required to obtain a pollutant discharge permit.

Regulations on Foreign Exchange and Overseas Investment and Dividend Distribution

Foreign Exchange and Overseas Investment

Foreign exchange in the PRC is mainly regulated by the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on January 29, 1996 and most recently amended on August 5, 2008. Renminbi is freely convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but is not freely convertible for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of the PRC, unless prior approval is obtained from the SAFE and/or prior registration with the SAFE is made.

On February 13, 2015, the SAFE promulgated the Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (the “**SAFE Circular 13**”), which took effect on June 1, 2015 and was amended on December 30, 2019. In accordance with the SAFE Circular 13, the banks will review and carry out foreign exchange registration under domestic direct investment as well as foreign exchange registration under overseas direct investment directly, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

According to the Circular on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the “**Circular 19**”) (promulgated by SAFE on March 30, 2015, became effective on June 1, 2015 and partially repealed on December 30, 2019), the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretionary Foreign Exchange Settlement (the “**Discretionary Foreign Exchange Settlement**”). The Discretionary Foreign Exchange Settlement refers to the foreign exchange capital in the capital account of a foreign-invested enterprise for which the rights and interests of monetary contribution has been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise. The proportion of Discretionary Foreign Exchange Settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined as 100%. The Renminbi converted from the foreign exchange capital will be kept in a designated account. If a foreign-invested enterprise needs to make a further payment from such assigned accounts, it still needs to provide supporting documents and go through the banks’ review process.

REGULATORY OVERVIEW

Pursuant to the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (Hui Fa [2016] No. 16) (《關於改革和規範資本項目結匯管理政策的通知》(匯發[2016]16號)) (the “**Circular 16**”), which was promulgated by the SAFE and came into effect on June 9, 2016, and was amended on December 4, 2023), enterprises registered in the PRC (including Chinese-funded enterprises and foreign-invested enterprises, excluding financial institutions) may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. The Circular 16 provides an integrated standard for converting foreign exchange under capital account items (including but not limited to foreign exchange capital and foreign debts) on a discretionary basis which applies to all enterprises registered in the PRC. The Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws or regulations, and such converted Renminbi shall not be provided as loans to its non-affiliated entities, except where it is expressly permitted in the business license.

In accordance with the Circular of the SAFE on Further Promoting Cross-border Trade and Investment Facilitation (Hui Fa [2019] No. 28) (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》(匯發[2019]28號)), which was promulgated by the SAFE and came into effect on October 23, 2019, and was amended on December 4, 2023, foreign-invested enterprise engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to laws and regulations under the condition that the current Special Administrative Measures for Foreign Investment Access(Negative List) are not violated and the relevant domestic investment projects are true and compliant.

According to the Circular of the SAFE on Further Deepening Reforms to Facilitate Cross-Border Trade and Investment (Hui Fa [2023] No. 28) (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》(匯發[2023]28號)), which was promulgated by the SAFE and came into effect on December 4, 2023, the foreign exchange funds raised by domestic enterprises listed overseas, can be remitted to the capital project settlement account directly. The funds in the capital project settlement account can be independently settled and utilized.

Dividend Distribution

The SAFE promulgated the Notice of the SAFE on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) in January 26 2017, which stipulates several capital control measures with respect to the outbound remittance of profits of a domestic entity equivalent to more than USD50,000 (exclusive) including the following: (1) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution (or the partners resolutions regarding profit distribution), the original version of tax filing records and audited financial statements; and (2) domestic entities shall hold income to account for previous years’ losses before remitting the profits. Moreover, domestic entities shall make detailed explanations of the sources of capital and the usage of funds (use plan), and provide board resolutions (or the partners resolutions), contracts and other proof when completing the registration procedures in connection with an outbound investment.

Laws and Regulations on Information Security and Data

Personal Information Protection

Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others.

REGULATORY OVERVIEW

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”), promulgated by the SCNPC on August 20, 2021 and effective from November 1, 2021, stipulates the scope of personal information and establishes rules for processing personal information of natural persons within the territory of the PRC, and under specified circumstances, for processing such information outside the territory of the PRC, including but not limited to more specific inform and consent requirements in various contexts, strengthened and classified obligations of personal information processors, and more limitations and rules on processing of personal information.

Data Security and Data Export

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “**PRC Data Security Law**”), which became effective on September 1, 2021. Pursuant to the PRC Data Security Law, data refers to any record of information in electronic or any other form. Data processing includes but is not limited to the collection, storage, use, processing, transmission, provision, and public disclosure of data. Industrial sector, telecommunications, transportation, finance, natural resources, health, education, science and technology, and other departments shall undertake the duty to supervise data security in their respective industries and fields. The PRC Data Security Law stipulates that each organization or individual collecting data shall adopt legal and proper methods, and shall not steal or obtain data by other illegal methods, and the data processing activities shall comply with laws and regulations, respect social mores and ethics, comply with commercial ethics and professional ethics, be honest and trustworthy, perform obligations to protect data security, and undertake social responsibility; it shall not harm national security, the public interest, or the legitimate rights and interests of citizens or organizations. On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law, which became effective on November 1, 2021. The Personal Information Protection Law requires, among others, that the processing of personal information should have a clear and reasonable purpose and should be limited to the minimum scope necessary to achieve the processing purpose, adopt a method that has the least impact on personal rights and interests, and shall not process personal information that is not directly related to the processing purpose.

On December 28, 2021, the Cyberspace Administration of China (the “CAC”), together with other PRC governmental authorities, promulgated the revised Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Cybersecurity Measures**”). Pursuant to the Cybersecurity Measures, (i) the purchase of network products and services of a critical information infrastructure operator and data processing activities of an online platform operator that affect or may affect national security shall be subject to the cybersecurity review, (ii) particularly, if a critical information infrastructure operator purchase network products and services that affect or may affect national security, or an online platform operator possessing personal information of over one million users and pursues a listing abroad, such operator must apply for cybersecurity review, and (iii) relevant governmental authorities in the PRC may initiate cybersecurity review if such governmental authorities determine any network products and services, and data processing activities affect or may affect national security. In addition, on September 24, 2021, the State Council issued the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the “**Cyber Data Security Regulations**”), which came into effect from January 1, 2025, provides clear stipulation on carrying out cyber data processing activities and the security supervision and management thereof. The Cyber Data Security Regulations reiterate and refine the general regulations for cyber data processing activities, rules of personal information protection, important data security protection, cyber data cross-border transfer management, and the responsibilities of online platform service providers.

On July 7, 2022, CAC promulgated Measures for the Security Assessment of Outbound Data Transfers (《數據出境安全評估辦法》) (the “**Outbound Data Transfer Security Assessment Measures**”), which became effective on September 1, 2022 and outlines the possible security assessment process for outbound data transfers. In addition, on February 22, 2023, the Measures on the Standard Contract for the Cross-Border Transfer of Personal Information (《個人信息出境標準合同辦法》) (the “**SCC Measures**”), were promulgated by the CAC, which took effect on June 1, 2023. The SCC

REGULATORY OVERVIEW

Measures attach the prescribed template for the standard contract on the outbound transfer of personal information that could be used as an available option to satisfy the condition for cross-border transfer of personal information under Article 38 of the Personal Information Protection Law.

On March 22, 2024, the CAC issued Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》) (the “**Cross-border Data Flows Provisions**”), which provide provisions for the implementation of outbound data transfer systems including security assessment for outbound data transfers, standard contracts for outbound transfer of personal information, and personal information protection certification. In accordance with these provisions, unless otherwise stipulated, (I) data processors who provide data abroad, and meet any of the following conditions, are required to declare the security assessment of outbound data transfer to the national cyberspace administration authority through the provincial-level cyberspace administration authority where the data handlers are located: (A) critical information infrastructure operators providing personal information or important data abroad; (B) data processors other than critical information infrastructure operators providing important data abroad or cumulatively providing abroad personal information (excluding sensitive personal information) of more than one million individuals, or sensitive personal information of more than 10,000 individuals since January 1 of the current year; and (II) data processors other than critical information infrastructure operators have cumulatively provided abroad personal information (excluding sensitive personal information) of more than 100,000 and less than 1,000,000 individuals, or sensitive personal information of less than 10,000 individuals as of January 1 of the current year, shall enter into a standard contract for outbound transfer of personal information with the overseas recipient and file to CAC or obtain personal information protection certification in accordance with the law.

Regulations on Overseas Securities Offering and Listing by Domestic Enterprises

The China Securities Regulatory Commission (the “**CSRC**”) promulgated the Trial Administrative Measures and five relevant guidelines on February 17, 2023, which took effect on March 31, 2023. The Trial Administrative Measures comprehensively reformed the regulatory regime for overseas offering and listing of securities by the PRC domestic enterprises, either directly or indirectly, into a filing-based system.

According to the Trial Administrative Measures, the PRC domestic enterprises that seek to offer and list securities in overseas markets, either directly or indirectly, are required to fulfill the filing procedure with the CSRC and report relevant information. The Trial Administrative Measures provides that an overseas listing or offering is explicitly prohibited, if any of the following applies: (i) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (ii) the securities offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the domestic enterprise or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic enterprise is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) or actual controller.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Archives Rules, which took effect on March 31, 2023. Pursuant to the Archives Rules, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises

REGULATORY OVERVIEW

providing accounting archives or copies thereof to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals shall perform the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

Regulations on “Full Circulation” of H Shares

On November 14, 2019, the CSRC issued the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H Share Companies (《H股公司境內未上市股份申請「全流通」業務指引》) (the “**Guidelines**”), which was amended and came into effect on August 10, 2023. According to the Guidelines, “Full Circulation” refers to the listing and circulation of the domestic unlisted shares of an H-share company (including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares that are further issued in the PRC after overseas listing and unlisted shares held by foreign shareholders) on the Hong Kong Stock Exchange. Holders of unlisted domestic shares may, at their own discretion, negotiate and determine the number and proportion of shares to be applied for circulation, and entrust H-share companies to apply for “full circulation”, as well as entrust H-share companies to submit the “full circulation” filing documents to the CSRC, subject to compliance with relevant laws and regulations as well as policy requirements in respect of state-owned assets management, foreign investment and industry regulation. According to the Guidelines, shareholders of domestic unlisted shares should handle the transfer of shares in accordance with the relevant business rules of the CSDC, and H-share companies should submit a report on the relevant situation to the CSRC within 15 days after the completion of the transfer of the shares involved in the application to CSDC.

According to the regulations on overseas listing, where a domestic enterprise directly issues and lists its securities overseas, the shareholders holding unlisted domestic shares may, after filing, convert the above shares into overseas listed shares in accordance with the law and list and circulate the same on an overseas stock exchange. A domestic enterprise may also submit an application for “full circulation” at the same time when it submits an application for the overseas direct issuance and listing to the CSRC.

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

In order to fully promote the reform of H-share full circulation and clarify the business arrangement and procedures for the relevant shares’ registration, custody, settlement and delivery, CSDC promulgated the Guide to the Program for Full Circulation of H-shares (《H股「全流通」業務指南》) on February 7, 2020. This Guide was invalidated and replaced by the Guide to the Program for Full Circulation of H-shares of China Securities Depository and Clearing Corporation Limited Shenzhen Branch (《中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南》), which was promulgated by China Securities Depository and Clearing Corporation Limited Shenzhen Branch on September 20, 2024, came into effect on September 23, 2024, and was amended in June, 2025. According to the Guide to the Program for Full Circulation of H-shares of China Securities Depository and Clearing Corporation Limited Shenzhen Branch, the business preparation, cross-border share transfer registration, arrangement for settlement and delivery, risk management measures and other relevant matters are specified.

REGULATORY OVERVIEW

In February 2020, China Securities Depository and Clearing (Hong Kong) Company Limited (“CSDC (Hong Kong)”) also promulgated the Guide to the Program for Full Circulation of H-shares of China Securities Depository and Clearing (Hong Kong) Company Limited (《中國證券登記結算(香港)有限公司H股「全流通」業務指南》), which was amended on September 20, 2024, to specify the escrow, custody, agent service, arrangement for settlement and delivery, risk management measures and other relevant matters.

EU LAWS AND REGULATIONS

Product Safety and Liability

Regulation (EU) 2023/988 which applies since December 13, 2024, establishes an overarching product safety framework requiring consumer products placed on the EU market to be safe. It imposes obligations relating to risk assessment, traceability, corrective actions, and the reporting of accidents and recalls, and generally requires non-EU manufacturers to ensure that an EU-established economic operator is responsible for specified compliance tasks.

In addition, Council Directive 85/374/EEC establishes a no-fault liability regime for defective products. Directive (EU) 2024/2853 on liability for defective products will repeal and replace Council Directive 85/374/EEC with effect from December 9, 2026.

These regulations may be further amended or supplemented by the European Product Act, a legislative package expected in the third quarter of 2026 that is likely to harmonize EU product regulations.

With respect to our products sold in the EU, the following non-exhaustive selection of laws and regulations established at EU level is relevant and should be observed, to the extent applicable:

- Directive 2014/35/EU on electrical equipment designed for use within certain voltage limits;
- Directive 2014/30/EU on electromagnetic compatibility;
- Regulation (EU) 2023/1542 concerning batteries and waste batteries;
- Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment;
- Directive 2012/19/EU on waste electrical and electronic equipment;
- Commission Regulation (EU) 2016/631 establishing a network code on requirements for grid connection of generators;
- Regulation (EU) 2024/1781 establishing a framework for ecodesign requirements for sustainable products; and
- Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals.

EU Trade Defense Law

Goods imported into the EU may become subject to anti-dumping, anti-subsidy, and safeguard measures.

Under Regulation (EU) 2016/1036, an anti-dumping duty may be imposed on any dumped product whose release for free circulation in the EU causes injury to the EU industry. A product is considered dumped if its export price to the EU is less than a comparable price for a like product in the ordinary course of trade in the exporting country. Where domestic prices and costs in the exporting country are unreliable due to significant distortions, normal value may be constructed by reference to undistorted prices or benchmarks. On April 10, 2024, the European Commission

REGULATORY OVERVIEW

published a report on significant distortions in the economy of the PRC for the purposes of trade defense investigations, covering sectors selected by reference to, among other things, their frequency in the Commission’s investigation practice or their economic or strategic importance.

Under Regulation (EU) 2016/1037, the European Commission may impose countervailing duties to offset subsidies granted, directly or indirectly, for the manufacture, production, export, or transport of products whose release for free circulation in the EU causes injury to the EU industry, regardless of whether the products are imported directly from the country of origin or from an intermediate country.

Regulation (EU) 2022/2560 on foreign subsidies distorting the internal market empowers the European Commission to investigate financial contributions granted by non-EU governments to companies active in the EU and to remedy any distortive effects on the EU internal market.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our Company was established in October 2014 against the backdrop of China’s power reform and the rise of the international energy internet. Since inception, our Company has been led by our co-founders, Dr. Men, Dr. Wu and Mr. Xu. We commenced formal operations by the end of 2015, initially focusing on EMS that provided electricity cost optimization solutions for commercial and industrial customers. In 2017, we deployed our proprietary BMS, marking our transition from a pure software business model to an integrated hardware-and-software business model. We strategically expanded into overseas markets in 2020, driven by favorable market dynamics in jurisdictions where grid infrastructure was undergoing modernization. By 2025, approximately 90% of our total revenue was attributable to overseas sales.

For the biography and industry experience of our co-founders, see “Directors and Senior Management”.

MILESTONES

The following is a summary of our key development milestones:

Year	Event
2014	• Our Company was established in the PRC.
2017	• Our self-developed BMS was deployed.
2019	• We completed the 54.2MWh project in China.
2022	• FlexCombo was named a finalist for the ees [®] Award.
2023	• We obtained DNV Bankability certification.
2024	• We became a BloombergNEF Tier 1 Energy Storage Manufacturer.
2025	• We commenced construction of our Changzhou production base.

KEY SUBSIDIARIES

The following table sets forth details of our key subsidiaries which have made a material contribution to our results of operation during the Track Record Period or which we consider are of strategic importance to our Group.

Subsidiary name ⁽¹⁾⁽²⁾	Principal business activities	Place and date of establishment
Cubenergy Sichuan	R&D of BESS	PRC, May 16, 2017
Dongguan Liye	Manufacturing and sales of BESS	PRC, July 26, 2022
Cubenergy Changzhou	Manufacturing and sales of BESS	PRC, September 14, 2023
Cubenergy Hong Kong	Sales of BESS	Hong Kong, June 16, 2023
Paneco Cubenergy	Sales of BESS	Hong Kong, April 15, 2024
Cubenergy Dongguan	Sales of BESS	PRC, April 2, 2019
Cubenergy New Energy	Sales of BESS	PRC, March 3, 2017

Notes:

- (1) Paneco Cubenergy was incorporated in Hong Kong as a private company with limited liability in April 2024 and was a wholly-owned subsidiary of Cubenergy Hong Kong. In May 2024, Cubenergy Hong Kong transferred 40% shareholding in Paneco Cubenergy to Paneco Energie for a consideration of HK\$4,000.
- (2) Except for (1), there were no other shareholding changes in our key subsidiaries during the Track Record Period and up to the Latest Practicable Date. For more information on our key subsidiaries, see Note 1 to the Accountants’ Report set out in Appendix I to this document.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

ESTABLISHMENT AND DEVELOPMENT OF OUR GROUP

Establishment of our Company in 2014

Our Company was established as a limited liability company under the laws of the PRC on October 17, 2014 with a registered capital of RMB10 million subscribed by Dr. Wu as the sole registered shareholder. Pursuant to the share entrustment arrangements, Dr. Wu held certain equity interests on behalf of seven other individuals. Such arrangements were subsequently documented in writing by way of share entrustment agreements in March 2016, entered into between Dr. Wu, on the one hand, and each of Dr. Men, Mr. Xu, Mr. Xu Ming (徐銘), Mr. Qian, Mr. Wu Zhonghong (吳忠宏), Mr. Guo Zijian (郭子健), and Mr. Zheng Xi (鄭熙), on the other hand, respectively, confirming the following capital contribution amounts from each such individual:

Shareholder	Subscribed registered capital	Corresponding equity interest in our Company
Dr. Men	RMB1,739,043	17.40%
Dr. Wu	RMB1,739,043	17.40%
Mr. Xu	RMB1,739,043	17.40%
Mr. Xu Ming	RMB1,304,783	13.00%
Mr. Qian	RMB869,522	8.70%
Mr. Wu Zhonghong	RMB869,522	8.70%
Mr. Guo Zijian	RMB869,522	8.70%
Mr. Zheng Xi	RMB869,522	8.70%
Total	RMB10,000,000	100.00%

Share entrustment arrangements

In July 2016, in order to partially unwind the share entrustment arrangements, Dr. Wu transferred registered capital of RMB8,522,000 in our Company to Dr. Men, Mr. Xu, Mr. Xu Ming, Mr. Qian, Mr. Wu Zhonghong, Mr. Guo Zijian and Mr. Zheng Xi. To facilitate business development and fundraising efforts, of the registered capital of RMB3,579,000 in our Company held by Dr. Men, (i) RMB1,739,043 was held for his own benefit, (ii) RMB861,043 was held on behalf of Mr. Xu, (iii) RMB261,043 was held on behalf of Dr. Wu, (iv) RMB195,783 was held on behalf of Mr. Xu Ming, (v) RMB130,522 was held on behalf of Mr. Qian, (vi) RMB130,522 was held on behalf of Wu Zhonghong, (vii) RMB130,522 was held on behalf of Mr. Zheng Xi, and (viii) RMB130,522 was held on behalf of Mr. Guo Zijian.

In July 2018, our then Shareholders proceeded to fully unwind the share entrustment arrangements by transferring RMB1,501,000 and RMB600,000 of Dr. Men’s entrusted equity interests to Cubenergy Investment and Mr. Xu for a nominal consideration, respectively. Cubenergy Investment is our employee incentive platform. See “— Employee Incentive Platforms” below for more information.

Upon completion of the restoration, the shareholding structure of our Company became fully aligned with the actual ownership structure. Our PRC Legal Advisor has confirmed that the relevant share entrustment arrangements do not violate any applicable mandatory PRC laws and regulations and their subsequent termination is valid under PRC laws.

Concert Party Agreement

To enhance the efficiency of decision-making on material matters, on October 19, 2021, Dr. Men, Dr. Wu, Mr. Xu, Mr. Qian and Cubenergy Investment entered into the Concert Party Agreement. Pursuant to the Concert Party Agreement, Dr. Men, Dr. Wu and Mr. Xu as the co-founders of our Company, maintain a concert-party relationship in respect of all material

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

decisions of our Company. When exercising proposal and voting rights at meetings of the board of directors or shareholders’ meetings, Dr. Men, Dr. Wu and Mr. Xu must first consult and try to reach consensus. If consensus cannot be reached, Dr. Wu and Mr. Xu shall act in accordance with Dr. Men’s opinion. Mr. Qian and Cubenergy Investment shall in turn, exercise the relevant director and/or shareholder rights in accordance with the decision formed by Dr. Men, Dr. Wu, and Mr. Xu.

Equity transfers and capital increases prior to our conversion into a joint stock company

In August 2021, Mr. Xu Ming transferred registered capital of RMB247,829.32, RMB247,829.32, RMB247,829.32, RMB123,914.66, RMB123,914.66 and RMB117,682.72 in our Company to Dr. Men, Dr. Wu, Mr. Xu, Mr. Qian, Mr. Wu Zhonghong and Cubenergy Investment for a consideration of RMB1,438,834.65, RMB1,438,834.65, RMB1,438,834.65, RMB719,417.33, RMB719,417.33 and additional partnership interests of RMB117,682.72, in Cubenergy Investment, respectively.

In November 2021, our then Shareholders passed a resolution approving the conversion of capital reserve into share capital. Pursuant to such resolution, RMB36,902,777.78 of our capital reserves was converted into registered capital and distributed to our then Shareholders on a pro rata basis. Following such conversion, our registered capital increased to RMB50 million.

We underwent equity transfers and capital increases and our Company was held by the following Shareholders immediately prior to our conversion into a joint stock company:

<u>Shareholder⁽¹⁾</u>	<u>Subscribed registered capital</u>	<u>Corresponding equity interest in our Company</u>
Dr. Men	RMB6,394,824	11.14%
Dr. Wu	RMB6,394,824	11.14%
Mr. Xu	RMB6,394,824	11.14%
QM102	RMB6,237,805	10.87%
Cubenergy Investment ⁽²⁾	RMB6,179,489	10.77%
Mr. Qian	RMB3,197,412	5.57%
Mr. Wu Zhonghong	RMB3,197,412	5.57%
Songhe Investment	RMB2,757,154	4.80%
Hongtu Intelligent	RMB2,750,000	4.79%
Mr. Zheng Xi ⁽³⁾	RMB2,433,793	4.24%
Mr. Guo Zijian	RMB2,433,793	4.24%
Zhejiang Pudu	RMB1,670,179	2.91%
Qianhai Ark	RMB1,431,613	2.49%
Cooper (China)	RMB1,250,000	2.18%
Tongchuang Capital	RMB1,000,000	1.74%
Hongtu No. 1 Fund	RMB896,797	1.56%
SCGC	RMB858,719	1.50%
Shenzhen HTI	RMB794,149	1.38%
Shenzhen Shenzhihua	RMB537,216	0.94%
Songhe Mingyuehu	RMB385,000	0.67%
Mr. Yao Naxin (姚納新)	RMB200,000	0.35%
Total	<u>RMB57,395,000</u>	<u>100.00%</u>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) QM102, Songhe Investment, Hongtu Intelligent, Zhejiang Pudu, Qianhai Ark, Cooper (China), Hongtu No. 1 Fund, SCGC, Songhe Mingyuehu (all defined below) and Mr. Yao Naxin are all our Pre-[REDACTED] Investors. See “— Pre-[REDACTED] Investments” below for more information.
- (2) Cubenergy Investment is our employee incentive platform. See “— Employee Incentive Platforms” below for more information.
- (3) Mr. Zheng Xi is the head of our pilot-scale testing R&D center.

Conversion into a Joint Stock Company

On April 17, 2023, our then Shareholders passed resolutions approving, among other matters, (i) the conversion of our Company from a limited liability company into a joint stock company with limited liability under the laws of the PRC, and (ii) the conversion of the net asset value of our Company as of October 31, 2022, being RMB235,005,473.02 into 57,395,000 Shares, with the remaining net asset value included as capital reserve of our Company. Upon completion of the conversion on May 9, 2023, the registered capital of our Company was RMB57,395,000.

Capital reduction and share subdivision in 2026

Pursuant to the resolutions passed by our then Shareholders on February 10 and June 8, 2026, (i) the registered capital of our Company was reduced by RMB1,721,850 to RMB59,690,838, and (ii) each Unlisted Share with a nominal value of RMB1.00 was sub-divided into five Unlisted Shares with a nominal value of RMB0.20 each. Upon completion of such share subdivision, the registered share capital of our Company comprised 298,454,190 Shares with a nominal value of RMB0.20 each, all of which were allocated to all our then Shareholders in proportion to their respective equity interests in our Company.

Such capital reduction and share subdivision were completed as of June 9, 2026.

PRE-[REDACTED] INVESTMENTS

Overview

The following table sets forth a summary of our Pre-[REDACTED] Investments:

Nature	Pre-[REDACTED] Investor	Date of agreement	Date of settlement of consideration	Registered capital or shares subscribed/ transferred	Total Consideration (RMB)	Cost per Share ⁽¹⁾ (HK\$)	Discount to the [REDACTED] ⁽²⁾ (%)
September 2016 Angel Round Capital Increase	Shenzhen Songhe Guochuang Xinneng Equity Investment Fund Partnership (Limited Partnership) (深圳市松禾國創新能股權投資基金合夥企業(有限合夥)) (“Songhe Investment”)	September 6, 2016	September 28, 2016	RMB562,499	2,700,000	[REDACTED]	[REDACTED]
	Zhejiang Pudu Technology Co., Ltd. (浙江普渡科技有限公司) (“Zhejiang Pudu”)	September 6, 2016	September 27, 2016	RMB437,494	2,100,000	[REDACTED]	[REDACTED]
	Shenzhen Shenzhihua Investment Center (Limited Partnership) (深圳市神之華投資中心(有限合夥)) (“Shenzhen Shenzhihua”)	September 6, 2016	September 7, 2016	RMB125,004	600,000	[REDACTED]	[REDACTED]
	Qianhai Ark Assets Management Co., Ltd. (前海方舟資產管理有限公司) (“Qianhai Ark”)	September 6, 2016	September 20, 2016	RMB375,003	1,800,000	[REDACTED]	[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Nature	Pre-[REDACTED] Investor	Date of agreement	Date of settlement of consideration	Registered capital or shares subscribed/transferred	Total Consideration (RMB)	Cost per Share ⁽¹⁾ (HK\$)	Discount to the [REDACTED] ⁽²⁾ (%)
July 2018 Series A Capital Increase	QM102 Limited (“QM102”)	July 11, 2018	September 6, 2018	RMB1,437,500	45,000,000	[REDACTED]	[REDACTED]
	Songhe Investment	July 11, 2018	August 24, 2018	RMB159,722	5,000,000	[REDACTED]	[REDACTED]
April 2022 Series B Capital Increase	Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) (“SCGC”)	April 22, 2022	May 25, 2022	RMB500,000	10,000,000	[REDACTED]	[REDACTED]
	Shenzhen Hongtu Intelligent Equity Investment Fund Partnership (Limited Partnership) (深圳市紅土智能股權投資基金合夥企業(有限合夥)) (“Hongtu Intelligent”)	April 22, 2022	May 12, 2022	RMB2,750,000	55,000,000	[REDACTED]	[REDACTED]
	Cooper (China) Co., Ltd. (庫柏(中國)投資有限公司) (“Cooper (China)”)	April 22, 2022	May 13, 2022	RMB1,250,000	25,000,000	[REDACTED]	[REDACTED]
	Hubei Tongchuang Green Venture Capital Fund Partnership (Limited Partnership) (湖北同創綠色創業投資基金合夥企業(有限合夥)) (“Tongchuang Capital”)	April 22, 2022	May 5, 2022	RMB1,000,000	20,000,000	[REDACTED]	[REDACTED]
	Shenzhen HTI Venture Capital Co., Ltd. (深圳市高投創業投資有限公司) (“Shenzhen HTI”)	April 22, 2022	May 26, 2022	RMB500,000	10,000,000	[REDACTED]	[REDACTED]
	QM102	April 22, 2022	August 2, 2022	RMB750,000	15,000,000	[REDACTED]	[REDACTED]
	Chongqing Liangjiang Songhe Mingyuehu Private Equity Investment Partnership (Limited Partnership) (重慶兩江松禾明月湖私募股權投資合夥企業(有限合夥)) (“Songhe Mingyuehu”)	April 22, 2022	May 11, 2022	RMB385,000	7,700,000	[REDACTED]	[REDACTED]
	Mr. Yao Naxin (姚納新)	April 22, 2022	May 10, 2022	RMB200,000	4,000,000	[REDACTED]	[REDACTED]
March 2023 Equity Transfer	Shenzhen Shenzhenhua	April 22, 2022	May 11, 2022	RMB60,000	1,200,000	[REDACTED]	[REDACTED]
	Shenzhen Hongtu No. 1 Private Equity Investment Fund Partnership (Limited Partnership) (深圳市紅土一號私募股權投資基金合夥企業(有限合夥)) (“Hongtu No. 1 Fund”) ⁽³⁾	March 20, 2023	April 23, 2023	RMB896,797	25,000,000	[REDACTED]	[REDACTED]
	SCGC ⁽⁴⁾	March 20, 2023	April 23, 2023	RMB358,719	10,000,000	[REDACTED]	[REDACTED]
January 2024 Series C Capital Increase	Shenzhen HTI ⁽⁵⁾	March 20, 2023	April 11, 2023	RMB294,149	8,200,000	[REDACTED]	[REDACTED]
	Changjiang Green Development Investment Fund Partnership (Limited Partnership) (長江綠色發展投資基金合夥企業(有限合夥)) ⁽⁶⁾ (“Changjiang Green Fund”)	January 29, 2024	February 7, 2024	1,721,850 Shares	60,000,000	[REDACTED]	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Nature	Pre-[REDACTED] Investor	Date of agreement	Date of settlement of consideration	Registered capital or shares subscribed/transferred	Total Consideration (RMB)	Cost per Share ⁽¹⁾ (HK\$)	Discount to the [REDACTED] ⁽²⁾ (%)
	Haining Yufeng New Energy Venture Capital Partnership (Limited Partnership) (海寧馭風新能創業投資合夥企業(有限合夥)) (“Haining Yufeng New Energy”)	January 29, 2024	February 6, 2024	1,578,400 Shares	55,001,307	[REDACTED]	[REDACTED]
	Hainan Changfu Equity Investment Fund Partnership (Limited Partnership) (海南長富股權投資基金合夥企業(有限合夥)) (“Hainan Changfu”)	January 29, 2024	February 5, 2024	430,463 Shares	15,000,000	[REDACTED]	[REDACTED]
	Changzhou Nuo'an No. 1 Venture Capital Partnership (Limited Partnership) (常州諾安一號創業投資合夥企業(有限合夥)) (“Changzhou Nuo'an No. 1”)	January 29, 2024	February 18, 2024	286,975 Shares	10,000,000	[REDACTED]	[REDACTED]

Notes:

- (1) The cost per Share paid by the Pre-[REDACTED] Investors was calculated by the amount of consideration paid by the Pre-[REDACTED] Investor divided by the percentage of equity interests purchased by such Pre-[REDACTED] Investor immediately following their investments, then dividing such quotient by [REDACTED] being the number of Shares in issue immediately following completion of the [REDACTED], and converted into HK\$ using the exchange rate of RMB1.00:HK\$1.1488.
- (2) The discount to the H Share [REDACTED] is calculated based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED]).
- (3) On March 20, 2023, Hongtu No.1 Fund agreed to acquire registered capital in our Company from seven transferors as follows: (i) RMB193,708 each from Dr. Men, Dr. Wu and Mr. Xu, for a consideration of RMB5,400,000 each; (ii) RMB93,267 from Mr. Zheng Xi for a consideration of RMB2,600,000; (iii) RMB28,698 from Mr. Guo Zijian for a consideration of RMB800,000; and (iv) RMB96,854 each from Mr. Wu Zhonghong and Mr. Qian, for a consideration of RMB2,700,000 each.
- (4) On March 20, 2023, SCGC agreed to acquire registered capital of RMB358,719 in our Company from Mr. Guo Zijian for a consideration of RMB10,000,000.
- (5) On March 20, 2023, Shenzhen HTI agreed to acquire registered capital of RMB294,149 in our Company from Mr. Zheng Xi for a consideration of RMB8,200,000.
- (6) On June 4, 2026, our Company repurchased 1,721,850 Shares held by Changjiang Green Fund for a consideration of RMB68.4 million in connection with Changjiang Green Fund's decision to realize its investment returns on the Shares. Upon the completion of the repurchase, Changjiang Green Fund ceased to be a Shareholder of our Company.

Basis of Determining the Valuation and Consideration

The basis of determination for the valuation and consideration was based on arm's length negotiations between the relevant parties with reference to, among others, (i) the timing and market conditions of the investments/equity transfers and the market value of comparable companies at the relevant time; (ii) the financial performance of our Group at the relevant time; (iii) the source of the acquired shares, i.e. shares newly issued by our Company or existing shares transferred by Shareholders; and (iv) the prospects of our business.

Use of Proceeds from the Pre-[REDACTED] Investments and Lock-up

The proceeds raised by our Company pursuant to each Pre-[REDACTED] Investment had been used as the general working capital of our Group, in particular for the development, expansion, and operation of our business. As of the Latest Practicable Date, the net proceeds from the Pre-[REDACTED] investments had been fully utilized.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pursuant to the PRC Company Law, our Shares held by the Pre-[REDACTED] Investors are subject to a lock-up period of 12 months from the [REDACTED].

Strategic Benefits from the Pre-[REDACTED] Investments

Our Directors are of the view that our Group could benefit from the Pre-[REDACTED] Investors’ commitment as their investments fuel our expansion and development, demonstrate confidence in our business operation, and endorse our performance and growth prospects. Further, our Group could benefit from the Pre-[REDACTED] Investors’ knowledge, experience, valuable advice, and business insights. In addition, our Group could benefit from the business resources and potential business opportunities through the Pre-[REDACTED] Investors from time to time.

Special Rights of the Pre-[REDACTED] Investors

Pursuant to the investment agreements, shareholders’ agreements and supplemental agreement entered into from time to time among our Company, Dr. Men, Dr. Wu and Mr. Xu (collectively, the “Co-founders”) and the then Shareholders, the Pre-[REDACTED] Investors were granted certain special rights, including, among others, (i) the share repurchase rights granted by our Company; (ii) share repurchase rights granted by the Co-founders (the “Co-founder Share Repurchase Rights”); and (iii) preemptive rights, anti-dilution rights, drag-along rights, restrictions on share transfers, rights of first refusal, co-sale rights, liquidation preference, director nomination and board observer rights, prior consent rights over certain corporate actions, information rights and inspection rights.

In preparation for our then-intended A-Share listing, on March 21, 2023, our Company, the Co-founders and the then Shareholders confirmed that any repurchase obligation of our Company under the prior investment agreements and shareholders’ agreements had been permanently and irrevocably terminated with immediate effect, and that such repurchase obligation shall be deemed *void ab initio*. In June 2026, in preparation for the [REDACTED], our Company, the Co-founders and all relevant Pre-[REDACTED] Investors entered into a supplemental agreement to the shareholders’ agreement, pursuant to which the parties agreed that (i) the then subsisting special rights shall automatically terminate with effect from the day immediately preceding the submission of the first [REDACTED] to the Stock Exchange; and (ii) save for the liquidation preference which shall terminate immediately and be deemed *void ab initio*, the Co-founder Share Repurchase Rights and the other special rights so terminated shall be automatically reinstated upon the earliest occurrence of any of the following events during the [REDACTED] process for the [REDACTED]: (a) the [REDACTED] is returned or rejected; (b) the [REDACTED] is withdrawn for any reason; or (c) the Sole Sponsor terminates its role as sponsor.

CONFIRMATION OF THE SOLE SPONSOR

On the basis that (i) the consideration for the Pre-[REDACTED] Investments was settled [more than 120 clear days before the [REDACTED]], and (ii) the Special Rights granted to the Pre-[REDACTED] Investors had been terminated upon the first filing of the [REDACTED] by the Company with the Stock Exchange, the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with the Pre-[REDACTED] Investment Guidance as defined in Chapter 4.2 of the Guide.

Information about our Pre-[REDACTED] Investors

Details of each of our Pre-[REDACTED] Investors as of the Latest Practicable Date are set out below.

Songhe Capital Entities

Songhe Investment

Songhe Investment was established on March 22, 2016 as a limited partnership in the PRC. Its general partner is Shenzhen Songhe Guochuang Capital Management Partnership (Limited Partnership) (深圳市松禾國創資本管理合夥企業(有限合夥)) (“Songhe Guochuang”), which holds 2.00% of the partnership interests therein. The general partner of Songhe Guochuang is Shenzhen

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Songhe Industrial Capital Management Partnership (Limited Partnership) (深圳市松禾產業資本管理合夥企業(有限合夥)) which holds 62.50% of the partnership interests in Songhe Guochuang, and is ultimately controlled by Luo Fei (羅飛).

The largest limited partner of Songhe Investment is Shenzhen Futian Guiding Fund Investment Co., Ltd. (深圳市福田引導基金投資有限公司) which holds 30.00% of the partnership interests therein, and is ultimately controlled by Shenzhen Futian District State-owned Assets Supervision and Administration Bureau (深圳市福田區國有資產監督管理局). None of the other limited partners holds 30.00% or more of the partnership interests in Songhe Investment.

Songhe Mingyuehu

Songhe Mingyuehu was established on August 3, 2021 as a limited partnership in the PRC. Its general partner is Chongqing Liangjiang Songhe Collaborative Innovation Private Equity Investment Fund Management Partnership (Limited Partnership) (重慶兩江松禾協同創新私募股權投資基金管理合夥企業(有限合夥)) (“**Liangjiang Songhe Management**”), which holds 2.00% of the partnership interests therein. The general partner of Liangjiang Songhe Management is Shenzhen Songhe Growth Private Equity Fund Management Co., Ltd. (深圳市松禾成長私募股權基金管理有限公司) which holds 75.00% of the partnership interests therein, and is ultimately controlled by Li Wei (厲偉). The largest limited partner of Songhe Mingyuehu is Chongqing Liangjiang Collaborative Innovation Zone Construction Investment and Development Co., Ltd. (重慶兩江協同創新區建設投資發展有限公司) which holds 92.00% of the partnership interests in Songhe Mingyuehu, and is ultimately controlled by Chongqing Liangjiang New Area Administrative Committee (重慶兩江新區管理委員會).

To the best knowledge of our Company, all these above-mentioned entities and individuals are Independent Third Parties.

Zhejiang Pudu

Zhejiang Pudu was established on August 27, 2009 as a limited liability company in the PRC. It is primarily engaged in technology development and consulting services for electronics, power systems, computing and medical devices, as well as investment management and consulting. Zhejiang Pudu is owned as to 90% by Mr. Yao Naxin (姚納新), an individual shareholder who held approximately 0.34% of our Shares in his own name as of the Latest Practicable Date. To the best knowledge of our Company, the above-mentioned entity and individual are Independent Third Parties.

Shenzhen Shenzhuhua

Shenzhen Shenzhuhua was established on April 13, 2016 as a limited partnership in the PRC. Its general partner is Shenzhen Shenhua Investment Group Co., Ltd. (深圳市神華投資集團有限公司), which holds approximately 0.91% partnership interests therein. Shenzhen Shenhua Investment Group Co., Ltd. is owned as to approximately 96.84% by Zhang Xinhua (張新華). The largest limited partner of Shenzhen Shenzhuhua is Li Hua (李華), who holds 95.45% of the partnership interests therein.

To the best knowledge of our Company, all these above-mentioned entities and individuals are Independent Third Parties.

Qianhai Ark

Qianhai Ark was established on November 12, 2015 as a limited liability company in the PRC and is principally engaged in private equity investment fund management and venture capital fund management services. Qianhai Ark is owned as to (i) approximately 58.71% by Shenzhen Qianhai Huaize Ark Venture Capital Enterprise (Limited Partnership) (深圳前海淮澤方舟創業投資企業(有限合夥)), which is ultimately controlled by Mr. Jin Haitao (靳海濤), and (ii) approximately 41.29% by

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

ten other shareholders, none of which holds 30% or more of the equity interests therein. To the best knowledge of our Company, all these above-mentioned entities and individual are Independent Third Parties.

QM102

QM102 is a company incorporated under the laws of Hong Kong principally engaged in equity investment and is owned as to 97.38% by Qiming Venture Partners VI, L.P. (“**QVP VI**”) and 2.62% by Qiming Managing Directors Fund VI, L.P. (“**QMD VI**”). QVP VI and QMD VI are exempted limited partnerships registered under the laws of the Cayman Islands. Qiming GP VI, L.P. (“**QGP VI**”) is the general partner of QVP VI, whereas Qiming Corporate GP VI, Ltd. is the general partner of QGP VI and QMD VI.

SCGC Group

SCGC

SCGC was established on August 25, 1999 as a limited liability company in the PRC. SCGC primarily invests in sectors such as the new generation of information technology, high-end equipment manufacturing, biotechnology and healthcare, new materials, and new energy. Its largest shareholder is the State-owned Assets Supervision and Administration Commission of the Shenzhen Municipal People’s Government (深圳市人民政府國有資產監督管理委員會), which holds approximately 28.20% of the equity interests therein.

Hongtu Intelligent

Hongtu Intelligent was established on September 4, 2017 as a limited partnership in the PRC. Its general partner is Shenzhen Hongtu Intelligent Private Equity Management Co., Ltd. (深圳市紅土智能私募股權投資基金管理有限公司), which is wholly owned by SCGC Hongtu Private Equity Investment Fund Management (Shenzhen) Co., Ltd. (深創投紅土私募股權投資基金管理(深圳)有限公司) (“**SCGC Hongtu**”), which is in turn wholly owned by SCGC.

The largest limited partner of Hongtu Intelligent is Shenzhen Guiding Fund Investment Co., Ltd. (深圳市引導基金投資有限公司) holding approximately 30.43% of the partnership interests therein, followed by SCGC holding approximately 26.96% of the partnership interests therein. Shenzhen Guiding Fund Investment Co., Ltd. is wholly owned by Shenzhen Finance Bureau (深圳市財政局).

Hongtu No. 1 Fund

Hongtu No. 1 Fund was established on September 6, 2021 as a limited partnership in the PRC. Its general partner is SCGC Hongtu, which is wholly owned by SCGC. None of the limited partners of Hongtu No. 1 Fund holds 30% or more of the partnership interests therein.

To the best knowledge of our Company, all these above-mentioned entities are Independent Third Parties.

Cooper (China)

Cooper (China) was established on May 21, 2004 as a wholly foreign-owned enterprise in the PRC. It is wholly owned by Eaton Electric (Singapore) Pte. Ltd., which is ultimately controlled by Eaton Corporation plc, a company listed on the New York Stock Exchange (stock code: ETN). To the best knowledge of our Company, all these above-mentioned entities are Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Tongchuang Capital

Tongchuang Capital, formerly known as Chongqing Tongchuang Green Private Equity Investment Fund Partnership (Limited Partnership) (重慶同創綠色私募股權投資基金合夥企業(有限合夥)), was established on January 21, 2022, as a limited partnership in the PRC. Its general partner is Shenzhen Tongchuang Jinxiu Asset Management Co., Ltd. (深圳同創錦繡資產管理有限公司) (“**Shenzhen Tongchuang Jinxiu**”), which holds approximately 7.75% of the partnership interests therein. Shenzhen Tongchuang Jinxiu is wholly owned by Shenzhen Tongchuang Weiye Asset Management Co., Ltd. (深圳同創偉業資產管理股份有限公司), which is ultimately controlled by Huang Li (黃荔) and Zheng Weihe (鄭偉鶴).

The largest limited partner of Tongchuang Capital is Hubei Xiachuang Xingchen Innovation and Development Fund Partnership (Limited Partnership) (湖北夏創星辰創新發展基金合夥企業(有限合夥)) (“**Hubei Xiachuang Xingchen**”) which holds 30.98% of the partnership interests therein, and none of the other limited partners holds 30% or more of the partnership interests in Tongchuang Capital. The general partner of Hubei Xiachuang Xingchen is Hubei Xiachuang Venture Capital Management Co., Ltd. (湖北夏創創業投資管理有限公司), holding 0.10% of the partnership interests therein, and the largest limited partner of Hubei Xiachuang Xingchen is Wuhan Jiangxia Technology Investment Group Co., Ltd. (武漢市江夏科技投資集團有限公司), holding 99.80% of the partnership interests therein, both of which are ultimately controlled by Wuhan Jiangxia District Finance Bureau (武漢市江夏區財政局).

To the best knowledge of our Company, all these above-mentioned entities and individuals are Independent Third Parties.

Shenzhen HTI

Shenzhen HTI was established on June 29, 2010 as a limited liability company in the PRC. It is wholly owned by Shenzhen HTI Group Co., Ltd. (深圳市高新投集團有限公司), which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the Shenzhen Municipal People’s Government (深圳市人民政府國有資產監督管理委員會). To the best knowledge of our Company, all these above-mentioned entities are Independent Third Parties.

Haining Yufeng New Energy

Haining Yufeng New Energy was established on January 30, 2022 as a limited partnership in the PRC. Its general partner is Tianjin Yuanrong Investment Management Co., Ltd. (天津源融投資管理有限公司) (“**Tianjin Yuanrong**”), which holds approximately 0.11% of the partnership interests therein. Tianjin Yuanrong is wholly owned by Huaneng Investment Management Co., Ltd. (華能投資管理有限公司) (“**Huaneng Investment**”), which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of State Council (國務院國有資產監督管理委員會). The largest limited partner of Haining Yufeng New Energy is Huaneng Investment, which holds 19.89% of the partnership interests therein. To the best knowledge of our Company, all these above-mentioned entities are Independent Third Parties.

Hainan Changfu

Hainan Changfu was established on April 14, 2023 as a limited partnership in the PRC. Its general partner is Shenzhen Greatwall Changfu Investment Management Co., Ltd. (深圳市長城長富投資管理有限公司) which holds 50.00% of the partnership interests therein, and is wholly owned by China Greatwall Securities Co., Ltd. (長城證券股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002939). The largest limited partner of Hainan Changfu is Hainan Free Trade Port Construction Investment Fund Co., Ltd. (海南自由貿易港建設投資基金有限公司) which holds 30.00% of the partnership interests therein, and is ultimately controlled by the Department of Finance of Hainan Province (海南省財政廳). To the best knowledge of our Company, all these above-mentioned entities are Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Changzhou Nuo'an No. 1

Changzhou Nuo'an No. 1 was established on January 9, 2023 as a limited partnership in the PRC. Its general partner is Changzhou HNO Capital Management Co., Ltd. (常州和諾資本管理有限公司) (“**Changzhou HNO Capital**”), which holds 1.00% of the partnership interests therein. Changzhou HNO Capital is wholly owned by Changgao Jinlong Holding (Group) Co., Ltd. (常高新金隆控股(集團)有限公司), which is ultimately controlled by Changzhou Xinbei People's Government (常州市新北區人民政府). None of the limited partners of Changzhou Nuo'an No. 1 holds 30% or more of the partnership interests therein. To the best knowledge of our Company, all these above-mentioned entities are Independent Third Parties.

PRC LEGAL ADVISOR'S CONFIRMATION

Our PRC Legal Advisor has confirmed that the aforesaid joint stock conversion, capital increases, and equity transfers have complied with all applicable PRC laws and regulations effective at the time and have been properly and legally completed and settled in all material respects.

MAJOR ACQUISITIONS AND DISPOSALS

During the Track Record Period and as at the Latest Practicable Date, our Group did not have any major acquisitions, disposals, or mergers.

EMPLOYEE INCENTIVE PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, Cubenergy Investment and Cubenergy Qihang were established as our employee incentive platforms in May 2018 and April 2026, respectively. The capital contribution made by the partners to the employee incentive platforms has been fully paid as of the Latest Practicable Date.

<u>Employee incentive platforms</u>	<u>Percentage of shareholding in our Company</u>	<u>As of the Latest Practicable Date</u>	
		<u>General partner (limited partnership interests percentage)</u>	<u>Limited partners (limited partnership interests percentage)</u>
Cubenergy Investment ⁽¹⁾	10.35%	Dr. Men (0.00004%)	Mr. Huang Jijin (28.75%, our senior management), Mr. Wang Li (4.64%, our senior management), Cubenergy Qihang (16.60%) and 40 employees of our Group
Cubenergy Qihang	N/A ⁽²⁾	Dr. Men (9.18%)	Dr. Wu (9.18%), Mr. Xu (9.18%), Mr. Guo Zijian (4.59%, our senior management) and 20 employees of our Group

Notes:

- (1) Cubenergy Investment was established in May 2018. In July 2018, as part of the restoration of the share entrustment arrangements, Cubenergy Investment acquired registered capital of RMB1,501,000 in our Company from Dr. Men for a nominal consideration, representing 13.05% of our then total registered capital. Upon establishment, Dr. Men was the general partner holding 17.39% of the partnership interests, and Dr. Wu, Mr. Xu, Mr. Xu Ming, Mr. Wu Zhonghong, Mr. Zheng Xi, Mr. Qian and Mr. Guo Zijian were limited partners holding 17.39%, 17.39%, 13.04%, 8.70%, 8.70%, 8.70% and 8.70% of the partnership interests, respectively.
- (2) Cubenergy Qihang is a limited partner of Cubenergy Investment.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PREVIOUS LISTING PREPARATION AND REASONS FOR THE [REDACTED]

On August 1, 2023, we entered into a tutoring agreement with Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司, currently known as Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司)) in connection with a proposed application for listing on the Shenzhen ChiNext Market and made a preliminary filing (上市輔導備案) with the Shenzhen Regulatory Bureau of CSRC (中國證券監督管理委員會深圳監管局) in August 2023 (the “A-Share Listing Preparation”). In light of our assessment that the Stock Exchange would provide us with an international platform to access foreign capital, attract diverse overseas investors and raise our profile and market awareness, we decided to pursue the [REDACTED] on the Stock Exchange. As of the Latest Practicable Date, the tutoring agreement with Guotai Haitong Securities Co., Ltd. had been terminated. We had not submitted any A-Share listing application to any stock exchange in the PRC, and as of the Latest Practicable Date, we had not received any comments or inquiries from the CSRC (including its local offices) or any stock exchange in the PRC in relation to the A-Share Listing Preparation. All fees payable to the professional parties engaged for the A-Share Listing Preparation have been settled in full. To the best of our Directors’ knowledge and belief, (i) there were no disagreements between our Group and the relevant professional parties engaged for the A-Share Listing Preparation; and (ii) our Directors are not aware of any material matter in relation to the A-Share Listing Preparation that needs to be brought to the attention of the Stock Exchange and [REDACTED].

Based on the due diligence work conducted by the Sole Sponsor, nothing has come to the Sole Sponsor’s attention that would reasonably cause the Sole Sponsor to disagree with the Directors’ views above.

PUBLIC FLOAT AND FREE FLOAT

Following the conversion of Unlisted Shares into H Shares and upon completion of the [REDACTED], assuming that the [REDACTED] is not exercised, the H Shares held by the following Shareholders who are our core connected persons or directly or indirectly controlled by our core connected persons, will not be counted towards the public float:

- [REDACTED] H Shares held by Dr. Men, Dr. Wu, Mr. Xu, Cubenergy Investment and Mr. Qian, our Controlling Shareholders;
- [REDACTED] H Shares held by Mr. Wu Zhonghong, the director of Cubenergy Dongguan and supervisor of Cubenergy Changzhou; and
- [REDACTED] H Shares held by Mr. Guo Zijian, our deputy general manager and director of the R&D development center and the supervisor of Cubenergy Sichuan.

Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], the expected [REDACTED] of our Company would not exceed HK\$[REDACTED], and therefore at least [REDACTED]% of the total number of our Shares must be held by the [REDACTED], pursuant to Rule 19A.13A(1) of the Listing Rules. To the best knowledge of our Directors, save as disclosed above, immediately upon the completion of the [REDACTED] and conversion of Unlisted Shares into H Shares (assuming that the [REDACTED] is not exercised), assuming [REDACTED] H Shares are [REDACTED] to the [REDACTED] in the [REDACTED] and [REDACTED] H Shares held or controlled by our existing Shareholders who are not our core connected persons will be converted into H Shares, an aggregate of [REDACTED] H Shares representing approximately [REDACTED]% of our total issued Shares will be counted towards the public float, which is in compliance with the requirement under Rule 19A.13A of the Listing Rules. In addition, our Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules upon [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

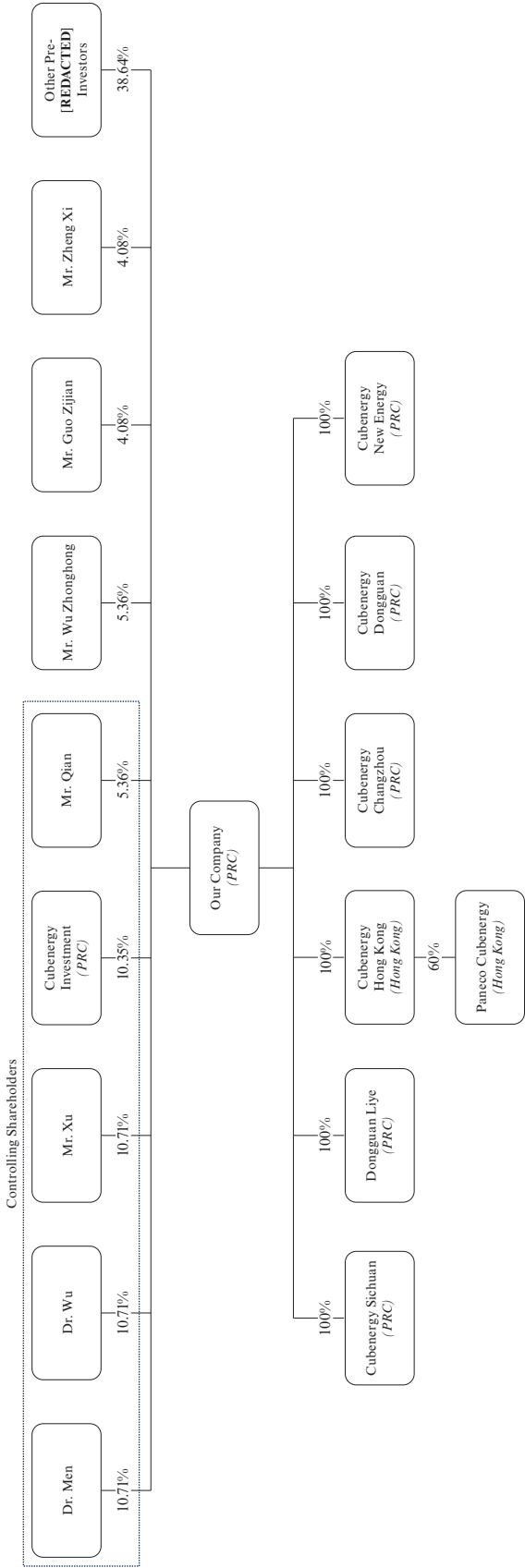
The table below sets out the capitalization of our Company as of the Latest Practicable Date and upon [REDACTED]:

Shareholder	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised)	
	Number of Unlisted Shares held	Shareholding	Number of H Shares held	Shareholding
Controlling Shareholders				
Dr. Men	31,974,115	10.71%	[REDACTED]	[REDACTED]%
Dr. Wu	31,974,115	10.71%	[REDACTED]	[REDACTED]%
Mr. Xu	31,974,115	10.71%	[REDACTED]	[REDACTED]%
Cubenergy Investment	30,897,445	10.35%	[REDACTED]	[REDACTED]%
Mr. Qian	15,987,060	5.36%	[REDACTED]	[REDACTED]%
<i>Subtotal</i>	142,806,850	47.85%	[REDACTED]	[REDACTED]%
QM102	31,189,025	10.45%	[REDACTED]	[REDACTED]%
Mr. Wu Zhonghong (吳忠宏)	15,987,060	5.36%	[REDACTED]	[REDACTED]%
SCGC Group				
Hongtu Intelligent	13,750,000	4.61%	[REDACTED]	[REDACTED]%
Hongtu No. 1 Fund	4,483,985	1.50%	[REDACTED]	[REDACTED]%
SCGC	4,293,595	1.44%	[REDACTED]	[REDACTED]%
<i>Subtotal</i>	22,527,580	7.55%	[REDACTED]	[REDACTED]%
Songhe Capital Entities				
Songhe Investment	13,785,775	4.62%	[REDACTED]	[REDACTED]%
Songhe Mingyuehu	1,925,000	0.65%	[REDACTED]	[REDACTED]%
<i>Subtotal</i>	15,710,775	5.26%	[REDACTED]	[REDACTED]%
Mr. Zheng Xi (鄭熙)	12,168,960	4.08%	[REDACTED]	[REDACTED]%
Mr. Guo Zijian (郭子健)	12,168,960	4.08%	[REDACTED]	[REDACTED]%
Zhejiang Pudu				
Zhejiang Pudu	8,350,895	2.80%	[REDACTED]	[REDACTED]%
Mr. Yao Naxin (姚納新)	1,000,000	0.34%	[REDACTED]	[REDACTED]%
<i>Subtotal</i>	9,350,895	3.13%	[REDACTED]	[REDACTED]%
Haining Yufeng New Energy	7,892,000	2.64%	[REDACTED]	[REDACTED]%
Qianhai Ark	7,158,065	2.40%	[REDACTED]	[REDACTED]%
Cooper (China)	6,250,000	2.09%	[REDACTED]	[REDACTED]%
Tongchuang Capital	5,000,000	1.68%	[REDACTED]	[REDACTED]%
Shenzhen HTI	3,970,750	1.33%	[REDACTED]	[REDACTED]%
Shenzhen Shenzhihua	2,686,080	0.90%	[REDACTED]	[REDACTED]%
Hainan Changfu	2,152,315	0.72%	[REDACTED]	[REDACTED]%
Changzhou Nuo'an No. 1	1,434,875	0.48%	[REDACTED]	[REDACTED]%
Investors taking part in the [REDACTED]	—	—	[REDACTED]	[REDACTED]%
Total	298,454,190	100.00%	[REDACTED]	100.00%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE [REDACTED]

The chart below sets out the corporate structure of our Group immediately before the completion of the [REDACTED]:



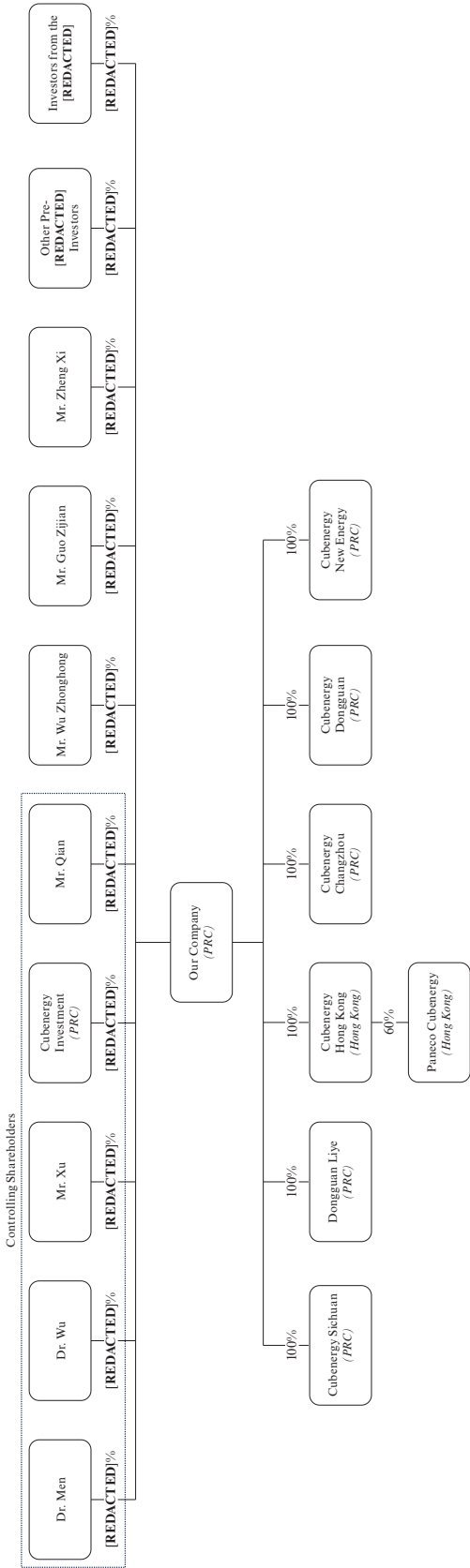
Notes:

- (1) As of the Latest Practicable Date, we had ten subsidiaries, including our key subsidiaries and three other subsidiaries, namely, Cubenergy Inc., Cubenergy GmbH and Cubenergy UK Co., Ltd. The above chart only includes information relating to our key subsidiaries. See “— Key Subsidiaries” above for more information.
- (2) Paneco Cubenergy is owned as to 40% by Paneco Energie.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY AFTER THE COMPLETION OF THE [REDACTED]

The chart below sets out the corporate structure of our Group immediately after the completion of the [REDACTED], assuming that the [REDACTED] is not exercised:



Notes:

- (1)-(2) Please refer to the notes in “— Corporate Structure Immediately before the Completion of the [REDACTED]” above.
- (3) The H Shares held by Dr. Men, Dr. Wu, Mr. Xu, Cubenergy Investment, Mr. Qian, Mr. Wu Zhonghong and Mr. Guo Zijian will not be counted towards the public float for the purpose of Rules 19A.13A of the Listing Rules.

BUSINESS

OVERVIEW

Our Mission

To build a more stable, reliable, and readily available clean energy environment.

Our Vision

To become a leading provider of utility-scale energy storage systems.

Who We Are

We are a leading distributed BESS solution provider with a focus on the utility sector. We are dedicated to advancing innovation in energy storage technology, specializing in research, development, manufacturing, and sale of integrated AC/DC distributed energy storage systems. We serve a global customer base, offering BESS solutions that are flexibly adaptable to a wide range of scenarios and designed to serve the full lifecycle of BESS.

Our BESS solutions have been widely deployed in the distribution grid side, C&I sector and microgrid. We have established a strong market presence and gained industry recognition in developed overseas markets, particularly in Europe. According to Frost & Sullivan, based on shipment volume, we held a market share of approximately 5.5% in the European distributed utility-scale BESS market in 2025, ranking fifth among Chinese solution providers and eighth among all solution providers.

In recent years, we have continuously upgraded our offerings in the distributed utility-scale BESS sector. We have obtained internationally recognized safety certifications and test reports, including UL9540, UL9540A, and LSFT (CTS-800, Large-Scale Fire Testing). We have also secured medium- and high-voltage grid connection certifications in 16 European countries, including Finland, Sweden, Denmark, the Czech Republic, Italy, Spain, the United Kingdom, and Germany. Additionally, we have obtained bankability and Verification of Conformity (VoC) reports from the DNV since 2023. These certifications, independent test reports, and conformity verifications are key elements in strengthening our bankability profile, providing investors, lenders, and project stakeholders with greater confidence during BESS financial assessments and due diligence processes.

Leveraging our outstanding product development and delivery capabilities, we have established partnerships with multiple Fortune Global 500 companies. Our projects have been deployed in over 40 countries and regions, empowering the development of renewable energy networks. Through our relentless efforts, we have earned strong recognition from global customers.

As of the Latest Practicable Date, our notable achievements include:

Outstanding Market Position  We hold a strong market position in the European distributed utility-scale BESS market, ranking fifth among Chinese solution providers and eighth among all solution providers in 2025.	Strong Bankability and Verification of Conformity (VoC)  Since 2023, we have obtained bankability technical assessment reports from the DNV, an internationally recognized authority, achieving strong recognition for financing reliability in the global energy storage market.	Multi-Country First-Mover Benchmark Projects  We have achieved commercial deployment of first-of-their-kind hundred-megawatt-hour-scale energy storage projects in multiple countries, with our business footprint spanning key regions across Europe, Africa, and Asia.
Strong Global Operations Capability  We are deeply engaged in the global energy storage market, with business operations covering over 40 countries and regions. Our international presence is well-established, with overseas revenue accounting for a significant proportion of total revenue and strong competitiveness in core overseas markets.	Excellent Brand Image  We have been consistently ranked in the Tier 1 category of the BloombergNEF Global Energy Storage System Supplier rating for nine consecutive quarters.	Solid Financial Performance  During the Track Record Period, we achieved rapid financial growth. Our revenue grew from RMB451.5 million in 2023 to RMB494.0 million in 2024, and further increased to RMB702.7 million in 2025.

BUSINESS

Our Market Opportunities

Amid a coordinated global response to climate change, demand for sustainable energy is accelerating, catalyzing the transition toward a low-carbon future. Favorable government policies, ongoing technological advancements, and the structural shift toward decarbonization have collectively created compelling opportunities across the new energy sector, driving sustained and robust expansion in renewable energy installed capacity and power generation.

Energy storage represents a critical pillar underpinning this transition and ensuring grid resilience. The global energy storage industry is experiencing rapid growth. According to Frost & Sullivan, global BESS shipments grew from 26.9GWh in 2021 to 419.7GWh in 2025, representing a CAGR of 98.7%. Shipments are expected to further grow to 1,545.4GWh by 2030, with a CAGR of approximately 29.8% from 2025 to 2030.

Distributed energy storage, as a foundational component of the new power system, facilitates the balancing of power system fluctuations through modular design and intelligent dispatch. It reduces energy costs, enhances grid stability, and supports diversified revenue streams and greater energy autonomy for users, while providing flexible, distributed support to the grid. According to Frost & Sullivan, global distributed utility-scale BESS shipments are expected to grow from approximately 56.1GWh in 2025 to approximately 257.5GWh in 2030, representing a CAGR of 35.6%.

Benefiting from a clear energy transition policy framework and strong structural demand, Europe has become one of the world’s premium energy storage markets. Its mature commercial environment, established profitability models, and standardized technical certification systems, combined with declining battery costs, continue to support market growth and create attractive opportunities for capable participants. According to Frost & Sullivan, the European BESS market grew from 4.4GWh in 2021 to 36.5 GWh in 2025 and is expected to reach 176.9GWh by 2030, representing a CAGR of 37.1% from 2025 to 2030. Within Europe, the distributed utility-scale BESS segment has demonstrated a relatively mature business model with improving commercial economics, driven by increasing electricity price volatility, widening peak-to-valley price spreads, and growing corporate demand for energy cost optimization and supply reliability.

Additionally, the rapid global expansion of AIDC is increasing demands on energy consumption management, power safety, and dispatch flexibility, thereby driving demand for large-scale BESS with higher performance, reliability, and safety standards. According to Frost & Sullivan, BESS is expected to become a key infrastructure component supporting green power supply, peak shaving and valley filling, and enhanced power supply safety for AIDC. Global AIDC BESS shipments are projected to exceed 300GWh by 2030, driving accelerated growth in energy storage deployment demand.

Our Representative Projects

Finland 40MW/80MWh Energy Storage Project.

In 2025, we delivered Finland’s second-largest energy storage project in terms of installed capacity (40MW/80MWh), which has finished grid connection and commenced operation. This project represents a significant milestone in our internationalization strategy in the Nordic region and demonstrates our mature capability to deliver large-scale energy storage projects in the demanding Nordic grid environment.

For this project, we deployed 36 PowerCombo products, each with a capacity of 2,256kWh. Leveraging our extensive Nordic grid connection experience and expertise in grid simulation modeling, we achieved millisecond-level response to grid fluctuations, precisely matching Nordic frequency regulation and reserve market mechanisms. We successfully overcame three major grid connection challenges — stringent grid code, complex EMT model verification, and dispatch system integration — achieving seamless integration with Fingrid’s proprietary systems across grid

BUSINESS

simulation modeling, communication protocol interfacing, and dispatch command response, and efficiently completed all equipment delivery and grid-connection commissioning. The project helps alleviate local grid supply-demand fluctuations, effectively optimizes regional wind power consumption efficiency, and provides key support for grid stability under high wind power penetration.

North Macedonia 30MW/60MWh Energy Storage Project

We delivered a 30MW/60MWh BESS paired with a photovoltaic power station, the first large-scale grid-side BESS with integrated solar PV in North Macedonia and a milestone project for utility-scale BESS in the Western Balkans. We partnered with YESS Power, a leading regional EPC contractor in Türkiye, to introduce the 30MW/60MWh BESS into North Macedonia, demonstrating our strategic vision and delivery capability in pioneering emerging markets.

The project has an installed capacity of 30MW/60MWh, utilizing 20 PowerCombo products. Located adjacent to an open-pit coal mine and a coal fire power plant, the project site presented complex geographic and grid conditions. In execution of the project, we overcame multiple challenges inherent to North Macedonia as an emerging market, including logistics, grid connection coordination, and localization requirements, ensuring timely equipment delivery and smooth system installation to keep the project on track for commissioning. YESS Power stated that this collaboration marks the beginning of a broader strategic partnership in the Turkish and Eastern European markets. This project further underscores our recognized standing as a trusted BESS solution provider in international markets.

DR Congo 60MW/125MWh Grid-Forming Energy Storage Microgrid Project

We supplied a 60MW/125MWh grid-forming energy storage microgrid system in the Kamoia copper mine microgrid project in the Democratic Republic of the Congo. This project is our benchmark case in the globally high-barrier, fully off-grid industrial microgrid segment and is the second largest microgrid project in Africa by installed capacity as of the end of 2025, according to Frost & Sullivan.

Our 168 FlexCombo products offer high reliability and system adaptability, maintaining stable operation in extreme off-grid environments with zero fault tolerance. They provide millisecond-level response to ensure stable operation during diesel generator start-stop operations or sudden load fluctuations.

This project provides a replicable, fully off-grid green energy supply model for remote mining areas worldwide — all without public grid access. This project serves as the key enabler for establishing the off-grid power network, achieving high-proportion renewable energy integration, and ensuring power supply reliability. The successful implementation of this project further consolidates our leadership position in the niche segments of fully off-grid microgrids, mining site microgrids, and weak-grid backup scenarios.

Our Products and Solutions

Our principal business encompasses R&D, manufacturing, sales, and operational services for BESS. We provide comprehensive solutions covering product design, configuration, certification, manufacturing, testing, deployment support, commissioning, and O&M support. To minimize total lifecycle O&M costs, leveraging our fully self-developed BMS, PCS, and EMS subsystems along with our in-depth understanding of grid code across jurisdictions, we deliver flexibly configurable energy storage module products. These solutions enable customers to build multi-scenario, multi-capacity, and multi-power-rating energy storage deployments that precisely match their dynamic energy needs under varying local grid conditions.

Based on factors including grid connection voltage levels, site conditions, logistics and transportation requirements, local environmental protection and fire safety regulations, we have developed a product matrix centered on PowerCombo, FlexCombo, and FlexCube, which form the

BUSINESS

core of our integrated solutions. Our products feature peak shaving, voltage/frequency regulation, demand response, emergency backup power, and black start capabilities, etc. They can be widely deployed across distribution grid side, the C&I sector, microgrid, and AIDC applications.

Our Forward-Looking Positioning

Early Positioning in Overseas Markets

We started our international expansion in 2020 with a particular focus on Europe, where relatively weaker grid infrastructure and more mature electricity markets have given rise to significant opportunities for utility-scale energy storage systems. Our competitive edge in these markets is underpinned by our jurisdiction-specific grid compliance expertise, rapid product deployment, strong EMT simulation and modelling capabilities, and efficient commissioning. These strengths enabled us to establish long-term strategic partnerships with multiple leading local energy developers and investors.

Through stable and reliable project delivery and mature localized services, we have been included in the BloombergNEF Tier 1 Global Energy Storage System Supplier for nine consecutive quarters since the second quarter of 2024. Our projects have been deployed in over 40 countries and regions, including Finland, Sweden, Denmark, the Czech Republic, Italy, Estonia, the United Kingdom, and Germany.

Forward-Looking Product Design Enhancement

As governments across major markets continue their deregulation of electricity market, energy storage assets are expected to play an increasing role in energy trading and ancillary service markets, which are becoming an important revenue source.

Accordingly, our BESS solutions are designed to integrate seamlessly with the EMS of aggregators and VPP, enabling us to participate in energy trading and ancillary services. We have enhanced our products' commissioning and operational capabilities for supportive functions such as voltage/frequency regulation and demand response. Supported by our proprietary BMS and optimized power dispatch algorithms, our systems can participate in multiple categories of ancillary services across domestic and international markets, benefitting us from the continued deregulation of electricity market.

Our Financial Performance

During the Track Record Period, we achieved rapid financial growth. Our revenue grew from RMB451.5 million in 2023 to RMB494.0 million in 2024, and further increased to RMB702.7 million in 2025.

In 2023, 2024, and 2025, we recorded gross profit of RMB103.2 million, RMB131.9 million, and RMB180.5 million, respectively, with gross profit margins of 22.9%, 26.7%, and 25.7% for the same periods. We maintained profitability throughout the Track Record Period, with profit before tax of RMB12.4 million, RMB32.9 million, and RMB59.8 million, and net profit of RMB12.3 million, RMB33.2 million, and RMB53.8 million in 2023, 2024, and 2025, respectively.

COMPETITIVE STRENGTHS

We believe the following competitive strengths have driven our success and differentiate us from our competitors.

Continuous Innovation with Strong In-House R&D Capabilities

We possess a strong R&D team and independent research capabilities that enable us to develop globally competitive BESS solutions. Our R&D center has been CMMI appraised. We are committed to sustained R&D and technology investment, with R&D expenditures reaching RMB33.8 million, RMB37.4 million, and RMB42.0 million in 2023, 2024, and 2025, respectively.

BUSINESS

As of December 31, 2025, we had 71 full-time R&D personnel and had 49 patents. We have received recognition as a National Specialized, Refined, Differentiated, and Innovative Little Giant Enterprise, a Shenzhen Gazelle Enterprise, and a National Intellectual Property Advantage Enterprise.

Our R&D strategy is closely aligned with market demand, customer requirements and industry technology trends. We focus on the continuous enhancement of our core products, including BMS, PCS and EMS, thermal management, system simulation and modeling capabilities. In particular, we continue to invest in technologies that improve system safety, grid compatibility, operational efficiency and lifecycle reliability, while also exploring longer-term technology directions such as AI-enabled energy trading, intelligent O&M, and next-generation power electronics. We also maintain industry-academia-research collaboration arrangements with Tsinghua University, Peking University, Wuhan University and other leading institutions to complement our in-house R&D capabilities and accelerate the development and commercialization of our technologies.

We have consistently advanced our capabilities in frontier energy storage technologies through sustained innovation and R&D, and have developed our three subsystems, BMS, PCS and EMS, in-house. Our BMS have been continuously iterated, with the latest generation featuring active balancing capabilities that enhance battery consistency and reduce O&M costs. Our PCS integrates grid codes and safety standards across multiple countries and regions with our proprietary EMT simulation and modeling platform, enabling strong grid adaptability, shorter time to grid connection and faster investment payback for customers. Our EMS integrates data flows across power forecasting, trading, dispatch and energy storage operations, enabling coordinated multi-factor optimization, enhanced system responsiveness and stronger support for ancillary power services.

High-Performance Products with Global Market Recognition

Leveraging our deep integration of technology, the energy storage value chain, and jurisdiction-specific grid connection requirements, we deliver seamless coordination across software, hardware, and system solutions. This enables improvements in safety, intelligence, stability, lifespan, and cost control, equipping our products with differentiated functionality and sustaining our competitiveness in a dynamic market.

Our PowerCombo, FlexCombo, and FlexCube feature user-friendly, cost-efficient, and reliable designs with rapid deployment capabilities. Drawing on our expertise in power electronics, EMT simulation, BMS technology, and distributed control systems, we are among the few BESS solution providers in the European market capable of AC/DC high energy density all-in-one designs with EMT simulation and modeling. Additionally, our products incorporate optimized rapid frequency regulation and black start capabilities for ancillary service markets.

Our capabilities have received broad market recognition. We have been included in the BloombergNEF Tier 1 Global Energy Storage System for nine consecutive quarters, secured medium- and high-voltage grid connection certifications in 16 European countries, delivered globally to over 40 countries and regions. We have also achieved grid-connected operation of hundred-megawatt-hour-scale energy storage stations in multiple European countries. As of the Latest Practicable Date, our cumulative shipments of integrated AC/DC BESS in the European markets totaled approximately 1.2GWh, while our global cumulative BESS shipments exceeded 2.5GWh.

Proprietary Modeling Capabilities to Shorten Grid Connection Timelines

As global renewable energy penetration keeps growing, grid operators are imposing higher requirements on BESS’s grid-forming performance, dynamic response, and system reliability. Due to suppliers’ inadequate capacity to develop grid simulation models as well as constraints in local grid capacity, many ongoing projects in Europe have suffered delays in grid connection, which have substantially affected project progress and investment returns.

BUSINESS

We have built a proprietary grid-level digital simulation and control modeling. This enables us to meet the EMT model submission requirements of different national grids, providing customers with highly adaptable model delivery services that significantly improve project approval pass rates, thereby shortening the overall project timelines.

Furthermore, we have effectively shortened overall project delivery timelines. During 2023 and 2024, our projects generally relied on external partners for model verification and grid-connection permission, and the longest grid-connection cycle exceeded 12 months. Since completing our proprietary grid-level digital simulation and control modeling library, the grid-connection permission timeline of our projects in Europe has been significantly shortened to one to three months generally, far above the industry average in multiple European countries. Through increasing approval pass rates and shortening grid-connection permission cycles, we help customers save significant time and upfront capital expenditure, materially enhance project returns, and improve customers’ capital efficiency. This has earned us broad customer recognition and successful strategic partnerships with leading regional developers.

Efficient Project Delivery and O&M across the Globe

To capture global energy storage market opportunities, we have adopted a global development strategy since our early stage and completed commercial deployment across China, the United States, Europe, Africa, and other international markets. We have successfully delivered multiple key global projects efficiently and rapidly gained customer recognition, establishing partnerships with multiple Fortune Global 500 companies. As of the Latest Practicable Date, our business footprint has covered over 40 countries and regions, with cumulative global BESS shipments exceeding 2.5GWh and a substantial portfolio of project delivery experience.

Upholding our commitment to stringent quality standards and premium client experience, we keep expanding our global sales and service network. We have set up local sales and service teams to deliver tailored services and integrated solutions aligned with client requirements. As of the Latest Practicable Date, we have established global service centers in China and overseas in the United States, and Germany. For existing customers, we provide 24/7 telephone consultation and scheduled inspection services, promptly identifying and resolving potential issues and assisting customers in optimizing the O&M of their energy storage equipment.

Visionary Management Team with Deep Industry Expertise

Our experienced management team, with senior executives averaging over a decade of industry experience, brings a deep understanding of electricity market trends. Their strong industry insight and forward-looking strategic vision have established a solid foundation for our sustained growth. Having identified international market opportunities at an early stage, our management team has pursued a disciplined global expansion strategy, enabling us to secure first-mover advantages in key overseas markets.

In terms of product development, our management team maintains a keen focus on evolving customer needs, increasing R&D investment and advancing new energy storage applications. Positioned at the intersection of energy storage and increasingly active energy trading markets, we have established a strategic foothold in the emerging power services sector. Guided by our management team’s strategic leadership, we have achieved steady growth.

BUSINESS

OUR STRATEGIES

Continuous Investment in R&D to Drive Product Innovation and Iteration

We are a leading, innovation-driven distributed BESS solution provider, focusing on R&D of the following BESS technologies:

Foundational technologies. We focus on our three subsystems, namely BMS, PCS, and EMS, as well as R&D and commercialization in grid-forming technologies. We will continuously iterate our modular grid-forming products, to address evolving challenges in various scenarios, such as AI-enabled energy trading, intelligent O&M, and next-generation power electronics.

AIDC solutions. Targeting the high power density and severe load fluctuations typical of AIDC scenarios, we plan to upgrade BESS from backup power units to a core element for power regulation. We are conducting R&D for energy storage technology compatible with mainstream 800V HVDC architectures and future higher voltage platforms. We will pursue R&D in high-reliability BESS, focusing on AIDC applications that require uninterrupted power supply, with our efforts centered on enhancing millisecond-level seamless switching capabilities through continuous improvements in response control algorithms, system stability design and thermal management, thereby enabling us to meet increasingly stringent reliability standards. In parallel, we will develop intelligent dispatch technology, introducing AI algorithms to build load forecasting models and dynamic charge-discharge strategy adjustment systems for optimized energy storage dispatch and improved energy utilization efficiency. We will also develop higher-voltage energy storage architectures to align with future AIDC technology development trends, further reducing energy loss and lifting overall system efficiency.

R&D and testing center. We plan to establish a dedicated R&D and testing center at our Changzhou facility, and procure more testing equipment to centralize and enhance our product validation and testing capabilities as our product portfolio continues to expand. In addition, we plan to expand our R&D testing team, including the recruitment of additional R&D testing personnel to support the growing demand for new product testing and validation.

R&D talent and collaborative research. We will continue to strengthen our talent pool in energy storage and AI by attracting and recruiting outstanding global professionals. We have launched projects and collaborations with Tsinghua University, Peking University, Wuhan University, and other leading institutions, and have collaborated with upstream and downstream enterprises including a leading battery cell supplier. Going forward, we will deepen collaboration with universities, research institutions, and industry partners.

Continuous Implementation of Our Global Strategy

We remain firmly committed to advancing our global development strategy, continuously increasing resource investment in overseas market expansion, deepening our foothold in core markets and penetrating emerging markets.

We will accelerate the implementation of our localized supply chain strategy by constructing overseas production bases to develop localized pack assembly and system integration capabilities. See “— Expanding Production Capacity to Support Growth.” Furthermore, we plan to increase investment in global marketing and brand development by actively participating in digital media, international industry exhibitions, and onsite reference workshops. We also plan to expand our regional marketing infrastructure, including the establishment of regional marketing centers with product demonstration and exhibition functions. In addition, we will expand our after-sales service network by establishing regional after-sales service centers in key markets and recruiting additional engineers to provide on-the-ground services.

BUSINESS

Continuous Expansion of Our Product Portfolio and Scenarios

Our business is strategically focused on core scenarios. We have already covered voltage/frequency regulation, renewable colocation and weak-grid backup power, among other demand types. Going forward, we will build a comprehensive, multi-layered product and service portfolio to support our sustained business growth.

Building on our focus on the high-potential distributed utility-scale energy storage segment, we plan to consolidate our leading position in the distributed energy storage market while expanding into the TSO markets. Our core advantages in BESS R&D, delivery, O&M, and localized services have well positioned us to expand our product and service offerings to capture opportunities in new industry verticals and applications.

Expanding Production Capacity to Support Growth

We plan to further expand our production capacity to meet rising global demand. Our Changzhou production base, with a total designed capacity of 15GWh, is expected to commence Phase I production in or around the fourth quarter of 2026, with a designed capacity of 6GWh. We intend to further invest in its Phase II capacity expansion through the procurement of dedicated production lines, system integration lines, testing equipment, and intelligent manufacturing systems, to add approximately 9GWh of additional capacity. In addition, we plan to establish overseas production bases with localized pack assembly and system integration capabilities closer to our key markets, to shorten delivery lead times and better serve the differentiated requirements of these markets.

Investment in AI to Enhance Product Competitiveness

We recognize that AI technology is penetrating every aspect of energy storage systems at an unprecedented speed and depth, and may become the core engine driving energy storage into a new phase, reshaping the core competitiveness of BESS solutions. Accordingly, we are continuously advancing the development and deployment of our AI-powered tools for energy trading market, enhancing our full-chain “AI + BMS + PCS + EMS” solution.

In our EMS, we intend to integrate AI-driven decision-making models with computational mechanistic models to improve the robustness and transparency of model outputs, enabling more accurate alignment with power market price fluctuations and grid dispatch requirements, and strengthening our capabilities in the coordinated optimization of energy storage dispatch and energy trading. In our BMS, we plan to incorporate AI technologies to upgrade our battery management framework by processing and analyzing multi-dimensional signal, including voltage, current, temperature and cell expansion force, in combination with computational mechanistic models. This allows more accurate battery state estimation and dynamic optimization and control. In turn, it enhances early-stage anomaly detection, risk alerting and fault diagnostics, facilitating a shift from reactive fault handling to proactive risk prevention and improving overall system safety and reliability. In our PCS, we will continue to optimize the digital simulation models embedded in our PCS software platform to optimize our standard operation procedures in the grid Final Operational Notification (FON) process. We will enhance these models by combining jurisdiction-specific grid codes with commissioning tools, enabling pre-configured and simulation-validated deployment at the R&D stage. This approach is expected to significantly reduce on-site commissioning efforts and improve grid connection efficiency, thereby shortening the investment payback period for energy storage assets.

To address the “black box” problem in AI-powered energy trading decision models, we will focus on improving model reliability and interpretability as our core R&D direction. We are committed to fusing traditional power analysis and computational mechanistic models with AI technology, exploring solutions to the timeliness challenges of large-scale grid analysis, and creating higher value for our customers.

BUSINESS

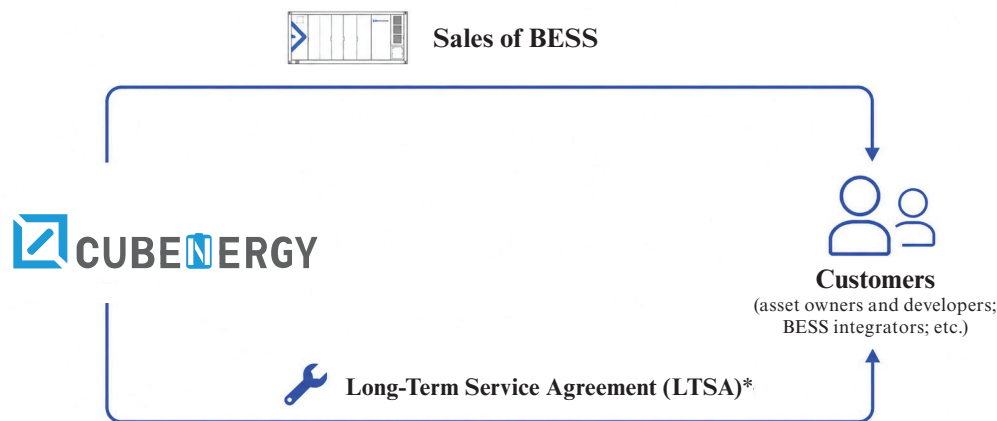
OUR BUSINESS MODEL

We are a BESS solution provider, covering product design, configuration, certification, manufacturing, testing, deployment support, commissioning, and O&M support. Our value proposition emphasizes technical differentiation through fully self-developed subsystems comprising the BMS, PCS, and EMS, enabling rapid grid connection, strong adaptability to diverse grid requirements, and optimized total cost of ownership over the system lifecycle.

We generate revenue primarily through direct sales of BESS solutions. We have three product series: PowerCombo, FlexCombo, and FlexCube. We offer integrated solutions encompassing hardware, proprietary software, and grid-connection engineering.

With our integrated capabilities, we are well positioned to extend our value proposition beyond BESS sales and into long-term service engagements. To expand our revenue base across the system lifecycle, establish recurring revenue streams and enhance customer stickiness, we commenced entering into long-term service agreements, or LTSAs, in 2025. Under LTSAs, we provide a comprehensive suite of service offerings with selectable components for a specified period, typically ranging from 10 to 15 years, including remote technical support, on-site fault diagnosis and resolution, annual inspection and reporting, spare parts supply. Through our LTSAs, we help customers enhance system reliability and operational efficiency, extend asset lifecycle, and reduce total cost of ownership.

The following graphic illustrates our business model.



* We commenced entering into LTSAs in 2025. No revenue was generated from LTSAs during the Track Record Period.

We have two principal customer categories: (i) asset owners and developers, including energy infrastructure developers, distribution system operators, C&I enterprises, and renewable energy investment funds; and (ii) BESS integrators who incorporate our products into larger-scale energy projects. We maintain domestic sales operations in China, with a particular focus on provinces with favorable commercial economics for C&I energy storage, and internationally with emphasis on European markets (particularly the Nordic region), Africa, and South America.

BUSINESS

The following table sets forth a breakdown of our revenue by product category for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
BESS business: ⁽¹⁾						
PowerCombo	440,436	97.6	483,456	97.8	639,583	91.0
FlexCombo	5,413	1.2	4,802	1.0	55,273	7.9
Subtotal	<u>445,849</u>	<u>98.8</u>	<u>488,258</u>	<u>98.8</u>	<u>694,856</u>	<u>98.9</u>
Others	<u>5,609</u>	<u>1.2</u>	<u>5,758</u>	<u>1.2</u>	<u>7,850</u>	<u>1.1</u>
	<u>451,458</u>	<u>100.0</u>	<u>494,016</u>	<u>100.0</u>	<u>702,706</u>	<u>100.0</u>

Note:

- (1) Our FlexCube series was newly launched in 2025. As of December 31, 2025, FlexCube had achieved cumulative shipments of 2.1MWh. However, no revenue or cost of sales related to FlexCube was recognized during the Track Record Period, and we expect to begin recognizing revenue and cost of sales from FlexCube starting in 2026.

The following table sets forth a geographical breakdown of our revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese mainland	84,294	18.7	230,458	46.6	85,041	12.1
Europe	110,670	24.5	243,054	49.2	609,119	86.7
Asia Pacific (excluding Chinese mainland)	233,198	51.7	2,726	0.6	2,891	0.4
Others	<u>23,296</u>	<u>5.1</u>	<u>17,778</u>	<u>3.6</u>	<u>5,655</u>	<u>0.8</u>
	<u>451,458</u>	<u>100.0</u>	<u>494,016</u>	<u>100.0</u>	<u>702,706</u>	<u>100.0</u>

OUR PRODUCTS

Our product portfolio comprises three principal series of integrated BESS, complemented by proprietary subsystems for BMS, PCS, and EMS. The BMS employs active balancing technology to ensure battery consistency and significantly reduce O&M costs. The PCS integrates diverse grid code models from different countries and regions, combined with a proprietary EMT simulation and modeling platform that provides strong grid adaptability and substantially shortens grid connection times. The EMS provides energy trading support and grid analysis.

Each of our product series features an AC/DC all-in-one design. Each series offers scalable capacity to adapt to different deployment scenarios, depending on grid connection voltage levels, site conditions, logistics and transportation requirements, and local environmental protection and fire safety regulations.

BUSINESS

The following table sets forth details of each product series, including their capacity specifications and key applications.

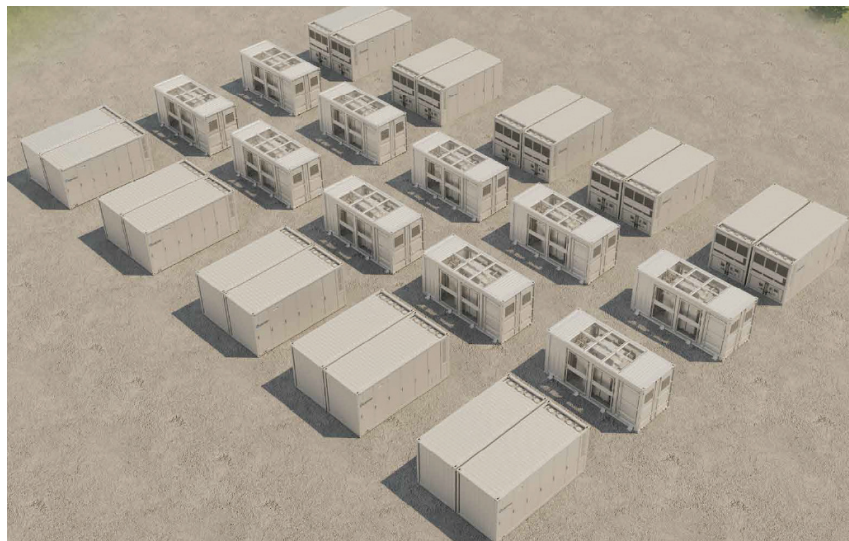
Product Series	Capacity Specifications⁽¹⁾	Description	Key Applications
PowerCombo	AC 690V output AC 2,580kW DC 5,015kWh	● AC/DC all-in-one 20ft containerized structure (< 44t) ● String PCS structure ● Active balance BMS ● Low operation cost	● Renewable energy ● Peak-valley arbitrage ● Dynamic grid support (voltage/frequency regulation) ● Peak shaving and demand response ● Microgrid stabilization ● Utility-scale grid-forming
FlexCombo	AC 690V output AC 430kW DC 836kWh	● AC/DC all-in-one 2m x 1.8m x 2.5m cabinet (< 8t) ● Easy scalable and augmentation ● Easy transportation and installation ● Extreme environment adaptability	● Weak grid areas and off-grid scenarios, such as copper mine backup power projects
FlexCube	AC 400V output AC 125kW DC 261kWh	● AC/DC all-in-one 1m x 1.4m x 2.38m cabinet (< 3t) ● Fast delivery ● Standard installation procedures ● Cost effective for C&I	● Voltage support ● Peak-valley arbitrage ● Demand response ● Microgrid construction

Note:

- (1) Capacity and specifications information is based on each product series' latest model, namely model E5 for PowerCombo, model D2 for FlexCombo, and model C1 for FlexCube.

BUSINESS

PowerCombo Series



E5, the latest model of our PowerCombo product series

The PowerCombo series is our flagship string-structure product. It is a core product line that has undergone continuous iteration in power and capacity since its initial launch in 2017, ranging from the first-generation 20C2H1200K (1.2MW/2MWh) launched in 2022 to the E5 model (2.5 MW/5MWh) in 2026.

PowerCombo is a 20-foot containerized structure with a total weight of under 44 tons. The system achieves low operation costs and an extended lifespan, making it particularly suitable for large-scale and long-duration energy storage applications across diverse markets, and is particularly advantageous in markets where labor costs are higher. For example, a 12MWh PowerCombo project in Denmark achieved grid connection in less than three months, significantly shorter than the industry average of six to nine months, thereby reducing the customer’s investment payback period.

The PowerCombo series primarily targets overseas markets. In 2025, over 85% of our PowerCombo revenue was derived from overseas markets, with European markets serving as key growth drivers. We plan to expand the production capacity of the PowerCombo series, as our Changzhou production base, currently under construction, is specifically designed to manufacture E5 AC/DC integrated string-structure energy storage equipment.

FlexCombo Series



D2, the latest model of our FlexCombo product series

BUSINESS

The FlexCombo series is each in 2m x 1.8m x 2.5m cabinet size with a total weight of under 8 tons, enabling simplified transportation and on-site installation. We commenced large-scale production and commercialization of FlexCombo in 2024. FlexCombo is configured to support reliable and uninterrupted power delivery particularly in weak-grid and off-grid environments. FlexCombo is highly scalable and supports flexible capacity expansion and system augmentation, allowing tailored deployment for complex project requirements and conditions.

FlexCombo has been successfully deployed in various applications, including backup power projects for copper mines in Africa. Compared to similar products in the market, FlexCombo demonstrates superior extreme environment adaptability and fast response capabilities, making it particularly well-suited for industrial operations in remote or underserved regions.

FlexCube Series



FlexCube-C1, the latest model of our FlexCube product series

Launched in 2025, the FlexCube series is our latest outdoor cabinet product. FlexCube is in 1m x 1.4m x 2.38m cabinet size each with a total weight of under 3 tons, suitable for small business applications. As of December 31, 2025, FlexCube had achieved cumulative shipments of 2.1MWh.

Sales Volume and Average Selling Price

We measure sales volume in each year based on the energy capacity of BESS products sold (which represents the core functional output of our BESS solutions) for which revenue is recognized during the year. The average selling price for each year is calculated by dividing BESS revenue recognized during the year by the corresponding sales volume. The following table sets forth the sales volume and average selling price of each product series for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	MWh	RMB/Wh	MWh	RMB/Wh	MWh	RMB/Wh
PowerCombo	275.7	1.6	419.7	1.2	576.5	1.1
FlexCombo	1.7	3.2	1.6	3.0	61.9	0.9

BUSINESS

Our FlexCube series was newly launched in 2025. As of December 31, 2025, FlexCube had achieved cumulative shipments of 2.1MWh. However, no revenue or cost of sales related to FlexCube was recognized during the Track Record Period, and we expect to begin recognizing revenue and cost of sales from FlexCube starting in 2026.

Sales volume of PowerCombo increased steadily year-over-year, driven by our expansion into overseas markets and growing demand. The average selling price of PowerCombo decreased from RMB1.6 per Wh in 2023 to RMB1.2 per Wh in 2024, primarily due to (i) declining raw material costs, particularly lower battery cell prices, leading to lower pricing levels, and (ii) the transition from air-cooled microgrid systems to liquid-cooled systems, which improved performance and cost efficiency at scale. PowerCombo’s average selling price remained relatively stable at RMB1.1 per Wh in 2025.

We had limited sales volume of FlexCombo in 2023 and 2024, as the product was still in the pilot stage during that period. The average selling price of FlexCombo was RMB3.2 per Wh in 2023 and RMB3.0 per Wh in 2024. Sales volume increased significantly to 61.9MWh in 2025, as we commenced large-scale production and commercialization in 2024, which was reflected in its revenue recognized in 2025. The average selling price was RMB0.9 per Wh in 2025.

OUR CORE TECHNOLOGIES

Our Self-Developed Technologies

We have developed a comprehensive suite of proprietary technologies forming the core technical foundation of our product offerings, comprising three interconnected subsystems: BMS, PCS, and EMS. These three subsystems are entirely self-developed, providing us with full control over product functionality and continuous enhancement. We have also developed advanced modeling and simulation capabilities, underpinned by a proprietary EMT model library. The integration of these proprietary technologies enables us to deliver superior grid adaptability, accelerated commissioning timelines, reduced lifecycle costs, and optimized system performance across diverse operating conditions, and to ensure jurisdiction-specific grid compliance.

Our product architecture emphasizes modular design principles that enable platform-based adaption across projects and geographic markets. The BMS, PCS, and EMS subsystems are designed for flexible configuration to accommodate varying regional grid codes, substantially reducing the engineering effort required to adapt products for new markets while maintaining consistent performance characteristics across deployments.

BMS

The BMS represents our first core technology platform, which commenced operations in 2017 and has been continuously iterated subsequently. The BMS employs active balancing technology that actively redistributes energy among cells to maintain SOC consistency throughout the battery system’s lifecycle. This approach offers several advantages over passive balancing methods which dissipate excess energy as heat, including enhanced battery utilization, extended system lifespan, and significantly reduced maintenance requirements. The active balancing capability proves particularly valuable in overseas markets where elevated labor costs make maintenance-intensive systems economically disadvantageous. The BMS provides comprehensive cell-level monitoring, state estimation algorithms for accurate determination of SOC and SOH, as well as sophisticated thermal management control to optimize battery longevity and safety. The BMS implements multi-layer safety protocols including early fault detection for thermal runaway and emergency shutdown procedures.

PCS

Our self-developed PCS offers strong advantages in control accuracy, real-time response, and large-scale coordination, further enhanced by an embedded AI agent.

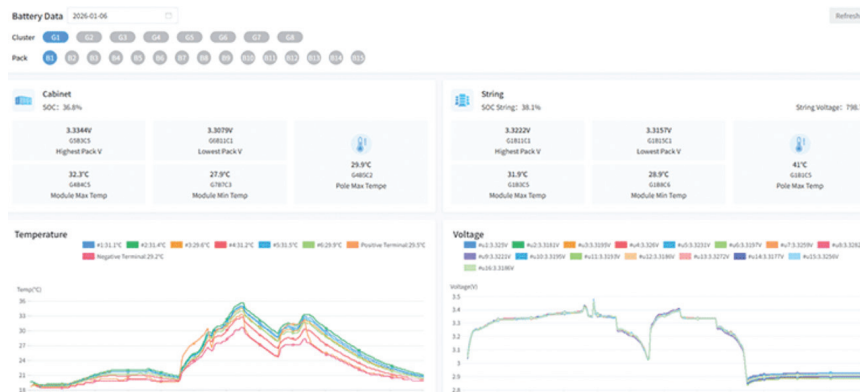
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First, the PCS adopts advanced current-loop control technology to regulate output current with high speed and precision. By continuously monitoring and correcting current waveforms, it effectively suppresses harmonics, reduces current distortion, and improves power quality under various grid conditions. Second, the PCS uses dedicated hardware-channel technology, allowing key operating data to be transmitted directly to the DSP. This minimizes communication delay and software processing latency, enabling faster response to grid fluctuations, system disturbances, and protection events. Third, the PCS supports string-based multi-unit parallel operation, enabling thousands of inverters to operate synchronously with a grid-connection time deviation of less than 20ms. This ensures stable coordination of large-scale PCS array and reduces risks such as circulating current, power oscillation, and inconsistent response.

In addition, the integrated AI agent continuously learns from operating data, grid-code models, fault records, and site performance. It can optimize control parameters, support harmonic suppression strategies, improve synchronization accuracy, and assist in predictive fault diagnosis. As a result, the PCS can evolve from a traditional power conversion device into an intelligent grid-support platform with higher adaptability, faster commissioning, and stronger operational reliability.

EMS

As our core software product, our EMS and its associated O&M platform were launched in 2016 and have gone through continuous iteration. The EMS performs immediate optimization of system operation based on real-time electricity pricing, grid conditions, load forecasts, and battery state constraints to maximize economic returns while ensuring reliable operation. Data aggregated from deployed systems enables analytics, diagnostics, and preventive maintenance for our BESS solutions.



User interface of our proprietary O&M platform.

EMT Model Library

We have developed a proprietary EMT simulation model library, allowing modeling and simulation of the EMT responses of BESS under different grid environments. It provides sophisticated computational tools for analyzing grid interactions, validating control system performance under diverse conditions including fault scenarios, and optimizing system parameters prior to commissioning. We have incorporated various countries and regions’ grid codes and built a fully proprietary EMT simulation model library, which enables us to rapidly adapt our products to new markets’ specific requirements. This substantially reduces the engineering effort and timeline required to enter new geographic markets, lowers commissioning costs, and reduces technical risks during project execution. The model library plays a particularly instrumental role in executing our strategic priorities on developed overseas markets.

BUSINESS

RESEARCH AND DEVELOPMENT

We regard R&D as a strategic priority and a cornerstone of our competitive positioning. Our R&D activities focus on proprietary core technologies that underpin our BESS solutions. Our control over these critical technologies enables us to rapidly iterate our product platforms, customize solutions for different grid codes and scenarios, and deliver integrated BESS solutions with performance, reliability and adaptability that are difficult for competitors relying primarily on third-party components to replicate.

Our R&D strategy is closely aligned with market demand, customer requirements and industry technology trends. We focus on the continuous enhancement of our core products, including BESS system integration, BMS, PCS and EMS, thermal management, system simulation and modeling capabilities. In particular, we continue to invest in technologies that improve system safety, grid compatibility, operational efficiency and lifecycle reliability, while also exploring longer-term technology directions such as AI-enabled energy trading, intelligent O&M, and next-generation power electronics.

This market-oriented and technology-driven R&D approach allows us to convert technical know-how into commercially deployable products and solutions, supporting our expansion into different application scenarios and overseas markets.

R&D Team

As of December 31, 2025, our R&D team comprised 71 full-time employees. Our core technical team graduated from leading universities including Tsinghua University, Huazhong University of Science and Technology and Xi'an Jiaotong University, with professional backgrounds spanning electrical engineering, electronic engineering, software development and automation. This multidisciplinary talent base provides the technical foundation required for integrated BESS development.

R&D Facilities

Our R&D facilities are strategically located in Shenzhen and Chengdu. The Shenzhen headquarters houses our core R&D design center and testing/certification laboratory, overseeing overall product design, system software development, and comprehensive testing. Meanwhile, the Chengdu base focuses exclusively on EMS and PCS software development.

To support rigorous product validation and quality assurance, we have built an in-house energy storage system temperature chamber capable of simulating extreme environments from -40°C to 55°C. Complemented by thermal-humidity test chambers and aging rooms, this setup fully covers environmental reliability testing and long-term performance degradation assessment. In terms of electrical performance, our lab is equipped with high-precision power analyzers, oscilloscopes, and ATE automated test platforms, enabling precise measurement of power characteristics and dynamic responses.

Additionally, utilizing multiple grid simulators, high-power battery simulators, and bi-directional AC/DC power supplies, we can comprehensively simulate various operating conditions to validate grid-connected/off-grid switching, charge/discharge strategies, and power cycling. Paired with islanding test devices and RCD non-linear loaders, these tools strictly verify the product's protection functions and load-bearing capacities. Furthermore, integrated safety testers and handheld thermal imagers effectively ensure safety compliance and thermal management verification. Leveraging this comprehensive testing matrix, we can rapidly identify issues and iterate on design optimizations, ensuring every product undergoes thorough validation before market launch.

BUSINESS

R&D Collaboration

We maintain collaborative relationships with third-party research institutions and other external service providers to complement our in-house R&D capabilities and accelerate the development and commercialization of our technologies. These collaborations enable us to leverage external expertise and advanced laboratory facilities, enhancing our technical capabilities and improving R&D efficiency.

Our collaborative R&D activities cover a range of energy storage-related areas, including system-level electrical and structural design, liquid-cooled battery pack prototyping, DC microgrid modeling and algorithm optimization, and preliminary simulation research. We have also established industry-academia-research collaboration arrangements with Tsinghua University, Peking University and Wuhan University, primarily focusing on preliminary simulation research.

Under the relevant agreements, intellectual property generated from collaborative development activities is generally either exclusively owned by us or jointly owned, depending on the nature and contribution of the parties involved. Our counterparties are generally subject to confidentiality obligations and may not disclose or use project deliverables without our written consent. Deliverables are subject to contracted acceptance procedures, typically requiring review and sign-off by our engineering or technical staff. Our counterparties are generally responsible for ensuring that their work does not infringe any third-party intellectual property rights and bear liability for any confirmed infringement.

INTELLECTUAL PROPERTY

We have accumulated a substantial intellectual property portfolio protecting our technological investments and establishing entry barriers for our competitors. As of December 31, 2025, we were the registered owner of 49 patents (including 47 invention patents registered in China and two overseas patents), 45 utility model patents, one design patent, and 48 software copyrights. Our patent portfolio covers core technology areas including energy storage system thermal management, parameter tuning methodologies, power network analysis techniques, and battery management unit control algorithms.

All intellectual property resulting from our R&D team’s work belongs exclusively to us. We employ comprehensive intellectual property protection measures including confidentiality agreements and non-compete provisions with employees, document encryption systems, and standardized research outcome archiving procedures. We conduct internal compliance training and periodic intellectual property audits to prevent inadvertent infringement of third-party rights. Our core technologies are self-developed with no dependencies on third-party software or hardware platforms, no external licensing arrangements, and no intellectual property shared with or licensed from other parties.

SALES AND MARKETING

We employ a direct sales model to market and sell our energy storage products, engaging directly with customers to build strong relationships, enhance brand recognition, and maintain customer loyalty. Our direct sales approach enables us to maintain close communication with customers throughout the sales cycle, from initial engagement through project delivery and ongoing support, ensuring that we can effectively address customer requirements and optimize solution configurations for each application scenario.

Sales and Marketing Organization

Our sales function is organized into two primary business lines: the domestic sales team and the overseas sales team. The domestic sales team focuses on regions within China with attractive investment returns for energy storage projects, including Guangdong, Zhejiang and Jiangsu

BUSINESS

provinces. The overseas sales team covers international markets with particular emphasis on Europe including the Nordic countries, Baltic states, Central and Eastern European countries, and German-speaking countries, as well as emerging markets in Africa and South America.

The sales department performs core functions including new customer development, existing customer relationship management, order negotiation, contract execution, marketing activities, and cross-functional coordination with other departments. Our sales teams collaborate closely with the R&D department to plan product development directions. Sales personnel also coordinate with the production department to communicate market demand forecasts, determine inventory levels, and establish delivery schedules to ensure timely order fulfillment.

As of the Latest Practicable Date, we have established global service centers in China and overseas, including the United States, and Germany. As of December 31, 2025, we had 35 overseas sales and service personnel.

Customer Acquisition and Retention

Our marketing strategy combines benchmark project development with multi-channel promotion to demonstrate our technical capabilities and generate brand recognition.

We acquire new customers primarily through participation in industry exhibitions in Europe, the United States, and other regions. Exhibition participation allows us to showcase our product capabilities, engage directly with prospective customers, and maintain visibility in our target markets. In new regions, we focus on executing high-profile reference projects that demonstrate our technical capabilities and service quality, which then serve as a foundation for expanding our customer base in that market through word-of-mouth referrals and industry recognition. We also engage with local industry associations and professional networks to obtain project information, and leverage existing customer endorsements to generate referrals for new customers.

We maintain customer relationships through localized service support, technical solution optimization, regular training programs, and factory visits. Our customer relationship approach emphasizes continuous engagement throughout the project lifecycle and beyond initial delivery, which has contributed to strong customer retention and repeat purchase rates.

In particular, we maintain dedicated after-sales customer service teams deployed both domestically and internationally. Our customer service system operates in coordination with our sales teams and is responsible for customer installation and commissioning support, operations and maintenance assistance, and problem response. Our overseas sales teams in Germany, and the United States provide sales, pre-sales, and after-sales technical support functions. This localized service infrastructure enables us to provide responsive support to customers across our international markets.

Relationship with Key Customers

Our customer base comprises two principal categories: asset owners and developers, and BESS integrators. We engage directly with both customer types through our direct sales model, which enables us to build strong relationships, maintain close communication throughout the sales cycle, and effectively address customer requirements.

Our cooperation with major customers remained stable during the Track Record Period, with high customer repurchase rates and no significant disputes. We track customer needs through regular sales team engagement, periodic customer visits, and monitoring industry policy developments. Our customer concentration has gradually decreased as our business scale has expanded and we have entered new markets, and we do not believe we face significant customer dependence risk.

BUSINESS

Asset Owners and Developers

Asset owners and developers include energy infrastructure developers, distribution system operators, C&I enterprises, and renewable energy investment funds. Our domestic owner customers are primarily located in Guangdong, Jiangsu, and Zhejiang provinces. International owners include European energy infrastructure developers, particularly in the Nordic countries, Baltic states, Central and Eastern European countries, and German-speaking countries, as well as small power grid companies, family businesses, and renewable energy funds. We provide these customers with comprehensive BESS solutions to meet their grid ancillary service and energy dispatch needs, with a particular focus on reducing grid interconnection timelines, enhancing reliability, and improving availability. We support these customers throughout the project lifecycle, including installation, commissioning, and ongoing O&M through our localized service teams.

BESS Integrators

BESS integrators are customers who incorporate our products and systems into larger-scale energy projects. We provide integrators with pre-sales technical support, customized solutions adapted to different regional grid standards, and post-sales installation and commissioning services. Our fully self-developed BMS, PCS, and EMS subsystems offer high grid adaptability, which is particularly valuable to integrators who need systems that can meet various national grid code requirements.

Pricing

We employ a differentiated pricing strategy, setting prices based on investment return expectations and competitive intensity in different national markets. Product prices are primarily influenced by raw material costs, export tax rebate policies, overseas tariffs, applicable trade terms (such as FOB and CIF), and market competition conditions, among other things. Our pricing strategy is value-oriented, with price levels matched to product added value. We position our products in the mid-to-high-end segment, targeting high value-added markets and scenarios such as frequency regulation ancillary services and AIDC.

Warranties for Our Products and Solutions

Our products and solutions are subject to full testing prior to shipment, and our customers confirm acceptance after they complete inspection. We generally do not accept returns after inspection acceptance.

We generally provide warranties ranging from one to five years, which may be extended with additional fees. Warranties for our BESS products and solutions typically cover defects caused by material or manufacturing defects, and if our products and solutions are defective under the warranty terms, we may, at our discretion, repair or replace the defective products. We have dedicated personnel who are responsible for handling feedback and regularly review and analyze the feedback received.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product recalls, exchanges, or returns or other legal claims from our customers due to problems associated with the quality of our products.

BUSINESS

MANUFACTURING AND PRODUCTION

We operate an order-driven production model combined with selective inventory positioning for standardized products based on sales forecasts. Customers typically place orders approximately 45–120 days prior to expected delivery dates, and the production cycle from container arrival of key components, factory acceptance testing (FAT) through shipment typically requires approximately two to 12 weeks. This approach balances production efficiency with working capital optimization while ensuring we can fulfill customer delivery requirements across our international and domestic markets.

Production Facilities

Our production operations are currently based at our Dongguan facility in Guangdong Province, with our new Changzhou facility in Jiangsu Province under construction and expected to commence commercial production in or around the fourth quarter of 2026.

Our Dongguan facility is located in Qishi Town, Dongguan City, and commenced operations in early 2022. The facility has a total construction area of approximately 36,950 m² and was staffed by more than 130 production employees as of December 31, 2025. The facility operates production lines for our containerized energy storage systems and modular energy storage products, respectively. In or around the third quarter of 2026, we plan to add a new long-pack production line at the facility to support overseas standard product manufacturing, bringing the total design module production capacity of the facility to 3GWh.

Our Changzhou production base is being constructed at the Changzhou National High-Tech Zone and has a total construction area of approximately 55,000 m², with commercial production commencing in or around the fourth quarter of 2026. The total designed capacity for energy storage system products is 15GWh, with near-term actual capacity designed at 6GWh to be expanded progressively based on demand. The facility’s product focus will primarily include containerized energy storage systems and modular products, particularly 5MWh unified AC/DC string-structure BESS equipment for customers in Europe and North America.

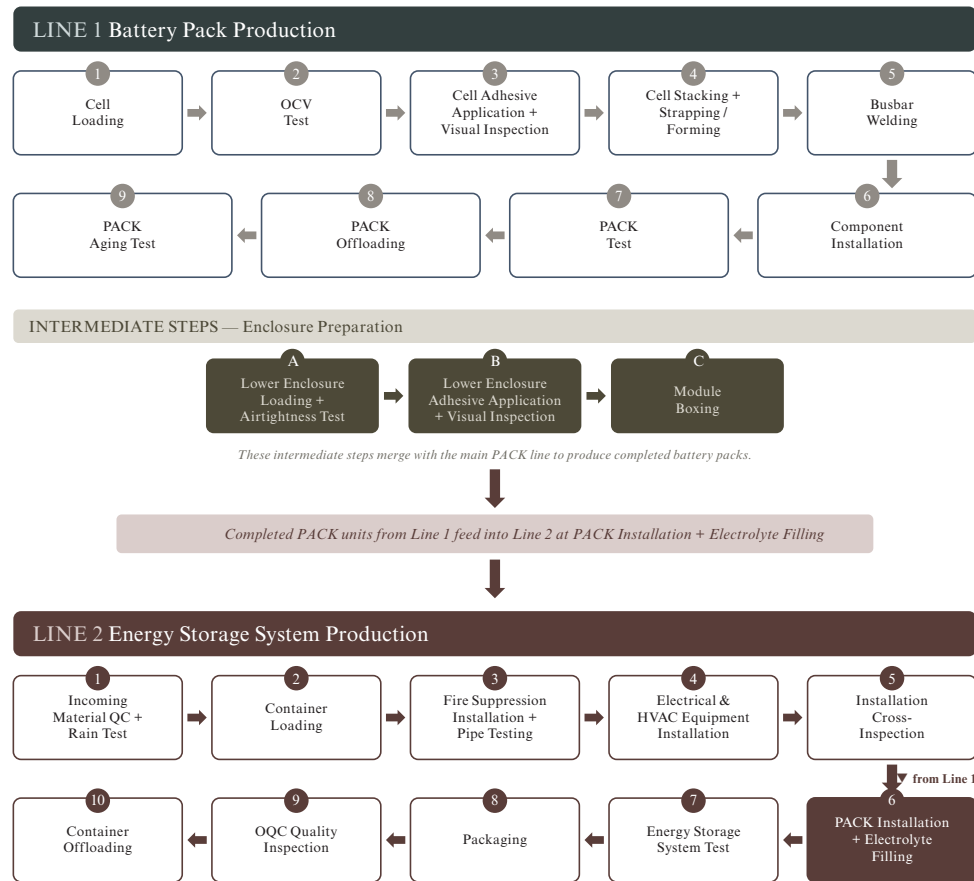
After its commencement of operations, the Changzhou facility will focus on next-generation products and large-volume orders, while the Dongguan facility will continue to support existing orders and certain product types. Going forward, we will progressively adjust capacity allocation as products iterate and market demand evolves. During the Track Record Period, we did not experience any major disruptions in production.

Production Process and Project Delivery

Our primary production process encompasses battery pack production, high-voltage box and other semi-finished product production, system integration, and comprehensive testing. All our core production activities including assembly and integration are performed internally. Cumulative production time across all stages requires approximately two to 12 weeks, which we consider to be generally consistent with industry practices.

BUSINESS

The following flowcharts illustrate our production processes:



Line 1 (Battery Pack Production). The battery pack production line begins with cell loading, where individual battery cells are placed onto the production line, followed by an open OCV test to verify each cell’s baseline electrical characteristics. Cells then undergo adhesive application with automated visual inspection to ensure proper bonding surface preparation, before being stacked and strapped into formation to create the desired cell configuration. Busbar welding is then performed to establish the electrical connections between cells, after which additional components are installed onto the assembled pack. The completed pack proceeds through testing to validate electrical performance and safety parameters. It is then offloaded from the line and undergoes an aging test to confirm long-term stability and detect any latent defects.

Enclosure Preparation and Module Integration. Following the pack aging test, the battery modules are prepared for integration into the energy storage system. The lower enclosure is loaded onto the line and subjected to airtightness testing to verify its structural seal integrity. Adhesive is then applied to the enclosure. The qualified battery modules are inserted into the sealed enclosure (module boxing), producing the finished module assemblies.

Line 2 (Energy Storage System Production). The energy storage system production line begins with incoming material quality control and a rain test on the container shell to verify weatherproofing and structural integrity. Once the container is loaded onto the line, the fire suppression system is installed and its piping is pressure-tested, followed by the installation of electrical and HVAC (environmental control) equipment. An installation cross-inspection is then conducted to ensure assembly quality. The battery pack assemblies produced on Line 1 are installed into the container at this stage, accompanied by electrolyte filling as required. The fully assembled

BUSINESS

energy storage system then undergoes comprehensive system-level testing. It is packaged for transport, and passes a final OQC inspection before the completed container is offloaded from the production line for shipment.

We engage contract manufacturers to handle limited parts of our non-core production process. The outsourced processes include PCB assembly and wire harness assembly, with the design handled by us internally. All outsourced components are subject to our comprehensive inspection upon delivery to our facilities before final integration. In 2023, 2024, and 2025, purchases from contract manufacturers of RMB1.9 million, RMB3.7 million, and RMB5.3 million, accounting for 0.6%, 1.0%, and 0.9% of our total purchases, respectively.

Production Capacity and Utilization

Our production capacity is primarily constrained by the battery pack production line. The following table sets forth our pack production line’s designed capacity, actual production volume, and utilization rate at our Dongguan facility for each year of the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Designed capacity (MWh)	802.7	802.7	1,499.4
Actual production (MWh)	307.9	404.2	846.8
Utilization rate	38.4%	50.4%	56.5%

During the Track Record Period, our Dongguan facility operated two air-cooled battery pack production lines with a combined annual designed capacity of approximately 802.7MWh. Our capacity utilization rates were 38.4% in 2023 and 50.4% in 2024, primarily due to limited orders as we were ramping up our overseas expansion. Our capacity utilization rate was 56.5% in 2025, reflecting an increase in orders as we continued to expand our customer base.

In May 2025, we commenced production on one additional liquid-cooled battery pack production line with a designed capacity of 696.7MWh, which features a high degree of automation and thus enhances production efficiency and product quality. As industry technology upgraded toward liquid-cooled configurations, the newly added liquid-cooled line supported increased production volumes while the remaining air-cooled orders continued to be fulfilled on the existing air-cooled lines. This transition led to a reduction in the utilization of our air-cooled lines in 2025. We had ceased operation of the air-cooled battery pack production lines as of May 31, 2026. All of our principal production lines have an estimated useful life of approximately 10 years. In 2026, we plan to add one additional liquid-cooled battery pack production line at the Dongguan facility. During the four months ended April 30, 2026, our capacity utilization rate reached 65.1%.

In addition to the above principal production lines, we also operate ancillary production facilities including high-voltage box workshops and wire harness workshops, which support but do not constrain our overall production capacity. Our Changzhou facility, which is currently under construction, will significantly expand our overall production capacity. See “— Production Facilities” above for more details.

SUPPLY CHAIN MANAGEMENT

Our supply chain function is responsible for procuring all primary raw materials, production equipment, and auxiliary materials required for our manufacturing operations. The procurement function operates as a centralized function based at our Shenzhen headquarters, with plans to add local procurement execution personnel at the Changzhou facility following its commencement of production to optimize supply chain responsiveness consistent with proximity sourcing principles.

BUSINESS

Raw Materials

Our primary procurement categories by value include battery cells, which represent the largest single cost component, along with PCS equipment, structural components, electronic components, and auxiliary materials. Battery cells are sourced from leading domestic cell manufacturers; we maintain relationships with multiple qualified suppliers to ensure supply security and competitive pricing while avoiding dependence on any single source.

For standardized components, we procure standard parts from suppliers that do not require special intellectual property arrangements. For customized structural components manufactured exclusively to our specifications, we execute confidentiality agreements and technical agreements with suppliers, with all resulting intellectual property belonging to us.

Supplier Selection and Management

Our supplier selection process considers multiple factors including product quality, supply capacity, pricing competitiveness, technical capabilities, and delivery reliability. For core materials, our R&D department is involved in the identification of qualified suppliers during product design phases based on technical requirements and quality specifications.

We employ multiple strategies to mitigate supply chain risks. For core materials with substantial price volatility, we enter into strategic agreements and place long-term orders to secure favorable commercial terms. We maintain qualified alternative suppliers for all significant procurement categories, ensuring that the discontinuation of any individual supplier relationship would not materially impact our product development or production operations.

Our core technologies have no dependencies on specific third-party components; while we source battery cells from leading manufacturers, we are not dependent on any particular brand. Core components are domestically sourced in China or have domestic substitution options available, ensuring supply chain security and controllability. We have not been materially affected by external policy restrictions, export controls, or sanctions on our supply chain.

Inventory Management

We maintain inventory of raw materials, work-in-progress, and finished goods, with inventory levels planned based on forecast sales volumes. We have established comprehensive inventory management systems including management metrics and periodic inventory verification procedures. Our warehouse is located at our Dongguan facility.

Product standardization and modular design facilitate us to manage our inventory accumulation risk. BMS and similar component categories are stocked on three-month cycles, while battery cell procurement volumes are adjusted based on market price movements. We also maintain finished goods inventory targets with reference to backup requirements for each product.

Logistics

Our delivery department maintains a dedicated logistics group responsible for managing transportation operations. We have established formal logistics and transportation management protocols governing shipping arrangements for both domestic and international deliveries, with transportation arrangements addressing the specific handling requirements for energy storage products, including appropriate packaging, loading procedures, and documentation for international shipments.

For product transportation involving lithium batteries or energy storage systems, we use third-party logistics providers that possess the required dangerous goods transportation qualifications. We require that our packaging and labeling comply with applicable standards. We have also established comprehensive internal control procedures for shipping compliance.

BUSINESS

QUALITY CONTROL

We maintain comprehensive quality control processes spanning raw material receipt, production processing, outsourced production, and finished product shipment. Our quality control philosophy emphasizes full inspection rather than sampling for critical parameters. Our products are subject to inspection prior to shipment, with our customers are able to conduct acceptance testing to confirm product conformity.

Our quality control process spans the entire production lifecycle. We follow a complete quality management system that encompasses the following key stages:

- *Incoming Quality Control (IQC)*. Quality control begins at the incoming materials stage, where our raw materials undergo verification before entering production. We have established comprehensive inspection procedures at the procurement and acceptance phase.
- *In-Process Quality Control (IPQC)*. The quality system covers monitoring during the production process. Each production stage has dedicated personnel responsible for quality, and certain production processes require specific training before workers can operate.
- *Outgoing Quality Control (OQC)*. Products undergo inspection before leaving the factory. This includes testing and customer factory acceptance testing, where customers either visit the factory to conduct testing or require the company to provide a complete testing report. Products are only shipped after confirmation of passing these tests.

We have obtained quality management certifications. Products must comply with the applicable grid standards and international energy storage industry regulations for target markets such as Europe. Our products also undergo regular quality inspections by third-party organizations.

Our quality team is responsible for handling quality complaints, working in coordination with the sales team to address customer issues. We have established a closed-loop mechanism for complaint handling. During the Track Record Period, we did not receive customer complaints regarding quality matters in all material respects.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

Our five largest customers in each year during the Track Record Period were customers of our energy storage system products. The majority of our sales to our five largest customers, in each year during the Track Record Period, were PowerCombo products and solutions. In 2023, 2024, and 2025, the aggregate revenue generated from our five largest customers in each year during the Track Record Period was RMB320.2 million, RMB272.6 million, and RMB356.1 million, representing 70.9%, 55.2%, and 50.6% of our total revenue, respectively. In the same periods, revenue generated from our largest customer in each year during the Track Record Period was RMB209.5 million, RMB76.8 million, and RMB160.3 million, representing 46.4%, 15.6%, and 22.8% of our revenue, respectively. According to Frost & Sullivan, this relatively concentrated customer base is in line with prevailing industry practice. For a discussion of customer concentration risk, see “Risk Factors — Risks Relating to Our Business and Industry — A limited number of customers account for a substantial portion of our revenue, and any decrease in, or loss of, business from any of them could significantly harm our results of operations.”

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BUSINESS

The following tables set out further details of our five largest customers in each year during the Track Record Period for the periods indicated based on revenue contribution.

For the Year Ended December 31, 2023

Customer	Customer type	Year of commencement of business relationship	Payment method	Credit term	Percentage of total revenue %	Revenue RMB'000
Customer A ⁽¹⁾	BESS integrator	2022	Wire transfer/ LC	100% LC(T/T) at sight payment, partial shipments allowed	46.4	209,519
Customer B ⁽²⁾	Asset owner	2020	Wire transfer	10% prepayments; 50% payments upon arrival; 35% payments upon acceptance; 5% warranty	8.2	36,813
Customer C ⁽³⁾	BESS integrator	2023	Wire transfer	30% down payment; 30% before shipping; 40% after arrive	6.0	27,065
Customer D ⁽⁴⁾	BESS integrator	2022	Wire transfer	100% T/T at sight payment; partial shipments allowed	5.2	23,647
Customer E ⁽⁵⁾	BESS integrator	2023	Wire transfer	10% prepayments; 10% payments upon complete documentation; 80% payments upon acceptance	5.1	23,169
Total					70.9	320,213

For the Year Ended December 31, 2024

Customer	Customer type	Year of commencement of business relationship	Payment method	Credit term	Percentage of total revenue %	Revenue RMB'000
Customer B ⁽²⁾	Asset owner	2020	Wire transfer	10% prepayments; 50% payments upon arrival; 35% payments upon acceptance; 5% warranty	15.6	76,831
Customer C ⁽³⁾	BESS integrator	2023	Wire transfer	30% down payment; 30% before shipping; 40% after arrive	12.3	60,918
Customer K/Supplier I ⁽¹¹⁾	Asset owner	2020	Wire transfer/ bank acceptance bill	20% prepayments; 30% payments upon shipment; 45% payments upon acceptance; 5% warranty	10.4	51,572
Customer E ⁽⁵⁾	BESS integrator	2023	Wire transfer	35% prepayments; 65% payments upon shipment	8.8	43,362
Customer F ⁽⁶⁾	BESS integrator	2023	Wire transfer	20% down payment; 5% after approval drawings/datasheet; 55% after factory acceptance test; 20% after arrive	8.1	39,873
Total					55.2	272,556

BUSINESS

For the Year Ended December 31, 2025

Customer	Customer type	Year of commencement of business relationship	Payment method	Credit term	Percentage of total revenue %	Revenue RMB'000
Customer G ⁽⁷⁾	Asset owner	2023	Wire transfer/ LC	32% prepayments; 63% payments upon delivery; 5% payments upon acceptance	22.8	160,263
Paneco Energie ⁽¹²⁾	BESS integrator	2024	Wire transfer/ LC	10% deposit; 40% payments upon shipment; 30% payments before arrival; 20% payments after delivery	9.3	65,671
Customer H ⁽⁸⁾	BESS integrator	2025	Wire transfer/ LC	20% prepayments; 50% after provision of each bill of lading copy; 30% after delivery of site acceptance test and commissioning report	7.7	53,847
Customer I ⁽⁹⁾	Asset owner	2025	Wire transfer/ LC	20% prepayments; 55% payments upon shipment; 15% payments upon acceptance; 10% payments on final acceptance	5.5	38,887
Customer J ⁽¹⁰⁾	BESS integrator	2025	Wire transfer	30% deposit; 70% before shipping	5.3	37,402
Total					50.6	356,070

Notes:

- (1) Customer A is a company established in Taiwan in 2020, principally engaged in the design, development and supply of power conversion equipment and BESS solutions.
- (2) Customer B is a state-owned enterprise established in the PRC in 2004, principally engaged in the investment, construction and operation of power grids in southern China.
- (3) Customer C is a company established in Sweden in 2023, principally engaged in the development and operation of solar energy systems and energy storage.
- (4) Customer D is a company established in Taiwan in 1990, principally engaged in the development of grid-connected energy storage systems.
- (5) Customer E is a company established in Sweden in 2022, principally engaged in energy storage balancing solution design and professional technical consultation for grid operators and renewable energy power plants.
- (6) Customer F is a company established in the Netherlands in 1975, principally engaged in the design, manufacturing, commissioning and installation required for energy generation.
- (7) Customer G is a company established in Finland in 2023, principally engaged in investment, construction and daily operation of energy storage facilities across Finland.
- (8) Customer H is a company established in North Macedonia in 2020, principally engaged in renewable energy development services covering the Balkan region.
- (9) Customer I is a company established in Estonia in 2025, principally engaged in the generation of electricity from alternative sources, including biomass.
- (10) Customer J is a company established in the Czech Republic in 2002, principally engaged in power electrical system integration, on-site equipment installation and after-sales technical services for Central European new energy and energy storage projects.
- (11) Customer K/Supplier I is a PRC company established in 2001, principally engaged in the research, development, manufacturing and sales of lithium batteries for power, energy storage and consumer applications. It is listed on the Shenzhen Stock Exchange.

BUSINESS

- (12) Paneco Energie is a substantial shareholder of Paneco Cubenergy, which is an insignificant subsidiary of our Company for the purpose of Chapter 14A of the Listing Rules. It principally engaged in advanced energy storage and management solutions and technical operation management service within the French and Western European energy market.

Save as aforementioned, during the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors, their close associates or any Shareholder owns more than 5% of our share capital had any interest in any of our top five customers in each year during the Track Record Period. To the best of our knowledge, none of our five largest customers in each year during the Track Record Period is a connected person.

Our agreements with customers are generally based on a suite of template agreements tailored to the nature of the transaction and the market in which it operates. Below is a summary of the salient terms typically included in our agreements with major customers:

Scope of Services. Depending on customer demand, we may enter into agreements that cover equipment-only sales, as well as turnkey supply and installation.

Payment and credit terms. We generally require our major customers to make payments by installments, including prepayments or deposits, payments upon or before shipment, payments upon arrival or delivery, payments upon acceptance or final acceptance and, where applicable, warranty payments. In certain cases, our major customers make full payment by telegraphic transfer at sight payment and partial shipments may be allowed.

Testing and Acceptance. Our products are required to undergo pre-delivery or pre-acceptance testing before final acceptance and payment.

Warranty. We generally provide warranties ranging from one to five years responsible for remedying defects.

During the Track Record Period, we entered into a three-year partnership agreement with a Europe-based customer for exclusive and non-exclusive sales of BESS products and solutions in specified European countries, which includes annual minimum purchase commitments of the customer. The agreement permits price adjustments upon at least 30 days’ prior written notice, subject to good faith discussions between the parties. It will automatically renew for successive one-year terms unless either party provides at least 30 days’ prior written notice of non-renewal. Either party may terminate the agreement upon written notice if the other party commits a material breach that remains uncured for 30 days or becomes insolvent or bankrupt.

Major Suppliers

In 2023, 2024, and 2025, aggregate purchases from our five largest suppliers in each year during the Track Record Period were RMB239.5 million, RMB258.7 million, and RMB371.6 million, accounting for 74.7%, 68.4%, and 61.1% of our total amount of goods purchased, respectively. In the same periods, purchases from our largest supplier in each year during the Track Record Period were RMB187.5 million, RMB142.7 million, and RMB219.7 million, accounting for 58.5%, 37.7%, and 36.1% of our total amount of goods purchased, respectively. According to Frost & Sullivan, this supplier concentration is in line with prevailing industry practice. For a discussion of supplier concentration risk, see “Risk Factors — Risks Relating to Our Business and Industry — We rely on a limited number of suppliers for our production. A significant interruption in the operations of our suppliers could potentially affect our operations and any material misconduct or disputes involving our suppliers could adversely affect our business, results of operations, financial condition, and prospects.

During the Track Record Period, we primarily procured raw materials from suppliers based in the PRC and, in certain cases, engineering services from local service provider overseas. The following tables set out the details of our five largest suppliers in each year during the Track Record Period for the periods indicated based on purchases from them.

BUSINESS

For the Year Ended December 31, 2023

<u>Supplier</u>	<u>Products procured</u>	<u>Year of commencement of business relationship</u>	<u>Payment method</u>	<u>Credit term</u>	<u>% of total goods purchased</u> %	<u>Purchase amount</u> RMB'000
Supplier I/Customer K ⁽⁹⁾	Battery cells	2017	Wire transfer/ bank acceptance bill	30% prepayment; 30 days after monthly settlement (6-month acceptance)	58.5	187,464
Supplier A ⁽¹⁾	PCS	2017	Wire transfer/ bank acceptance bill	10% prepayment; 30 days after monthly settlement (6-month acceptance)	7.7	24,520
Supplier B ⁽²⁾	Container enclosures	2020	Wire transfer	60 days after monthly settlement	3.0	9,698
Supplier C ⁽³⁾	Facility rental	2022	Wire transfer	Monthly in advance (by the 25th of the preceding month)	2.8	9,087
Supplier D ⁽⁴⁾	PCS	2019	Wire transfer/ bank acceptance bill	60 days after monthly settlement (6-month acceptance)	2.7	8,773
Total					74.7	239,542

For the Year Ended December 31, 2024

<u>Supplier</u>	<u>Products procured</u>	<u>Year of commencement of business relationship</u>	<u>Payment method</u>	<u>Credit term</u>	<u>% of total goods purchased</u> %	<u>Purchase amount</u> RMB'000
Supplier I/Customer K ⁽⁹⁾	Battery cells	2017	Wire transfer/ bank acceptance bill	30% prepayment; 30 days after monthly settlement (6-month acceptance)	37.7	142,685
Supplier E ⁽⁵⁾	Battery cells	2024	Wire transfer/ bank acceptance bill	30% prepayment; 30% before delivery; 40% within 60 days after acceptance	19.4	73,241
Supplier A ⁽¹⁾	PCS	2017	Wire transfer/ bank acceptance bill	10% prepayment; 30 days after monthly settlement (6-month acceptance)	4.9	18,525
Supplier D ⁽⁴⁾	PCS	2019	Wire transfer/ bank acceptance bill	60 days after monthly settlement (6-month acceptance)	4.0	15,216
Supplier C ⁽³⁾	Facility rental	2022	Wire transfer	Monthly in advance (by the 25th of the preceding month)	2.4	8,997
Total					68.4	258,664

BUSINESS

For the Year Ended December 31, 2025

<u>Supplier</u>	<u>Products procured</u>	<u>Year of commencement of business relationship</u>	<u>Payment method</u>	<u>Credit term</u>	<u>% of total goods purchased</u> %	<u>Purchase amount</u> RMB'000
Supplier I/Customer K ⁽⁹⁾	Battery cells	2017	Wire transfer/ bank acceptance bill	30% prepayment; 30 days after monthly settlement (6-month acceptance)	36.1	219,657
Supplier F ⁽⁶⁾	PCS, switchgear	2020	Wire transfer	30% prepayment; 60% upon acceptance with invoice; 10% upon expiry of 2-year warranty	7.1	42,920
Supplier G ⁽⁷⁾	Engineering services	2024	Wire transfer	Approximately 30% prepayment; remainder based on delivery progress to end customer	7.0	42,500
Supplier A ⁽¹⁾	PCS	2017	Bank acceptance bill	10% prepayment; 30 days after monthly settlement (6-month acceptance)	6.9	42,150
Supplier H ⁽⁸⁾	Battery cells	2025	Wire transfer/ bank acceptance bill	30% prepayment; 30 days after monthly settlement	4.0	24,352
Total					61.1	371,579

Notes:

- (1) Supplier A is a PRC company established in 2012, principally engaged in the research, development, manufacturing and sales of photovoltaic inverters, energy storage converters and power electronic equipment. It is listed on the Shenzhen Stock Exchange.
- (2) Supplier B is a PRC company established in 2013, principally engaged in the manufacturing and sales of energy storage containers and special purpose containers.
- (3) Supplier C is a PRC company established in 2002, principally engaged in the research, development, manufacturing and sales of lighting products and electrical components.
- (4) Supplier D is a PRC company established in 2007, principally engaged in the research, development, manufacturing and sales of power quality equipment, energy storage converters and power electronic products. It is listed on the Shenzhen Stock Exchange.
- (5) Supplier E is a PRC company established in 2011, principally engaged in the research, development, manufacturing and sales of power batteries, energy storage batteries and battery systems. It is listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange.
- (6) Supplier F is a state-owned enterprise established in the PRC in 2001, principally engaged in the research, product development and technical services of power grid automation and energy storage projects.
- (7) Supplier G is a company incorporated in Sweden in 1994, principally engaged in providing energy storage and renewable solutions and supporting the global energy transition.
- (8) Supplier H is a PRC company established in 2021, principally engaged in the research, development, manufacturing and sales of energy storage batteries and energy management systems.
- (9) Customer K/Supplier I is a PRC company established in 2001, principally engaged in the research, development, manufacturing and sales of lithium batteries for power, energy storage and consumer applications. It is listed on the Shenzhen Stock Exchange.

BUSINESS

Save as aforementioned, during the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors, their close associates or any Shareholder owns more than 5% of our share capital had any interest in any of our top five suppliers in each year during the Track Record Period. To the best of our knowledge, none of our five largest suppliers in each year during the Track Record Period is a connected person.

Below is a summary of the salient terms of supply agreements we typically enter into with our raw materials and equipment suppliers:

Pricing. The agreements typically provide for a fixed total price, which is generally not subject to adjustment.

Payment and credit terms. We generally make payments to our major suppliers by installments, including prepayment, payments before delivery, payments after monthly settlement or acceptance and, where applicable, warranty payments after the expiry of the warranty period. The payments are generally settled by bank transfer and/or bank acceptance bills. We are typically offered credit terms ranging from 30 to 60 days after monthly settlement or acceptance.

Warranty. Our suppliers are required to provide a post-acceptance warranty period, during which defects must be remedied at the supplier’s cost.

Intellectual Property and Indemnity. Suppliers typically provide non-infringement warranties in respect of intellectual property rights and agree to indemnify us against related claims.

Confidentiality. Suppliers are subject to confidentiality obligations with respect to our business and technical information.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant shortage of raw material supplies, and the raw materials provided by our suppliers did not have any significant quality issues. During the same period, we did not experience any breach of agreement by suppliers that resulted in suspension or interruption of our production operations.

Overlapping Customers and Suppliers

During the Track Record Period, to the best knowledge of our Directors, one of our five largest suppliers, namely Customer K/Supplier I, was also our customer in each year during the Track Record Period. The following table sets forth our Group’s purchase amount and revenue generated from Customer K/Supplier I for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Purchase amount	187,464	142,685	219,657
Revenue	5,487	51,572	16,011

In 2023, 2024, and 2025, our purchases from Customer K/Supplier I were 58.5%, 37.7%, and 36.1% of our total purchases for the respective years, and our sales to Customer K/Supplier I were 1.2%, 10.4%, and 2.3% of our total revenue for the respective years.

Customer K/Supplier I is a leading battery cell supplier and was our earliest battery cell supplier. We have maintained a strong cooperative relationship with this supplier over the years. As our business grows, we have gradually introduced additional suppliers to diversify our supplier base. In recent years, Customer K/Supplier I has established an energy storage system integration business unit, providing both battery cells and energy storage system products to external customers. Due to the long-standing cooperative relationship, Customer K/Supplier I has engaged us for the

BUSINESS

production of some of its energy storage system integration orders. According to the Frost & Sullivan Report, Customer K/Supplier I also collaborates with other companies in the industry chain to procure energy storage system products, a relatively common practice in the industry.

COMPETITION

We are subject to competition in the BESS industry. We primarily compete with other BESS solution providers, including both Chinese outbound enterprises and international players, particularly in the European distributed utility-scale BESS market. According to Frost & Sullivan, based on shipment volume, the top 10 providers in the European distributed utility-scale BESS solutions market accounted for a combined market share of 82.7% in 2025, indicating a relatively concentrated market. Our Group held a market share of approximately 5.5% in the European distributed utility-scale BESS market, ranking fifth among Chinese solution providers and eighth among all solution providers. In the Nordic distributed utility-scale BESS market, the top five providers accounted for a combined market share of 81.5%, and our Group held a market share of approximately 22.3%, ranking first among Chinese solution providers and second among all solution providers. Our competitors include multinational corporations with significantly greater financial and operational resources, as well as Chinese enterprises with large-scale manufacturing capabilities and broad product portfolios. See “Industry Overview” in this document for more information.

We believe that our ability to compete effectively depends on many factors, including our R&D capabilities, the breadth and reliability of our product portfolio, our localized service presence in key markets, and our ability to maintain strong customer relationships. For risks relating to our competitiveness in the ESS industry, see “Risk Factors — Risks Relating to Our Business and Industry”.

EMPLOYEES

As of December 31, 2025, our employee headcount was 338, having grown from approximately 300 employees in 2023, reflecting the expansion of our business operations. The following table sets forth the distribution of our employees by functional category as of December 31, 2025:

	As of December 31, 2025	
	<i>Number</i>	<i>%</i>
Production	134	40
R&D	71	21
Sales and marketing	82	24
General and administrative	51	15
Total	338	100

Substantially all our employees are based in China. Our domestic personnel are based across our Shenzhen headquarters, Dongguan, Chengdu and Changzhou facilities. As of December 31, 2025, we had two full-time employees in Germany responsible for office administrative management and sales, respectively. We do not maintain overseas engineering teams with locally hired personnel, and our overseas business operations are conducted primarily through domestic employees traveling abroad on assignment.

We enter into employment contracts with all employees, ensuring compliance with applicable labor laws and regulations. We do not engage in labor outsourcing, labor dispatch or part-time workers.

To protect the rights and interests of our employees, our internal employment policies have stipulated the regulations regarding the adjustment and payment of salaries, as well as the conditions and procedures of terminating employment contracts. We also provide benefits to our employees as

BUSINESS

part of their compensation package which we believe is in line with industry norm. For example, our employees based in China are entitled to housing provident fund and social insurance including pension, basic medical insurance, maternity insurance, work-related injury insurance, and unemployment insurance, as mandated by the relevant laws and regulations.

Our performance evaluation framework is guided by delivery targets. For instance, our R&D department has clearly defined key performance indicators. Other functional departments are currently evaluated primarily on work completion quality. Our recruitment process sources candidates primarily through online recruitment platforms, supplemented by executive search firms for specialized positions.

During the Track Record Period, we and our PRC subsidiaries did not fully pay social insurance and housing provident fund contributions based on employees’ total wages as the contribution base. Beginning in 2026, we and our PRC subsidiaries gradually standardized our contribution practices. As of the Latest Practicable Date, no competent human resources and social security or housing provident fund authority had issued any notice or order to us or our PRC subsidiaries requiring payment or rectification in respect of such underpayments, and we and our PRC subsidiaries had not been subject to administrative penalties in this respect. For a discussion of the associated risks, see “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to additional contributions of social insurance and housing provident funds and late payment fees or fines imposed by relevant governmental authorities.”

DATA PRIVACY AND SECURITY

During the course of our business, we may collect, process, and store various types of data concerning our customers, suppliers, and other business partners. We believe data security is critical to our business operations and we are committed to complying with all applicable laws and regulations on data security and privacy protection.

To ensure the confidentiality and integrity of our data, we pay close attention to compliance with all applicable data security laws, including the EU General Data Protection Regulation and China’s Data Security Law. Personal data may include information such as addresses, names, email addresses and phone number. To ensure compliance with applicable laws and regulations, we have established strict internal policies on data collection, storage, usage, and protection.

We maintain a structured approach to data security through strict lifecycle management policies. Before collecting personal data, we require users to consent to our privacy policies. Our privacy policy clearly explains the scope of personal data collection, and users must voluntarily provide explicit consent before any data is processed. A record of user consent is maintained to ensure compliance. Data transmissions are encrypted via HyperText Transfer Protocol Secure (HTTPS) to maintain confidentiality and integrity, and set access permissions for sensitive personal data to prevent unauthorized access. We ensure strict control over personal data access to prevent unauthorized disclosure. Data subjects have the right to know if their data is processed, including purposes, data types, storage duration, and recipients. They may request correction, deletion, restriction, or objection to processing. We are committed to maintaining transparency and protecting individuals’ rights under applicable data protection laws. This helps ensure data security, minimize data-related risks, and maintain compliance with global privacy standards.

For data security and system integrity, we maintain strict controls over our IT infrastructure. Our platform architecture ensures data security through firewall deployment, antivirus protection, and database backup managed by the information department. Computer systems are uniformly encrypted, and external file transmissions require approval and decryption authorization. We undergo annual ISO 27001 information security certification audits to ensure compliance with data security standards.

Furthermore, we conduct regular cybersecurity and data privacy training for employees, covering key regulations in China such as the Cybersecurity Law, Data Security Law, and Personal Information Protection Law. These comprehensive policies and controls ensure that we safeguard

BUSINESS

personal information, comply with global and regional data privacy regulations, and continuously improve our data protection framework. We have complied with all applicable laws and regulations relating to data privacy and security in such jurisdictions during the Track Record Period and up to the Latest Practicable Date. There has been no material data leakage during the Track Record Period and up to the Latest Practicable Date.

INTERNAL CONTROL AND RISK MANAGEMENT

We have continuously optimized our internal risk management and control capabilities and have established policies to promote the sustainable and healthy development of our Group. To ensure the orderly implementation of risk management-related work, we have built a risk management and internal control organizational system that covers our Board, our management, internal control management team, various functional departments, and our subsidiaries.

Our Risk Management Representative is the decision-making body for our risk management system and is responsible for (i) approving the overall objectives of our risk management system construction; (ii) reviewing the fundamental policies of our risk management system; (iii) approving reports related to our risk management system and evaluating the effectiveness of our risk management system; and (iv) approving other material matters related to risk management. Our management team is responsible for organizing the daily operation and inspection of our internal control system and reporting to our Board. Our internal control management team implements the day-to-day risk management and internal control management work. The internal audit function reports directly to our Board on its activities.

Internal Control

We have engaged an independent internal control consultant to help identify and advise on mitigating risks relating to our operation. Pursuant to the review by our independent internal control consultant, we have adopted the appropriate internal control measures as advised by our consultant. In particular, as our Company had not yet been [REDACTED] on the stock exchange, the internal control consultant had identified that we had not established certain policies required by the Stock Exchange for public companies, or that certain of our established policies was not in full conformity with the requirements of the Stock Exchange for public companies. In preparation for our [REDACTED], we have implemented or will implement with effect from [REDACTED] the necessary policies identified by the independent internal control consultant and adjusted and improved our existing set of internal policies.

We are committed to establishing and maintaining risk management and internal control systems. We have adopted and implemented a comprehensive risk management policy which defines risks and risk classification and sets forth policies on management strategies, risk management framework and responsibilities, risk identification, assessment, response measures, information collection and reporting system, and annual risk management assessment reporting. Our risk management and internal control systems also cover the general functional operations such as human resources, financial management, asset management, warehousing and logistics management, information system management and corporate governance as well as decision-making processes. Meanwhile, we are committed to supervising and evaluating the effectiveness of risk management and internal control system to ensure that the system is rectified and effectively controlled as our business develops.

We have established internal audit mechanism to continuously monitor our risk management and internal control systems. Our audit department primarily holds the two responsibilities of internal auditing and supervision, including internal auditing of the company's finances and operations, and conducting annual internal control assessments as well as monitoring and reporting activities such as embezzlement, bribery and money laundering. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we did not encounter any incidents of breaches of our internal control policies and procedures in any material respect. Based on these enhancements, our Directors believe that our internal controls are adequate and effective in meeting our obligations under the Listing Rules, as well as other applicable legal and regulatory standards.

BUSINESS

Corporate Governance

With the advice and guidance from our compliance advisor, our Directors, who are responsible for monitoring the corporate governance of our Group, will also periodically review our compliance status with the relevant laws and regulations after the [REDACTED].

We have established an audit committee, the duties of which are to (i) review and supervise our financial reporting process and internal control system, risk management and internal audit; (ii) provide advice and comments to our Board in respect of financial, risk management, and internal control matters; and (iii) perform other duties and responsibilities as may be assigned by the Board. See “Directors and Senior Management — Board Committees — Audit Committee” for more details.

We believe that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

We conduct regular review on the effectiveness of the aforesaid internal control measures and promptly address any abnormalities and malfunctions. Our internal control and internal audit group is responsible for providing detailed review results and reporting the results to the management periodically.

Risk Management

We recognize that risk management is critical to the success of our business operations. Key operational risks faced by us include changes in the general market conditions, the regulatory environment of the BESS industry, and our ability to compete with our competitors. See “Risk Factors” for more details. We also face various market risks. See “Financial Information — Quantitative and Qualitative Disclosure of Risks” for more details.

We have adopted a comprehensive set of risk management policies, which set out a risk management framework to identify, assess, evaluate, and monitor key risks associated with our strategic objectives on an ongoing basis. We take proactive measures to identify risks in two approaches, top-down approach and bottom-up approach.

- *Top-down Approach.* Risks are identified from strategic view of our Board members or senior management.
- *Bottom-up Approach.* Risks are identified at the activity process level, which can help to focus risk assessment on major business units.

We set forth below the risk analysis we perform after the initial identification of risks.

- The risk ratings are determined based on the likelihood of occurrence and the potential impact.
- The risk assessment result including the identified risks, the likelihood of occurrence and the potential impact should be registered.
- Risks are prioritized in according to their risk ratings.
- Specific risks control strategies are adopted to respond to the identified risks in accordance with their prioritization.
- The principal risks identified in risk assessment may change from time to time. Ongoing review of the principal risks focusing on how changes might arise shall be performed, and monitor if their controls need to be adjusted. We set forth below the procedures how we assess, evaluate, and monitor key risks associated with our strategic objectives on an ongoing basis.
- A risk-based internal audit program is approved by the audit committee each year.

BUSINESS

- Internal audit reviews are carried out to perform assessment of risks and testing of controls across all business units. It provides reasonable assurance that adequate controls and governance are in operation.
- Investigations are performed in case of fraud or irregularities are uncovered and suspected. A well-defined whistleblowing mechanism for all their employees and other related third parties is designed to encourage them to raise any serious concerns about misconduct or fraudulent activities.
- Our internal audit department performs audit to evaluate the proper functioning of the risk management and internal control systems and make recommendation for improvements. Regular reports should be made to the audit committee on its findings.
- The audit committee, after reviewing and considering the risk management findings submitted by the internal audit department, will in turn report to our Board of Directors and confirm to our Board on the effectiveness of the systems. The audit committee is empowered to seek professional advice where necessary.
- Our Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems.
- In the event any risk reporting information becomes or is likely to become inside information, the relevant department(s) or the internal audit department will promptly report such inside information in accordance with our inside information policy.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Environmental, Social and Corporate Governance

We integrate environmental, social and governance (ESG) considerations into our core sustainability framework and have established a systematic management approach that is fully embedded throughout our operations and strategic planning.

ESG Governance

We are committed to complying with ESG reporting requirements upon [REDACTED] and minimizing environmental impact through energy conservation and sustainable development. Our ESG policies will be formulated in accordance with Appendix C2 of the Listing Rules, covering ESG governance structure, strategy formulation procedures, risk management and monitoring, as well as relevant key performance indicators (KPIs) and mitigation measures.

Our Board holds overall responsibility for ESG oversight, including environmental, social and climate-related risks and opportunities, approval of ESG policies and targets, and regular review of ESG performance with strategic adjustments made where material variances arise. Under the oversight of our Board, we identify and assess ESG risks and integrate ESG considerations into business and strategic planning. Our Group will also enhance employee awareness of energy conservation and environmental protection to advance sustainable development.

Anti-corruption

Ethical conduct is fundamental to our operations. We have established a Code of Conduct covering anti-corruption, anti-fraud and fair competition, supported by regular compliance training for employees and management. We have also implemented a confidential whistleblowing mechanism for reporting unethical behavior, with all reports subject to investigation and whistleblowers protected from retaliation. In addition, we promote integrity and accountability through supplier integrity agreements with our business partners.

BUSINESS

Environment and Climate Related Targets and Metrics

Our core business inherently involves the use of energy-intensive equipment. By leveraging charge-discharge cycle testing, we achieve efficient energy recovery and reduce energy consumption. At the same time, we have introduced electric transport vehicles on our factory premises and equipped our battery pack production lines with semi-automated equipment to enhance production efficiency, thereby effectively contributing to carbon emission reductions. We plan to advance the decarbonization of our energy mix by installing rooftop solar panels. We are also implementing, optimizing processes, and improving our electricity recovery mechanisms. On the product side, we incorporate low-carbon principles and select eco-friendly materials during the design phase, optimize product structures to improve energy efficiency, and pursue carbon labeling certification in accordance with the EU Battery Regulation to continuously reduce the environmental impact of our products throughout their entire life cycle.

Indicator	Year ended December 31,		
	2023	2024	2025
Scope 1 greenhouse gas emission (tons of carbon dioxide equivalent)	2,644.5	2,826.9	3,212.0
Scope 2 greenhouse gas emission (tons of carbon dioxide equivalent)	731.6	1,035.4	1,472.2
Scope 3 greenhouse gas emission (tons of carbon dioxide equivalent)	—*	392.4	460.3

Note: Because our system did not collect employee business travel data in 2023, Scope 3 emissions data for that year is missing.

Energy and Resource Consumption

We coordinate water and energy management. For energy, we have achieved cost reductions and improved energy efficiency by combining operational audits, equipment upgrades. During the Track Record Period, we have purchased a total of 4,248MWh of green electricity. We will continue to adopt water conservation initiatives and campaigns, including ongoing water conservation awareness for employees and improving water consumption monitoring and analysis.

Indicator	Year ended December 31,		
	2023	2024	2025
Total electricity consumption (MWh)	1,266	1,792	2,548
Total water consumption (tons)	6,609	12,822	13,437
Electricity Intensity per Unit of Output (MWh/MWh)	4.11	4.43	3.01
Water Intensity per Unit of Output (tons/MWh)	21.47	31.72	15.87

Note: The primary reason for the upward trend in our resource consumption lies in the continuous expansion of our business scale and production capacity: In 2024, we added nearly 1,000 m² of office space, while our Dongguan facility expanded its module production lines during the same period; in 2025, we established and commissioned R&D production line equipment in Shenzhen, and added the D2 production line in Dongguan. This year-on-year expansion of overall production capacity has directly led to a corresponding increase in water and electricity consumption. The significant increase in water consumption in 2024 was primarily due to an increase in the number of employees and the addition of two new office locations in Shenzhen.

Waste Emissions

We attach great importance to waste discharge management. We have established the “Waste Control Procedure” to build a standardized management system covering the entire process of waste sorting, auditing, and disposal. We conduct regular waste audits to identify sources of waste generation and develop plans for reduction, resource recovery, and safe disposal. We proactively

BUSINESS

classify and recycle general solid waste, and hold employees’ environmental awareness training. The main waste generated during production consists of certified batteries, which are handed over to professional electronics factories for recycling and are not harmful to the environment.

Indicator	Year ended December 31,		
	2023	2024	2025
Total non-hazardous waste generated (tons)	53,380.8	48,081.1	63,246.5
Total non-hazardous waste recycled (tons)	53,380.8	48,081.1	63,246.5

Social

We are committed to fulfilling our social responsibilities by promoting compliant employment, occupational health and safety, and sustainable supply chain management, while working with employees, suppliers, and other stakeholders to create long-term value.

Employment Management

Our Group adheres to the “people-oriented” philosophy and adopts legally compliant employment practices. We strictly abide by laws and regulations such as the Labor Law of the PRC and the Provisions on the Prohibition of Using Child Labor, and are committed to creating an equal, diverse, fair, just, healthy, and safe working environment for our employees. We have established internal policies to respect and protect employees’ rights. We prohibit the employment of child labor and the use of violence, threats, or illegal restrictions on personal freedom during employment. During recruitment, we conduct multiple verifications through confirmation of candidates’ identity information and diplomas to ensure compliance. In 2025, we had 338 employees, including 243 male and 95 female employees. By age group, 149 employees were under 30, 176 were aged 30–50, and 13 were over 50. During the year, the Group recorded 41 departures, including 31 male and 10 female employees; by age group, 25 were under 30, 15 were aged 30–50, and 1 was over 50. No labor-related litigation involving the issuer or its subsidiaries was recorded during the reporting period.

Occupational Health and Safety

We strictly comply with the Work Safety Law of the PRC, the Fire Protection Law of the People’s Republic of China, and the Law of the PRC on Prevention and Control of Occupational Diseases, and implement internal policies to ensure a safe working environment. We provide subsidized health check-ups and commercial insurance coverage for eligible employees in specific roles. To enhance safety awareness and emergency response capabilities, we regularly conduct safety training, including onboarding safety training for new hires, and, where needed, organize specialized safety seminars delivered by first-aid experts and internal experts.

BUSINESS

Sustainable Supply Chain

We actively promote sustainable supply chain management by embedding ESG concepts into supplier management and considering environmental protection, product quality, health and safety, labor standards, and business ethics. Suppliers are required to maintain quality integrity and are prohibited from corruption, bribery, extortion, or other improper benefit transfers. We also encourage and select suppliers with green practices or relevant certifications. At the same time, we have set clear behavioral standards for suppliers to jointly practice sustainable development concepts: (1) *Environmental Protection*. We encourage suppliers to reduce waste, properly handle hazardous and non-hazardous waste, adopt energy-saving and emission-reduction measures, and protect biodiversity; (2) *Product Quality*. We expect suppliers to comply with laws, regulations, and agreements, and provide products and services that meet our and our customers’ needs; (3) *Business Ethics*. We prohibit fraud, corruption, bribery, and other illegal business activities, require suppliers to avoid conflicts of interest, and prohibit intellectual property infringement.

Product Responsibility

We strictly comply with domestic and international regulations, and have established robust quality management systems. Clear policies for after-sales services and product recalls ensure that quality management remains a key operational priority. Moreover, innovation is central to our strategy. To meet evolving market demands, we have implemented comprehensive R&D management processes. To strengthen our R&D capabilities, we conduct regular training sessions across a wide range of technical fields, ensuring that our R&D team remains at the forefront of technical expertise and innovation. In line with our commitment to sustainable development, we integrate green design principles throughout our product lifecycle.

Intellectual Property

We have established a substantial intellectual property portfolio covering core technology areas including thermal management, BMS and EMS, etc. As of December 31, 2025, we owned 49 patents (including 47 invention patents registered in China and two overseas patents), 45 utility model patents, one design patent and 48 software copyrights. We implement comprehensive intellectual property protection measures, including confidentiality agreements, non-compete provisions, document encryption and internal compliance training. Our core technologies are independently developed without reliance on third-party licensing arrangements.

Community Engagement and Public Welfare

We are committed to contributing to sustainable social development through community engagement and public welfare initiatives. We regularly organize parent-child activities, team-building programs and interest-based activities to strengthen employee engagement, foster workplace cohesion and support local community development. In addition, during the Track Record Period, we made a charitable donation to support local community development.

LICENSES, PERMITS, AND APPROVALS

We are required to obtain and renew certain licenses, permits, and approvals for our business operations in various jurisdictions. See “Regulatory Overview” in this document for more information.

BUSINESS

The following table sets out a list of material licenses, permits and approval held by us as of the Latest Practicable Date.

<u>Holding Entity</u>	<u>Qualification Name</u>	<u>Issuing Authority</u>	<u>Valid Period</u>
Our Company	Work Safety Permit (安全生產許可證)	Department of Housing and Urban-Rural Development of Guangdong Province	November 4, 2025– November 3, 2028
Our Company	Construction Enterprise Qualification Certificate — Class II General Contracting for Electric Power Engineering (建築業企業資質證書 — 電力工程施工總承包二級)	Department of Housing and Urban-Rural Development of Guangdong Province	September 11, 2025– September 11, 2030
Our Company	Permit for Installation (Repair, Testing) of Electric Power Facilities — Class III (承裝(修、試)電力設施許可證 — 三級)	National Energy Administration Southern Regulatory Bureau	July 2, 2024– July 1, 2030

With respect to the Changzhou production base, we have communicated with the relevant local regulatory authorities and are preparing to apply for the approval of environmental impact assessment. For a discussion of the associated risks, see “Risk Factors — Risks Relating to Our Business and Industry — We are subject to risks related to property and timely obtaining and maintaining the requisite licenses, permits, registration, and filings applicable to our business according to evolving legal requirements.”

Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, permits, and approvals that are material for our operations, and all of such licenses, permits, and approvals were within their respective effective periods. We had not experienced any material difficulty in renewing such certificates, permits, and licenses during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any difficulty in renewing them when they expire, if applicable. During the Track Record Period and up to the Latest Practicable Date, we had not been penalized by any government authorities for any non-compliance relating to maintenance and renewal of our material licenses, permits, and approvals.

PROPERTIES

As of December 31, 2025, we held the land use right of one property with a total site area of 33,269 m², located at Changzhou National High-Tech Zone in Changzhou, Jiangsu Province. The property is held on an industrial use land grant and is used for the construction of our Changzhou facility.

As of December 31, 2025, we leased seven properties with a total gross floor area of approximately 40,878 m² in China, comprising: (i) four premises in Shenzhen with an aggregate floor area of approximately 3,148 m², used as our headquarters for R&D and office functions; (ii) two premises in Chengdu with an aggregate floor area of approximately 780 m², used as our software R&D office; and (iii) one premises in Dongguan with an area of approximately 36,950 m², used for energy storage system production and manufacturing. We also leased six properties overseas with a total gross floor area of approximately 286 m². These properties are located in Germany, Hong Kong, the United States and Sweden.

As of December 31, 2025, we had no single property with a carrying amount which represents 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include any valuation report in this document.

BUSINESS

INSURANCE

We maintain insurance coverage aimed at addressing core operational risks associated with our products, projects, and personnel. We maintain a commercial general liability insurance policy, covering product and completed operations liability for our BESS products manufactured or sold worldwide (excluding certain sanctioned jurisdictions). We also procure project-specific commercial general liability insurance policies on an as-needed basis to address the requirements of individual customer projects, as well as export credit insurance with coverage limits based on estimated annual sales volumes. For our personnel, we maintain employer’s liability insurance for our employees, overseas travel accident insurance for employees on international business assignments, and supplemental major medical insurance for employees based in Shenzhen. We believe that our current insurance coverage is generally consistent with industry practice and adequately meets our risk protection needs. As of the Latest Practicable Date, there were no outstanding insurance claims of a material nature that have been filed but not yet settled.

However, our insurance may not be able to cover all potential risks to our manufacturing facilities and equipment, death or losses due to fire, earthquake, flood or any other disasters. See “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may be insufficient to cover all risks involved in our business operations.”

LEGAL PROCEEDINGS AND COMPLIANCE

As of the Latest Practicable Date, there were no litigation or arbitration proceedings brought by us, or pending or threatened against us or any of our Directors, which our Directors believe would individually or in the aggregate, have a material adverse effect on our financial condition or results of operations taken as a whole.

During the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incident which our Directors believe would, individually or in the aggregate, have a material adverse effect on our financial condition or results of operations taken as a whole.

AWARDS AND RECOGNITIONS

The following table sets forth some of our recent major awards and achievements:

Month and Year	Award/Recognition	Issuing Organization
July 2025	Shenzhen Gazelle Enterprise (深圳市瞪羚企業)	Shenzhen Unicorn Enterprise Evaluation Committee
July 2024	National Specialized, Refined, Differentiated, and Innovative Little Giant Enterprise (專精特新小巨人企業)	Ministry of Industry and Information Technology
Q2 2024 onwards	BloombergNEF Global Tier 1 Energy Storage Manufacturer	BloombergNEF
November 2023	National Intellectual Property Advantage Enterprise (國家知識產權優勢企業)	China National Intellectual Property Administration
December 2023	National High-Tech Enterprise (國家級高新技術企業)	Shenzhen Science and Technology Innovation Commission
Since June 2023	DNV Bankability Technical Assessment Reports	DNV
May 2022	ess [®] Award	Intersolar/ees Europe Exhibition

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BUSINESS

<u>Month and Year</u>	<u>Award/Recognition</u>	<u>Issuing Organization</u>
July 2020	Guangdong Province “Specialized, Refined, Featured, and Innovative” Small and Medium-sized Enterprises	Guangdong Provincial Department of Industry and Information Technology

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Dr. Men, Dr. Wu, Mr. Xu, Cubenergy Investment and Mr. Qian were collectively entitled to exercise approximately 47.85% of the voting rights in our Company by virtue of the Concert Party Agreement. For details of the Concert Party Agreement, see “History, Development and Corporate Structure — Establishment and Development of Our Group — Concert Party Agreement”.

Dr. Men is our co-founder, Chairman and executive Director. Dr. Wu is our co-founder, executive Director and general manager. Mr. Xu is our co-founder, executive Director and deputy general manager. Mr. Qian is our founding Shareholder and a director of Cubenergy Hong Kong. Cubenergy Investment, an employee incentive platform of our Company, is a limited partnership of which Dr. Men is the general partner. Mr. Qian was a Director from June 2022 to April 2023.

Immediately after the completion of the [REDACTED], assuming that the [REDACTED] is not exercised, Dr. Men, Dr. Wu, Mr. Xu, Cubenergy Investment and Mr. Qian will be in aggregate entitled to exercise approximately [REDACTED]% of the voting rights in our Company. As such, Dr. Men, Dr. Wu, Mr. Xu, Cubenergy Investment and Mr. Qian will remain as our Controlling Shareholders upon [REDACTED].

Competition

Each of our Controlling Shareholders confirms that as of the Latest Practicable Date, he or it or his or its respective close associates did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

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

Management Independence

Our Board comprises three executive Directors, two non-executive Directors, and four independent non-executive Directors. Our Directors and members of the senior management possess relevant management and/or industry-related experience to act as Directors or senior management of our Company. Except for Dr. Men, Dr. Wu, and Mr. Xu, all the other members of our Board and our senior management are independent of our Controlling Shareholders.

We believe that our Board can fully benefit from the independent advice from our independent non-executive Directors and is capable of exercising its power independently from our Controlling Shareholders. Each of our Directors is aware of his/her fiduciary duties as a director of our Company which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest. In the event that there is a potential material conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted towards the quorum. In addition, our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Group is engaged, and will therefore be able to make business decisions that are in the best interests of our Group.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Operational Independence

We have sufficient capital, facilities, premises, and employees to operate our business independently from our Controlling Shareholders and their close associates. We also have an independent management team, including an organizational structure made of individual departments, each with specific areas of responsibilities, to operate our business and to engage with our customers and suppliers independently. Our Group has also established a set of internal controls procedures to facilitate the effective operation of our business.

Accordingly, our Directors are satisfied that we will be able to function and operate independently from our Controlling Shareholders and their respective close associates.

Financial Independence

We have an independent internal control and accounting system and make financial decisions according to our business needs. We also have an independent finance department responsible for discharging the treasury functions for cash receipts and payments, accounting, reporting, and internal control independently of our Controlling Shareholders and their respective close associates. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders and their respective close associates.

We have sufficient capital to operate our business independently, and have adequate internal resources and a strong credit profile to support our daily operations. We expect that none of the loans or debts of our Group will be guaranteed or secured by any connected person of our Company upon [REDACTED].

We have engaged an independent internal control consultant, which is part of an international audit firm, to assist us in putting in place controls in relation to transactions with connected persons and their associates to ensure that any advances to or from such persons are in compliance with the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) we have established internal control mechanisms to identify connected transactions. Upon [REDACTED], if we enter into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;
- (b) our Company has appointed four independent non-executive Directors to ensure the effective exercise of independent judgments on the decision-making process of our Board and provide independent advice to our Shareholders;
- (c) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (d) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders (“Annual Review”) and provide impartial and professional advice to protect the interests of our minority Shareholders;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (e) our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational, and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;
- (f) we will disclose decisions on matters reviewed by the independent non-executive Directors either in our interim and annual reports or by way of announcements as required by the Listing Rules;
- (g) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our expenses; and
- (h) we have appointed Altus Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between us and our Controlling Shareholders, and to protect our minority Shareholders’ interests after the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board consists of nine Directors, comprising three executive Directors, two non-executive Directors, and four independent non-executive Directors. Our Board is responsible for and has been granted general powers for the management and conduct of our business.

The following table sets forth information in respect of the members of our Board:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities	Relationship with other Directors and senior management
Dr. Men Kun (門錕)	[50]	Chairman and executive Director	October 1, 2015	August 28, 2018	Overall strategic planning and management of our Group	None
Dr. Wu Junyang (吳俊陽)	[47]	Executive Director and general manager	October 17, 2014	October 17, 2014	Overall operation planning and management of our Group	None
Mr. Xu Bin (徐斌)	[49]	Executive Director and deputy general manager	April 1, 2016	August 28, 2018	Responsible for overall marketing and sales operations	None
Dr. Zhao Liang (趙亮)	[53]	Non-executive Director	June 14, 2024	June 14, 2024	Providing strategic advice and recommendations	None
Dr. Jiao Na (焦娜)	[34]	Non-executive Director	April 21, 2026	April 21, 2026	Providing strategic advice and recommendations	None
Prof. Kang Xiaoning (康小寧)	[58]	Independent non-executive Director	April 21, 2023	April 21, 2023	Supervising and providing independent advice to our Board	None
Ms. Chen Yan (陳燕)	[53]	Independent non-executive Director	April 21, 2023	April 21, 2023	Supervising and providing independent advice to our Board	None
Prof. Chen Yu (陳羽)	[52]	Independent non-executive Director	April 21, 2023	April 21, 2023	Supervising and providing independent advice to our Board	None
Ms. Li Weiqing (李偉青)	[53]	Independent non-executive Director	April 21, 2026	April 21, 2026	Supervising and providing independent advice to our Board	None

Executive Directors

Dr. Men Kun (門錕), aged [50], is our Chairman and an executive Director. Dr. Men co-founded our Company on October 17, 2014. He was redesignated as an executive Director on June 8, 2026 with effect from the [REDACTED]. Dr. Men is responsible for overall strategic planning and management of our Group. He currently holds directorships in various subsidiaries of our Company.

Dr. Men has over [29] years of experience in the power and energy industry. Prior to founding our Group, Dr. Men served at Hanzhong Electric Power Company (漢中供電局) from July 1996 to August 1998. From March 2007 to July 2010, he served as a senior engineer at Siemens EDEA in Minneapolis, United States, where he was responsible for voltage stability analysis and energy management system development. From August 2010 to February 2011, he worked at China Southern Power Grid Co., Ltd. (中國南方電網有限責任公司). From March 2011 to October 2015, he worked at CSG Electric Power Research Institute Co., Ltd. (南方電網科學研究院有限責任公司).

Dr. Men obtained a bachelor’s degree in power systems and automation from Xi’an Jiaotong University in the PRC in July 1996 and a master’s degree in electrical engineering from Tsinghua University in the PRC in June 2001. He obtained a Doctor of Philosophy degree in electrical engineering from Texas A&M University in the United States in December 2007.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Wu Junyang (吳俊陽), aged [47], is our executive Director and general manager. Dr. Wu co-founded our Company and was appointed as a Director and general manager on October 17, 2014. He was redesignated as an executive Director on June 8, 2026 with effect from the [REDACTED]. Dr. Wu is primarily responsible for overall operation planning and management of our Group. He currently holds directorships in various subsidiaries of our Company.

Dr. Wu has over [17] years of experience in the power and energy industry. Prior to founding our Group, Dr. Wu was a researcher at CSG Electric Power Research Institute Co., Ltd. (南方電網科學研究院有限責任公司) from January 2009 to April 2012, where he was primarily responsible for research on DC transmission lines and smart grid technologies. From April 2012 to April 2015, he worked at Shenzhen Power Supply Bureau Co., Ltd. (深圳供電局有限公司).

Dr. Wu obtained a bachelor's degree in electrical engineering and electronics from the University of Liverpool in the United Kingdom in July 2002. He obtained a Doctor of Philosophy degree in electrical engineering from the University of Cambridge in the United Kingdom in May 2008. Dr. Wu was accredited as a senior engineer (高級工程師) by China Southern Power Grid Co., Ltd. (中國南方電網有限責任公司) in December 2020.

Mr. Xu Bin (徐斌), aged [49], is our executive Director and deputy general manager. Mr. Xu co-founded our Company on October 17, 2014 and was appointed as the deputy general manager and a Director in April 2016 and August 2018, respectively. He was redesignated as an executive Director on June 8, 2026 with effect from the [REDACTED]. Mr. Xu is primarily responsible for the overall marketing and sales operations of our Group. Mr. Xu has been a director of Cubenergy Hong Kong since October 2024 and the supervisor of Cubenergy New Energy since March 2017.

Mr. Xu has over [28] years of experience in the power and energy industry. Prior to founding our Group, Mr. Xu worked at Zhuhai Toptech Intelligent Electric Co., Ltd. (珠海拓普智能電氣股份有限公司, formerly known as Zhuhai Toptech Intelligent Instruments Co., Ltd. (珠海拓普智能儀器儀表有限公司)) from August 1998 to April 1999. From October 1999 to March 2016, he served as a director and deputy general manager of Zhuhai Pilot Technology Co., Ltd. (珠海派諾科技股份有限公司), a company listed on the Beijing Stock Exchange (stock code: 920375), where he was primarily responsible for the management of product development and research and development systems in the building intelligence industry.

Mr. Xu obtained a bachelor's degree in power systems and automation from Huazhong University of Science and Technology (華科技大學) in the PRC in July 1997.

Non-executive Directors

Dr. Zhao Liang (趙亮), aged [53], was appointed as a Director on June 14, 2024 and was redesignated as a non-executive Director on June 8, 2026 with effect from the [REDACTED]. Dr. Zhao is primarily responsible for providing strategic advice and recommendations on the operations and management of our Group.

Dr. Zhao has over [20] years of experience in law, investment management and corporate governance. Prior to joining our Group, Dr. Zhao served as a senior legal counsel at BMW Group in the PRC from January 2006 to May 2010, where he was responsible for legal affairs of the automobile business. From May 2010 to December 2012, he served as the deputy general manager and board secretary of Shenzhen Changfang Group Co., Ltd. (深圳市長方集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300301), where he was responsible for capital market operations. From April 2013 to January 2016, he served as the deputy general manager in charge of compliance and risk control at Ping An Caizhi Investment Management Co., Ltd. (平安財智投資管理有限公司). He has been a partner at Shenzhen Songhe Capital Management Co., Ltd. (深圳市松禾資本管理有限公司) since February 2016, where he is responsible for risk control, legal affairs, and post-investment management.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Zhao obtained a bachelor’s degree in German language and literature and obtained a master’s degree in law from Peking University in the PRC in July 1996 and in July 2000, respectively. He obtained a Doctor of Philosophy degree in corporate law from Humboldt University of Berlin in Germany in February 2004. Dr. Zhao obtained a lawyer qualification certificate of the PRC issued by the PRC Ministry of Justice in May 1999.

In addition to his role in our Company, Dr. Zhao also served as an independent director of Shenzhen King Brother Electronics Co., Ltd. (深圳市金百澤電子科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301041) from May 2020 to August 2025. He has served as an independent non-executive director of Ming Yuan Cloud Group Holdings Limited, a company listed on the Stock Exchange (stock code: 00909) since September 2020. Dr. Zhao has also served as an independent director of Shenzhen JLC Technology Group Co., Ltd. (深圳嘉立創科技集團股份有限公司) since November 2022.

Dr. Jiao Na (焦娜), aged [34], was appointed as a non-executive Director on April 21, 2026 and was redesignated as a non-executive Director on June 8, 2026 with effect from the [REDACTED]. Dr. Jiao is primarily responsible for providing strategic advice and recommendations on the operations and management of our Group.

Dr. Jiao has over [six] years of experience in venture capital investment and consulting. Prior to joining our Group, Dr. Jiao served as a researcher at investment research institute of SCGC since August 2020, where she is responsible for investment management in the venture capital industry.

Dr. Jiao obtained a bachelor’s degree in materials science and engineering from Central South University (中南大學) in the PRC in June 2013. She obtained a Doctor of Philosophy degree in industrial engineering from the University of Cambridge in the United Kingdom in May 2019.

Independent Non-executive Directors

Prof. Kang Xiaoning (康小寧), aged [58], was appointed as an independent Director on April 21, 2023 and was redesignated as an independent non-executive Director on June 8, 2026 with effect from the [REDACTED]. Prof. Kang is primarily responsible for supervising and providing independent advice to our Board.

Prof. Kang has over [33] years of experience in the power and energy industry. Prior to joining our Group, he worked as a lecturer at Xi’an Jiaotong University in the PRC from July 1992 to July 1997. From July 1997 to December 2001, he served as the chief engineer and research and development department manager of Dongfang Electronics Co., Ltd. (東方電子股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000682). From October 2015 to December 2025, he served as the director and party secretary of the department of electrical engineering at Xi’an Jiaotong University and is currently a professor and doctoral supervisor.

Prof. Kang obtained a bachelor’s degree and a master’s degree in power systems and automation in July 1989 and June 1992, respectively, and obtained a doctorate degree in electrical engineering in September 2006 from Xi’an Jiaotong University.

Prof. Kang obtained the Independent Director Qualification Certificate issued by the Shenzhen Stock Exchange in August 2023. He was awarded the First Prize of the Shaanxi Provincial Science Progress Award (陝西省科學進步獎一等獎) by the People’s Government of Shaanxi Province (陝西省人民政府) in October 2021, the Second Prize of the Gansu Provincial Science and Technology Progress Award (甘肅省科學技術進步獎二等獎) by the People’s Government of Gansu Province (甘肅省人民政府) in April 2010, the First Prize of the Shaanxi Provincial Science and Technology Award (陝西省科學技術獎一等獎) by the People’s Government of Shaanxi Province in December 2010, and the Second Prize of the Shaanxi Provincial Science and Technology Award (陝西省科學技術獎二等獎) by the People’s Government of Shaanxi Province (陝西省人民政府) in January 2011.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Chen Yan (陳燕), aged [53], was appointed as an independent Director on April 21, 2023 and was redesignated as an independent non-executive Director on June 8, 2026 with effect from the [REDACTED]. Ms. Chen is primarily responsible for supervising and providing independent advice to our Board.

Ms. Chen has over [29] years of experience in corporate finance and management. Prior to joining our Group, Ms. Chen worked at ZTE Corporation (中興通訊股份有限公司) from June 1997 to July 2018, a company listed on the Stock Exchange (stock code: 0763) and the Shenzhen Stock Exchange (stock code: 000063), where she served successively as the vice president of operations and vice president of finance, responsible for operations and financial management. From January 2019 to June 2022, she served as a director, chief financial officer, and board secretary of Beijing Hongshan Information Technology Research Institute Co., Ltd. (北京紅山信息科技研究院有限公司), where she was responsible for financial management and board affairs.

Ms. Chen obtained a bachelor's degree in economics majoring in auditing from Xi'an Jiaotong University in the PRC in July 1994 and a master's degree in business administration from Sun Yat-sen University (中山大學) in the PRC in June 1997. She obtained a master of business administration degree from the Chinese University of Hong Kong in Hong Kong in November 2012.

Ms. Chen has been a non-practicing member of the Chinese Institute of Certified Public Accountants since January 1999.

In addition to her role in our Company, Ms. Chen has served as an independent director of Shenzhen Meizhigao Technology Co., Ltd. (深圳市美之高科技股份有限公司) since March 2023, a company listed on the Beijing Stock Exchange (stock code: 920765). She has served as an independent director of Shenzhen 3onedata Co., Ltd. (深圳市三旺通信股份有限公司) since January 2025, a company listed on the Shanghai Stock Exchange (stock code: 688618). She has also served as an independent director of Tibet Aim Pharm. Inc. (西藏易明西雅醫藥科技股份有限公司) since September 2025, a company listed on the Shenzhen Stock Exchange (stock code: 002826).

Prof. Chen Yu (陳羽), aged [52], was appointed as an independent Director on April 21, 2023 and was redesignated as an independent non-executive Director on June 8, 2026 with effect from the [REDACTED]. Prof. Chen is primarily responsible for supervising and providing independent advice to our Board.

Prof. Chen has over [29] years of experience in the power and energy industry. Prior to joining our Group, Prof. Chen served successively as a research and development engineer, the director of the research institute, and the deputy chief engineer of Shandong Kehui Power Automation Co., Ltd. (山東科匯電力自動化股份有限公司) a company listed on the Shanghai Stock Exchange (stock code: 688681) from August 1996 to July 2014, where he was responsible for research and development of travelling wave fault location products and the management of the research institute of the power transmission and transformation division. Prof. Chen has worked at Shandong University of Technology (山東理工大學) since July 2014, serving as an associate professor from August 2014 to December 2020 and as a professor since January 2021. Since April 2018, Prof. Chen has served as the legal representative of Zibo Xunying Electric Power Technology Co., Ltd. (淄博迅贏電力科技有限公司), an electric power consulting service company.

Prof. Chen obtained a bachelor's degree in power systems and automation from Xi'an Jiaotong University in the PRC in July 1996 and a master's degree in electrical engineering from Tsinghua University (清華大學) in the PRC in January 2004. He obtained a doctorate degree in engineering specializing in power systems and automation from Shanghai Jiao Tong University (上海交通大學) in the PRC in May 2013. Prof. Chen obtained his Teaching Qualification Certificate from Shandong Provincial Education Department (山東省教育廳) in June 2015. He obtained the Independent Director Qualification Certificate issued by the Shenzhen Stock Exchange in March 2024.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Li Weiqing (李偉青), aged [53], was appointed as an independent Director on April 21, 2026 and was redesignated as an independent non-executive Director on June 8, 2026 with effect from the [REDACTED]. Ms. Li is primarily responsible for supervising and providing independent advice to our Board.

Ms. Li has over [23] years of experience in business management across multiple industries. Prior to joining our Group, from September 2002 to September 2018, Ms. Li worked at Shenzhen Xusheng Industry Development Co., Ltd. (深圳市旭昇實業發展有限公司), a company engaged in the security and surveillance business, where she served as chairperson and general manager from September 2002 to June 2014. From May 2020 to February 2026, Ms. Li served as the legal representative, executive director and general manager of Muyi Biotechnology (Shenzhen) Co., Ltd. (沐一生物科技(深圳)有限公司), a company engaged in food products, anti-aging products, and beauty products. Since November 2025, Ms. Li has served as legal representative, director, and general manager of Shenzhen Haizexing Technology Co., Ltd. (深圳市海澤星科技有限公司), a company engaged in artificial intelligence applications.

Ms. Li obtained a master’s degree in economics from Xi’an Jiaotong University in the PRC in May 2006.

Other Disclosure Pursuant to Rule 13.51(2) of the Listing Rules

Save as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, none of our Directors held any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas. There are no other matters concerning his or her appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. As of the Latest Practicable Date, none of our Directors or senior management is related to other Directors or senior management of our Company.

Save as disclosed in the sections headed “Relationship with our Controlling Shareholders”, “Substantial Shareholders” and “Statutory and General Information — Further Information about Our Directors and Substantial Shareholders”, each of our Directors confirms with respect to himself or herself that he or she (i) did not hold other long positions or short positions in the Shares, underlying Shares, debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) as of the Latest Practicable Date.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. Dr. Wu and Mr. Xu, our executive Directors, are also our senior management; see “— Directors — Executive Directors” above for their biographical information.

DIRECTORS AND SENIOR MANAGEMENT

The following table provides information about other members of our senior management team:

Name	Age	Position(s) in our Company	Date joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and senior management
Mr. Wang Li (王利)	[46]	Chief financial officer and secretary of the Board	December 14, 2021	December 15, 2021	Responsible for overall financial management of our Group and Board-related matters	None
Mr. Guo Zijian (郭子健)	[41]	Deputy general manager and director of the R&D Development Center	November 1, 2015	April 21, 2023	Overseeing our R&D function	None
Mr. Huang Jijin (黃集金)	[50]	Deputy general manager	December 22, 2020	April 21, 2023	Overseeing our procurement management	None

Mr. Wang Li (王利), aged [46], is our chief financial officer and the secretary of the Board of our Company. Mr. Wang is primarily responsible for the overall financial management of our Group and Board-related matters. He joined our Group as the chief financial officer in December 2021, and was appointed as board secretary of our Company in April 2023.

Mr. Wang has over [20] years of experience in corporate finance and financial management. Prior to joining our Group, from June 2006 to April 2013, Mr. Wang served in various roles at ZTE Corporation and its affiliated companies, including a finance supervisor of Nubia Technology Co., Ltd. (努比亞技術有限公司), an overseas finance manager at ZTE Corporation and the chief financial officer of ZXJOY Invest Limited (北京中興金源投資有限公司). From June 2015 to January 2018, he served as the chief financial officer of Shenzhen Silver Star Intelligent Group Technology Co., Ltd. (深圳市銀星智能集團股份有限公司). From September 2018 to April 2021, he served as the deputy general manager and chief financial officer of Shenzhen Success Electronics Co., Ltd. (深圳市宇順電子股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002289). From April 2021 to December 2021, he served as the chief financial officer and board secretary of Shenzhen 33e9 Communication Technology Co., Ltd. (深圳市三三得玖通信技術有限公司), where he was responsible for financial management, corporate governance, and capital operations.

Mr. Wang obtained a bachelor’s degree in accounting from Northeastern University (東北大學) in the PRC in July 2004 and a master of business administration degree majoring in finance from the Chinese University of Hong Kong in Hong Kong in November 2015. Mr. Wang has been a Certified Management Accountant certified by the Institute of Management Accountants of United States of America since February 2021. He also obtained the Intermediate Accounting Qualification (中級會計職稱) from the Ministry of Human Resources and Social Security (人力資源和社會保障部) and the Ministry of Finance (財政部) of the PRC in September 2022, and the Board Secretary Qualification Certificate issued by the Shenzhen Stock Exchange in December 2017.

Mr. Guo Zijian (郭子健), aged [41], is a deputy general manager and director of the R&D Development Center of our Group. He is responsible for the design and development of our BMS, PCS, and cloud platform. Mr. Guo is one of the founding shareholders of our Company and joined our Company in November 2015.

Mr. Guo has over [17] years of experience in electrical engineering and energy storage technology. Prior to joining our Group, from August 2008 to October 2015, Mr. Guo served as an engineer at Shenzhen Power Supply Bureau Co., Ltd. (深圳供電局有限公司), where he was responsible for power grid planning and analysis.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Guo obtained a bachelor’s degree in engineering, majoring in nuclear engineering and nuclear technology, and a master’s degree in engineering, majoring in electrical engineering, from Tsinghua University in the PRC in July 2005 and July 2008, respectively. Mr. Guo was accredited as a Senior Engineer by China Southern Power Grid Co., Ltd. in December 2013. Mr. Guo was also accredited as a professor-level senior electrical engineer (正高級電氣工程師) by the Shenzhen Municipal Human Resources and Social Security Bureau (深圳市人力資源和社會保障局) in May 2023.

Mr. Huang Jijin (黃集金), aged [50], is our deputy general manager and is responsible for overseeing our procurement management. Mr. Huang joined our Group in December 2020.

Mr. Huang has over [26] years of experience in the electrical equipment and energy industry. Prior to joining our Group, from April 2000 to August 2000, Mr. Huang worked at Shenzhen Rongbo Automatic Control Co., Ltd. (深圳市冗博自控有限公司). From December 2000 to August 2003, Mr. Huang worked at Shenzhen Farad Electric Co., Ltd. (深圳市華力特電氣有限公司, formerly known as Shenzhen Farad Electric Complete Equipment Co., Ltd. (深圳市華力特成套設備有限公司)). From November 2004 to January 2012, Mr. Huang worked at Shenzhen Laisite Automatic Control Co., Ltd. (深圳市萊斯特自動控制有限公司). From February 2012 to March 2016, Mr. Huang served as the director of the power business line at Zhuhai Pilot Technology Co., Ltd., Shenzhen Branch (珠海派諾科技股份有限公司深圳分公司), where he was responsible for overseeing the power quality industry line. From May 2016 to December 2023, he served as the executive director of Shenzhen Xianneng Technology Co., Ltd. (深圳弦能科技有限公司), where he was responsible for managing the daily operations of the company.

Mr. Huang obtained a bachelor’s degree in chemical machinery from Dalian University of Technology in China in July 1997.

JOINT COMPANY SECRETARIES

Mr. Wang Li (王利), aged [46], is our chief financial officer and the secretary of the Board. He was appointed as our Joint Company Secretary on June 5, 2026 with effect from the [REDACTED]. For his biography, see “— Senior Management” in this section.

Mr. Tse Yu Yeung (謝愉陽), joined our Group and was appointed as our Joint Company Secretary on June 5, 2026 with effect from the [REDACTED]. Mr. Tse has over 5 years of experience in company secretarial and corporate governance fields and is currently an Assistant Manager, Entity Solutions at Computershare Hong Kong Investor Services Limited. Mr. Tse obtained the Master of Science in Corporate Governance and Compliance from Hong Kong Baptist University in July 2024. He is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Audit Committee

We have established our Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraphs D.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. Our Audit Committee consists of three members, namely Ms. Chen Yan (陳燕), Prof. Chen Yu (陳羽), and Prof. Kang Xiaoning (康小寧). Ms. Chen has been appointed as the chairperson of our Audit Committee, and is an independent non-executive Director possessing the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of our Audit Committee are to provide our Directors with an independent review of the effectiveness of the financial reporting process, internal control, and risk management system of our Group, to oversee the audit process, and to perform other duties and responsibilities as assigned by our Directors.

DIRECTORS AND SENIOR MANAGEMENT

Remuneration and Assessment Committee

We have established our Remuneration and Assessment Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. Our Remuneration and Assessment Committee consists of three members, namely Ms. Chen Yan (陳燕), Dr. Men Kun (門錕) and Ms. Li Weiqing (李偉青). Ms. Chen, an independent non-executive Director, has been appointed as the chairperson of our Remuneration and Assessment Committee. The primary duties of our Remuneration and Assessment Committee are to review and make recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management.

Nomination Committee

We have established our Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. Our Nomination Committee comprises three members, namely Prof. Kang Xiaoning (康小寧), Dr. Men Kun (門錕), and Ms. Chen Yan (陳燕). Prof. Kang, an independent non-executive Director, has been appointed as the chairperson of our Nomination Committee. The primary duties of our Nomination Committee are to review the Board structure, size and composition, make recommendations to our Board on the appointment or re-appointment of Directors and review the Company’s board diversity policy.

Strategy Committee

We have established our Strategy Committee with written terms of reference. Our Strategy Committee consists of three members, namely Dr. Men Kun (門錕), Dr. Wu Junyang (吳俊陽) and Prof. Chen Yu (陳羽). Dr. Men has been appointed as the chairperson of our Strategy Committee. The primary duties of our Strategy Committee are to review and make recommendations to our Board on our long-term development strategies, major investment and financing plans, business plans and other material matters affecting the overall development of our Group.

BOARD DIVERSITY POLICY

We have adopted a board diversity policy which sets out our approach to achieving diversity on our Board. In designing the composition of our Board, we consider diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board. Our Nomination Committee is responsible for reviewing the implementation of the board diversity policy and will review the policy from time to time to ensure its continued effectiveness.

Our Board members have a balanced mix of experiences and background, including but not limited to experiences in various industries, including power and energy, investment and finance, business management and technology related sectors. Our Board members also have diverse educational backgrounds in disciplines such as engineering, law and economics. We have two non-executive Directors and four independent non-executive Directors with different industry backgrounds, making up more than half of the membership of our Board. Moreover, our Board members have a wide range of age, ranging from [34] years old to [58] years old. Three of our nine Directors are female.

We recognize the particular importance of gender diversity on our Board. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Our board diversity policy provides that our Board shall take opportunities when selecting and making recommendations

DIRECTORS AND SENIOR MANAGEMENT

on suitable candidates for Board appointments with the aim of increasing the proportion of female members over time after the [REDACTED]. In particular, taking into account the business needs of our Group and changing circumstances that may affect our business plans, we will actively identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be periodically reviewed by our Nomination Committee in order to develop a pipeline of potential successors to our Board and promote gender diversity. We plan to offer well-rounded trainings to female employees whom we consider have the requisite experience, skills and knowledge of our operation and business, on topics including but not limited to business operation, management, accounting and finance and legal compliance. We are of the view that such strategies will provide our Board with ample opportunities to identify capable female employees to be nominated as Directors in the future, fulfilling our aim to develop a pipeline of female candidates to achieve greater gender diversity in our Board in the long run.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After [REDACTED], our Nomination Committee will review our board diversity policy and its implementation annually to monitor its continued effectiveness and we will disclose the implementation of our board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives, in our corporate governance report on an annual basis.

CORPORATE GOVERNANCE

Our Company aims to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on June 9, 2026; and (ii) understands his or her obligations as a director of a [REDACTED] under the Listing Rules.

Rule 3.13 of the Listing Rules

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

Rule 8.10 of the Listing Rules

Each of the Directors (other than the independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which materially competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

REMUNERATION

Our Directors and members of our senior management receive compensation from our Group in the form of fees, salaries, allowances and benefits in kind, performance-related bonus, share-based payments and pension scheme contributions.

DIRECTORS AND SENIOR MANAGEMENT

For the years ended December 31, 2023, 2024 and 2025, the total remuneration paid to our Directors amounted to approximately RMB2.8 million, RMB2.7 million and RMB2.4 million, respectively.

For the years ended December 31, 2023, 2024 and 2025, the aggregate remuneration of the five highest paid individuals, none of whom was a Director, was RMB15.7 million, RMB9.1 million and RMB12.6 million, respectively.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group; (ii) no compensation was paid to, or receivable by, our Directors, or the five highest paid individuals for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group; and (iii) none of our Directors waived or agreed to waive any emoluments.

Save as disclosed above, no other payments have been made or are payable by the Group to our Directors in respect of the Track Record Period. For the year ending December 31, 2026, we expect to pay approximately RMB9.3 million in aggregate remuneration to our Directors.

COMPLIANCE ADVISOR

We have appointed Altus Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance advisor will advise our Company in the following circumstances:

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

The term of the appointment of our compliance advisor will commence on the [REDACTED] and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the [REDACTED] and such appointment may be extended by mutual agreement.

SHARE CAPITAL

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

IMMEDIATELY BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered share capital of our Company was RMB59,690,838 comprising 298,454,190 Unlisted Shares with a nominal value of RMB0.20 each.

UPON COMPLETION OF THE [REDACTED]

Immediately upon completion of the [REDACTED], assuming that the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital
H Shares to be [REDACTED] under the [REDACTED]	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

Immediately upon completion of the [REDACTED], assuming that the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

RANKING

Upon completion of the [REDACTED], we would have only one class of Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be [REDACTED] for by or [REDACTED] between legal or natural persons of the PRC. Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Our Company has filed for a “full circulation” of the existing Unlisted Shares into H Shares on a one-for-one basis, and submitted the application reports, authorization documents of the shareholders of Unlisted Shares for which an H-share “full circulation” are applied, explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

SHARE CAPITAL

Upon completion of the [REDACTED], if any of our Shares are not [REDACTED] or [REDACTED] on any stock exchange, the holders of our Unlisted Shares (other than those to be converted to H Shares) may convert their Shares into H Shares provided such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements, and procedures prescribed by the overseas stock exchange(s) and have completed the required filing with the securities regulatory authorities of the State Council, including the CSRC.

The [REDACTED] of such converted Shares on the Stock Exchange will also require the approval of the Stock Exchange. Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the [REDACTED].

As any [REDACTED] of additional Shares after our [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong.

No class Shareholder voting is required for the [REDACTED] and [REDACTED] of the converted Shares on the Stock Exchange. Any application for [REDACTED] of the converted Shares on the Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Share register and we will re-register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates.

Registration on our [REDACTED] will be on the condition that (a) our [REDACTED] lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [REDACTED] of members and the due dispatch of H Share certificates and (b) the admission of the H Shares to trade on the Stock Exchange will comply with the Listing Rules and the General Rules of [REDACTED] and the [REDACTED] Operational Procedures in force from time to time.

Until the converted Shares are re-registered on our [REDACTED], such Shares would not be [REDACTED] as H Shares.

REGISTRATION OF SHARES NOT [REDACTED] ON AN OVERSEAS STOCK EXCHANGE

The Detailed Rules for the Registration and Custody of Non-Overseas-Listed Shares of Overseas Listed Companies by China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司境外上市公司非境外上市股份登記存管業務實施細則) specifies that listed companies shall promptly apply to China Securities Depository and Clearing Corporation Limited for initial registration of non-overseas-listed shares in accordance with the relevant regulations of the CSRC.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

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

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See “Appendix III — Summary of the Articles of Association” in this document.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (without taking into account any H Shares which may be [REDACTED] upon the exercise of the [REDACTED]), the following persons will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of Interest	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED]	
		Number of Unlisted Shares	Approximately percentage of shareholding in our total share capital	Number of H Shares	Approximately percentage of shareholding in our total share capital
Dr. Men ⁽²⁾⁽³⁾	Beneficial owner	31,974,115	10.71%	[REDACTED]	[REDACTED]%
	Interest in a controlled corporation	30,897,445	10.35%	[REDACTED]	[REDACTED]%
	Interest of concert parties	142,806,850	47.85%	[REDACTED]	[REDACTED]%
Dr. Wu ⁽²⁾	Beneficial owner	31,974,115	10.71%	[REDACTED]	[REDACTED]%
	Interest of concert parties	142,806,850	47.85%	[REDACTED]	[REDACTED]%
Mr. Xu ⁽²⁾	Beneficial owner	31,974,115	10.71%	[REDACTED]	[REDACTED]%
	Interest of concert parties	142,806,850	47.85%	[REDACTED]	[REDACTED]%
Cubenergy Investment ⁽²⁾	Beneficial owner	30,897,445	10.35%	[REDACTED]	[REDACTED]%
	Interest of concert parties	142,806,850	47.85%	[REDACTED]	[REDACTED]%
Mr. Qian ⁽²⁾	Beneficial owner	15,987,060	5.36%	[REDACTED]	[REDACTED]%
	Interest of concert parties	142,806,850	47.85%	[REDACTED]	[REDACTED]%
QM102 Limited ⁽⁴⁾	Beneficial owner	31,189,025	10.45%	[REDACTED]	[REDACTED]%
Qiming Venture Partners VI, L.P. (“QVP VI”) ⁽⁴⁾	Interest in a controlled corporation	31,189,025	10.45%	[REDACTED]	[REDACTED]%
Qiming GP VI, L.P. (“QGP VI”) ⁽⁴⁾	Interest in a controlled corporation	31,189,025	10.45%	[REDACTED]	[REDACTED]%
Qiming Corporate GP VI, Ltd. ⁽⁴⁾	Interest in a controlled corporation	31,189,025	10.45%	[REDACTED]	[REDACTED]%
SCGC Hongtu Private Equity Investment Fund Management (Shenzhen) Co., Ltd. (深創投紅土私募基金投資基金管理(深圳)有限公司) (“SCGC Hongtu”) ⁽⁵⁾	Interest in controlled corporations	18,233,985	6.11%	[REDACTED]	[REDACTED]%
Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) (“SCGC”) ⁽⁵⁾	Beneficial owner	4,293,595	1.44%	[REDACTED]	[REDACTED]%
	Interest in controlled corporations	18,233,985	6.11%	[REDACTED]	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) Pursuant to the Concert Party Agreement, Dr. Men, Dr. Wu, and Mr. Xu must consult and try to reach consensus before exercising proposal and voting rights at board or shareholders’ meetings. If consensus cannot be reached, Dr. Wu and Mr. Xu must follow Dr. Men’s opinion, and Mr. Qian and Cubenergy Investment must exercise the relevant director and/or shareholder rights (where applicable) in accordance with decision formed by Dr. Men, Dr. Wu and Mr. Xu. Accordingly, Dr. Men, Dr. Wu and Mr. Xu are deemed to be interested in the Shares held by their respective concert parties by virtue of the SFO. See “History, Development and Corporate Structure — Establishment and Development of Our Group — Concert Party Agreement” for details.
- (3) As of the Latest Practicable Date, Dr. Men was the general partner of Cubenergy Investment. As such, by virtue of the SFO, Dr. Men is deemed to be interested in the Shares held by Cubenergy Investment.

SUBSTANTIAL SHAREHOLDERS

- (4) As of the Latest Practicable Date, QM102 Limited was owned as to 97.38% by QVP VI. QGP VI was the general partner of QVP VI, whereas Qiming Corporate GP VI, Ltd. was the general partner of QGP VI. As such, by virtue of the SFO, each of QVP VI, QGP VI and Qiming Corporate GP VI, Ltd. is deemed to be interested in the Shares held by QM102 Limited.
- (5) As of the Latest Practicable Date, the general partner of Hongtu Intelligent was Shenzhen Hongtu Intelligent Private Equity Management Co., Ltd. (深圳市紅土智能私募股權投資基金管理有限公司), which was wholly owned by SCGC Hongtu. The general partner of Hongtu No. 1 Fund was SCGC Hongtu, which was wholly owned by SCGC. As such, by virtue of the SFO, each of SCGC Hongtu and SCGC is deemed to be interested in the Shares held by Hongtu Intelligent and Hongtu No. 1 Fund.

Save as disclosed above and “Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Substantial Shareholders — Interest of Substantial Shareholders in other Member of our Group” in Appendix IV to this document, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] (but without taking into account any H Shares which may be [REDACTED] upon the exercise of the [REDACTED] [REDACTED]), have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 or 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group (other than our Company). Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements, including the notes thereto included in the Accountants’ Report in Appendix I to this document and the selected historical financial information presented elsewhere to this document. Our consolidated financial statements were prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make considering our experience and perception of historical trends, current conditions, and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in the sections headed “Risk Factors”, “Forward-Looking Statements”, and elsewhere in this document.

OVERVIEW

We are a leading distributed BESS solution provider with a focus on the utility sector. We are dedicated to advancing innovation in energy storage technology, specializing in research, development, manufacturing, and sale of integrated AC/DC distributed energy storage systems. We serve a global customer base, offering BESS solutions that are flexibly adaptable to a wide range of application scenarios and designed to serve the full lifecycle of BESS.

Our BESS solutions have been widely deployed in the distribution grid side, the C&I sector and microgrids. We have established a strong market presence and gained industry recognition in developed overseas markets, particularly in Europe. According to Frost & Sullivan, based on shipment volume, we held a market share of approximately 5.5% in the European distributed utility-scale BESS market in 2025, ranking fifth among Chinese solution providers and eighth among all solution providers.

In recent years, we have continuously upgraded our offerings in the distributed utility-scale BESS sector. We have obtained internationally recognized safety certifications and test reports, including UL9540, UL9540A, and LSFT (CTS-800, Large-Scale Fire Test). We have also secured medium- and high-voltage grid connection certifications in 16 European countries, including Finland, Sweden, Denmark, the Czech Republic, Italy, Spain, the United Kingdom, and Germany. Additionally, we have obtained bankability and Verification of Conformity (VoC) reports from DNV since 2023. These certifications, independent test reports, and conformity verifications are key elements in strengthening our bankability profile, providing investors, lenders, and project stakeholders with greater confidence during BESS financial assessments and due diligence processes.

Leveraging our outstanding product development and delivery capabilities, we have established partnerships with multiple Fortune Global 500 companies. Our projects have been deployed in over 40 countries and regions, empowering the development of renewable energy networks. Through our relentless efforts, we have obtained a recognition from global customers.

BASIS OF PREPARATION

Our consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity, and statements of cash flows in 2023, 2024, and 2025, and our consolidated statements of financial position as of December 31, 2023, 2024, and 2025 and material accounting policy information and other explanatory information contained in the Accountants’ Report in Appendix I to this document (together, the “Historical Financial Information”) have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by our Group in the preparation of the Historical Financial Information throughout the Track Record Period.

FINANCIAL INFORMATION

The Historical Financial Information has been prepared under the historical cost convention except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value.

See Note 2.1 to the Accountants’ Report in Appendix I for further information on the basis of preparation and presentation of the historical financial information of our Group.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations are affected by general factors that impact our total addressable market, including, among others, overall economic growth in China and globally, the growth of the global BESS industry, ongoing technological advancements in BESS solutions, raw material costs, regulatory, tax and geopolitical environment, and the competitive landscape for BESS solutions. Changes in any of these general factors could affect the demand for our BESS solutions and our results of operations.

In addition to the general factors mentioned above, we believe our results of operations are more directly affected by the following specific factors:

Our Ability to Expand Customer Base and Enter New Markets

Our continued revenue growth depends on our ability to expand our customer base, enter new geographic markets, and effectively execute our global development strategy. Since strategically expanding into overseas markets in 2020, we have deployed projects in over 40 countries and regions and established partnerships with multiple Fortune Global 500 companies. Our revenue derived from overseas markets reached RMB617.7 million in 2025, representing 87.9% of our total revenue, with Europe being a key driver. Our revenue derived from Europe was RMB609.1 million in 2025, representing 86.7% of total revenue. According to Frost & Sullivan, based on shipment volume, we held a market share of approximately 5.5% in the European distributed utility-scale BESS market in 2025, ranking fifth among Chinese solution providers and eighth among all solution providers. In particular, we held a market share of approximately 22.3% in the Nordic distributed utility-scale BESS market, ranking first among Chinese solution providers and second among all solution providers.

To further drive revenue growth, we will continue to expand into new markets and broaden our global customer base.

Production Capacity Management and Production Efficiency

The growth in our revenue depends on our ability to effectively manage and expand our production capacity. Our Dongguan facility has supported our increasing sales scale and order fulfillment. To support future growth, we are developing a new production base in Changzhou, Jiangsu Province with a total designed capacity of 15GWh. We also plan to establish overseas production bases with localized pack assembly and system integration capabilities to shorten delivery lead times and better serve key markets.

In addition, our ability to improve production efficiency, including optimizing production processes, enhancing utilization rate and minimizing production lead times, is critical to controlling manufacturing costs and supporting scalable growth. We expect that the continued expansion of our production capacity, together with improvements in production efficiency, will enable us to better match growing market demand, support revenue growth, and maintain profitability.

Our Ability to Expand Product and Service Offerings

Our ability to introduce new products and services is an important contributor to our future growth. Our product portfolio comprises three principal series of integrated BESS: PowerCombo, FlexCombo, and FlexCube, each addressing distinct market segments and use scenarios. As of the Latest Practicable Date, our global cumulative BESS shipments exceeded 2.5GWh.

FINANCIAL INFORMATION

We will continue expanding our product and service offerings to capture opportunities in new industry verticals and applications. In particular, we plan to consolidate our leading position in the distributed energy storage market while expanding into the TSO market to further enhance our strategic positioning and capture high-value-added opportunities. These initiatives are expected to continue to drive our revenue growth.

Investment in R&D

Our success depends on our ability to innovate in an industry characterized by evolving technologies and standards. Our R&D efforts focus on developing fully self-owned core technologies, comprising our BMS, PCS, and EMS, as well as our proprietary EMT simulation model library suitable for rapid adaptation to different grid code requirements. Our R&D expenses were RMB33.8 million, RMB37.4 million, and RMB42.0 million in 2023, 2024, and 2025, representing 7.5%, 7.6%, and 6.0% of our revenue, respectively. The decline as a percentage of revenue was primarily attributable to revenue growth outpacing the increase in R&D expenses.

We believe that continued R&D investment will remain instrumental for maintaining our long-term competitive edge and we will seek to strike a prudent balance between sustained R&D investment and the generation of returns.

Fluctuation in Raw Material Prices

During the Track Record Period, raw material costs was the largest component of our cost of sales with battery cells representing the largest single cost component. Other raw materials include PCS equipment, structural components, electronic components, and auxiliary materials. Therefore, the prices of raw materials for these key components have a significant impact on our results of operations.

The prices of raw materials are determined by factors including market forces, changes in governmental policies, and our bargaining power with our suppliers. We have implemented comprehensive supply chain management measures and maintained a diversified base of suppliers, which we believe will continue to enable us to maintain a stable supply chain to mitigate the risk of price fluctuations of key raw materials. Because we adjust our selling prices taking into account our costs, our revenue is affected by fluctuations in raw material costs. To the extent we are unable to manage fluctuations in raw material prices or pass through such fluctuations to customers, our profit margin may be adversely affected.

MATERIAL ACCOUNTING INFORMATION AND CRITICAL ESTIMATES AND JUDGMENTS

Material Accounting Policies

Our material accounting policies during the Track Record Period are described below. See note 2.3 to the Accountants’ Report in Appendix I to this document for further details on our accounting policies.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which our Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which our Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is

FINANCIAL INFORMATION

highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between our Group and the customer at contract inception. When the contract contains a financing component which provides our Group with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) BESS business

Revenue from the BESS business primarily arises from the sale of BESS products and delivery of integrated BESS solutions.

(i) BESS products

Revenue from BESS products is recognized at the point in time when control of the asset is transferred to the customer. For domestic sales, revenue is recognized upon delivery and acceptance by customer. For overseas sales, revenue is recognized at the point stipulated by the international trade terms, delivered to the customer’s designated place, and transferred the risks of obsolescence and loss to the customer.

(ii) BESS solutions

BESS solutions involve the design, research and development, production, and sale of BESS along with related services. These services are sold bundled together with the sale of BESS products to a customer. All these services or products are significantly customized or modify the industrial products and interrelated with each other and represent multiple inputs to a combined output that is transferred to the customer.

Contracts for BESS solutions, including design, research and development, production, and sale of BESS along with related services, are regarded as a single performance obligation because the promises to transfer the industrial products and provide related services are not distinct and can only be identified as a performance obligation.

Revenue from BESS solutions is recognized at the point in time when the control of such combination is transferred to the customer, typically upon acceptance following product delivery and the provision of related services.

(b) Others

Revenue from other sources, mainly including operation and maintenance services, is recognized over the scheduled period on a time proportion basis because the customer simultaneously receives and consumes the benefits provided by our Group. Revenue from spare parts is recognized at a point in time when control of the asset is transferred to the customer, typically upon delivery of the spare parts and acceptance by domestic customers or in accordance with international trade terms with foreign customers.

FINANCIAL INFORMATION

Critical Estimates and Judgments

The preparation of our Group’s Historical Financial Information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Our significant estimates, judgments, and assumptions during the Track Record Period are described below. See note 3 to the Accountants’ Report in Appendix I to this document for more information on our accounting estimates and judgments.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables and contract assets

Our Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on our Group’s historical observed loss rates and with reference to the expected loss rates of comparable peer companies. Our Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., World Real GDP Growth) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical loss rates are adjusted. At each reporting date, the historical observed loss rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. Our Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on our Group’s trade receivables and contract assets are disclosed in note 22 and note 23 to the Historical Financial Information in Appendix I, respectively.

Write-down of inventories to net realizable value

The net realizable value of inventories is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. These estimates, based on the current market conditions and the historical experience in selling goods of a similar nature, include but are not limited to economic outlook, sales forecasts and the forecast market value for the inventory items. They could change significantly as a result of changes in market conditions. Our Group reassesses these estimates at the end of each reporting period. The carrying amount of inventories is given in note 21 to the Historical Financial Information in Appendix I.

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	451,458	494,016	702,706
Cost of sales	<u>(348,239)</u>	<u>(362,141)</u>	<u>(522,187)</u>
Gross profit	<u>103,219</u>	<u>131,875</u>	<u>180,519</u>
Other income and gains	15,803	15,902	17,752
Selling and marketing expenses	(25,763)	(32,520)	(45,410)
Administrative expenses	(39,058)	(31,276)	(38,457)
Research and development expenses	(33,783)	(37,410)	(42,039)
Impairment losses on financial assets, net	(2,352)	(7,273)	(5,667)
Other expenses	(425)	(162)	(70)
Finance costs	<u>(5,230)</u>	<u>(6,260)</u>	<u>(6,827)</u>
Profit before tax	12,411	32,876	59,801
Income tax (expense)/benefit	<u>(80)</u>	<u>294</u>	<u>(5,989)</u>
Profit for the year	<u>12,331</u>	<u>33,170</u>	<u>53,812</u>
Attributable to:			
Owners of the parent	12,331	33,170	54,629
Non-controlling interests	<u>—</u>	<u>—</u>	<u>(817)</u>
	<u>12,331</u>	<u>33,170</u>	<u>53,812</u>

Description of Major Components in our Consolidated Statements of Profit or Loss

Revenue

During the Track Record Period, we generated revenue primarily from (i) sale of BESS products and solutions; and (ii) others, including O&M services. Revenue from sales of BESS products and solutions is recognized at a point in time when control of the goods is transferred to the customer, generally being when the products are delivered to the customer upon the international trade terms and the customer has accepted the products in accordance with the sales contract. Revenue from O&M services is recognized over the scheduled service period on a time proportion basis.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our revenue by type of goods or services, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
BESS business ⁽¹⁾						
PowerCombo	440,436	97.6	483,456	97.8	639,583	91.0
FlexCombo	5,413	1.2	4,802	1.0	55,273	7.9
	445,849	98.8	488,258	98.8	694,856	98.9
Others	5,609	1.2	5,758	1.2	7,850	1.1
	451,458	100.0	494,016	100.0	702,706	100.0

Note:

- (1) Our FlexCube series was newly launched in 2025. As of December 31, 2025, FlexCube had achieved cumulative shipments of 2.1MWh. However, no revenue or cost of sales related to FlexCube was recognized during the Track Record Period, and we expect to begin recognizing revenue and cost of sales from FlexCube starting in 2026.

We measure sales volume in each year based on the energy capacity of BESS products sold (which represents the core functional output of our BESS solutions) for which revenue is recognized during the year. The average selling price for each year is calculated by dividing BESS revenue recognized during the year by the corresponding sales volume. The following table sets forth the sales volume and average selling price of each product series for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	<u>Sales volume</u>	<u>Average selling price</u>	<u>Sales volume</u>	<u>Average selling price</u>	<u>Sales volume</u>	<u>Average selling price</u>
	<i>MWh</i>	<i>RMB/Wh</i>	<i>MWh</i>	<i>RMB/Wh</i>	<i>MWh</i>	<i>RMB/Wh</i>
PowerCombo	275.7	1.6	419.7	1.2	576.5	1.1
FlexCombo	1.7	3.2	1.6	3.0	61.9	0.9

See “Business — Our Products — Sales Volume and Average Selling Price” for more details.

The following table sets forth a breakdown of our revenue by geographical region, based on the locations of the projects, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Chinese mainland	84,294	18.7	230,458	46.6	85,041	12.1
Europe	110,670	24.5	243,054	49.2	609,119	86.7
Asia Pacific (excluding Chinese mainland)	233,198	51.7	2,726	0.6	2,891	0.4
Other countries/regions	23,296	5.1	17,778	3.6	5,655	0.8
	451,458	100.0	494,016	100.0	702,706	100.0

FINANCIAL INFORMATION

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) material costs, primarily comprising battery cells, PCS equipment, structural components, and electronic components; (ii) manufacturing costs, primarily comprising depreciation and amortization and outsourcing fees; (iii) warranty fees, associated with warranty retention provisions included in our contracts; (iv) labor costs; and (v) engineering services fees, primarily comprising costs relating to product design, deployment support and commissioning of our BESS, (vi) others, including logistics fees and travel expenses.

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

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Material costs	312,338	89.6	305,360	84.3	399,662	76.5
Manufacturing costs	14,871	4.3	18,631	5.1	27,484	5.3
Warranty fees	6,676	1.9	7,337	2.0	10,487	2.0
Labor costs	6,511	1.9	10,720	3.0	16,018	3.1
Engineering service fees	3,032	0.9	15,495	4.3	57,321	11.0
Others	4,811	1.4	4,598	1.3	11,215	2.1
	<u>348,239</u>	<u>100.0</u>	<u>362,141</u>	<u>100.0</u>	<u>522,187</u>	<u>100.0</u>

During the Track Record Period, our cost of sales increased from RMB348.2 million in 2023 to RMB362.1 million in 2024 and further to RMB522.2 million in 2025, primarily in line with our revenue growth and the corresponding increase in production costs. This increase was partially offset by the decline in battery cell prices. The further increase in 2025 was also attributable to the reduction in the export tax rebate rate from 13% to 9%.

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

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
BESS business:						
PowerCombo	341,278	98.0	354,985	98.0	478,817	91.7
FlexCombo	4,284	1.2	2,889	0.8	37,661	7.2
	345,562	99.2	357,874	98.8	516,478	98.9
Others	2,677	0.8	4,267	1.2	5,709	1.1
	<u>348,239</u>	<u>100.0</u>	<u>362,141</u>	<u>100.0</u>	<u>522,187</u>	<u>100.0</u>

Gross Profit and Gross Profit Margin

Our gross profit was RMB103.2 million, RMB131.9 million, and RMB180.5 million, and our gross profit margin was 22.9%, 26.7%, and 25.7% in 2023, 2024, and 2025, respectively.

FINANCIAL INFORMATION

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

	Year ended December 31,					
	2023		2024		2025	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
BESS business:						
PowerCombo	99,158	22.5	128,471	26.6	160,766	25.1
FlexCombo	1,129	20.9	1,913	39.8	17,612	31.9
	100,287	22.5	130,384	26.7	178,378	25.7
Others	2,932	52.3	1,491	25.9	2,141	27.3
	103,219	22.9	131,875	26.7	180,519	25.7

During the Track Record Period, our gross profit increased from RMB103.2 million in 2023 to RMB131.9 million in 2024 and further to RMB180.5 million in 2025, primarily driven by revenue growth. Our gross profit margin increased from 22.9% in 2023 to 26.7% in 2024, mainly due to lower battery cell prices, and then remained relatively stable at 25.7% in 2025.

Other Income and Gains

Our other income and gains primarily consisted of (i) interest income on our bank balances and financial products; (ii) value added tax refunds; (iii) government grants; (iv) investment income from financial assets at fair value through profit or loss, namely our wealth management products and structure deposits; and (v) gains on disposal of assets and exchange differences.

The following table sets forth a breakdown of our other income and gains by nature, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Other income:						
Interest income	2,279	14.4	4,307	27.1	5,479	30.9
Value added tax refund	4,821	30.5	6,530	41.1	8,029	45.2
Government grants	7,409	46.9	2,265	14.2	1,780	10.0
Investment income from financial assets at fair value through profit or loss	942	6.0	—	—	361	2.0
Others	308	1.9	199	1.3	336	1.9
	15,759	99.7	13,301	83.7	15,985	90.0

FINANCIAL INFORMATION

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Gains:						
Fair value gains on financial assets at fair value through profit or loss	—	—	4	0.0	1	0.0
Gains on disposal of property, plant and equipment	—	—	—	—	6	0.0
Gains on early termination of lease arrangements	44	0.3	—	—	—	—
Foreign exchange differences, net	—	—	2,597	16.3	1,760	10.0
	44	0.3	2,601	16.3	1,767	10.0
	<u>15,803</u>	<u>100.0</u>	<u>15,902</u>	<u>100.0</u>	<u>17,752</u>	<u>100.0</u>

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses primarily consisted of (i) staff costs; (ii) business development expenses, primarily comprising exhibition expenses and consulting service fees relating to marketing activities; (iii) travel expenses; (iv) share-based payment expenses to our sales and marketing staff; and (v) others, including insurance, rental, and depreciation and amortization expenses.

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	13,023	50.5	13,511	41.6	20,888	46.0
Business development expenses	6,436	25.0	9,930	30.5	12,060	26.6
Travel expenses	2,642	10.3	3,780	11.6	5,073	11.2
Share-based payment	2,675	10.4	3,169	9.7	4,023	8.9
Others	987	3.8	2,130	6.6	3,366	7.3
	<u>25,763</u>	<u>100.0</u>	<u>32,520</u>	<u>100.0</u>	<u>45,410</u>	<u>100.0</u>

Our selling and marketing expenses as a percentage of revenue was 5.7%, 6.6%, and 6.5% in 2023, 2024, and 2025, respectively. The steady increase in this ratio was attributable to our intensified marketing efforts to expand our presence in overseas markets, particularly the European market, during a period of rapid industry growth. There is generally a time lag between marketing and promotional activities and the conversion of such activities into sales orders.

FINANCIAL INFORMATION

Administrative Expenses

Our administrative expenses primarily consisted of (i) staff costs; (ii) share-based payment expenses; (iii) depreciation and amortization expenses; (iv) consulting service fees relating to audit and other third-party professional services; (v) office management expenses, primarily comprising office and utility expenses and materials costs; (vi) travel and meal expenses; and (vii) others.

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	14,078	36.0	14,998	48.0	15,930	41.4
Share-based payment	10,994	28.1	3,460	11.1	6,501	16.9
Depreciation and amortization	6,706	17.2	6,709	21.5	7,338	19.1
Consulting service fees	2,783	7.1	1,499	4.8	3,812	9.9
Office management expenses	2,227	5.7	1,970	6.2	2,044	5.3
Travel and meal expenses	1,467	3.8	1,280	4.1	1,517	3.9
Others	803	2.1	1,360	4.3	1,315	3.5
	<u>39,058</u>	<u>100.0</u>	<u>31,276</u>	<u>100.0</u>	<u>38,457</u>	<u>100.0</u>

Our administrative expenses as a percentage of revenue was 8.7%, 6.3%, and 5.5% in 2023, 2024, and 2025, respectively. We believe the decrease in this ratio reflected increased economies of scale corresponding to our business growth. Fluctuations in our administrative expenses were mainly driven by changes in share-based payment and consulting service fees.

Research and Development Expenses

Our research and development expenses primarily consisted of (i) staff costs; (ii) research and material expenses, primarily comprising technical service fees and material costs; (iii) share-based payment expenses; (iv) depreciation and amortization; and (v) others, mainly including travel, office, and utility expenses.

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	16,187	47.9	17,675	47.2	19,277	45.9
Research and material expenses	6,480	19.2	8,489	22.7	8,428	20.1
Share-based payment	6,470	19.2	3,764	10.1	4,931	11.7
Depreciation and amortization	3,761	11.1	6,507	17.4	8,042	19.1
Others	885	2.6	975	2.6	1,361	3.2
	<u>33,783</u>	<u>100.0</u>	<u>37,410</u>	<u>100.0</u>	<u>42,039</u>	<u>100.0</u>

FINANCIAL INFORMATION

Our research and development expenses were primarily focused on the development of new BESS products and solutions and the upgrade and iteration of core subsystems, namely, BMS, PCS, and EMS. Our research and development expenses as a percentage of revenue was 7.5%, 7.6%, and 6.0% in 2023, 2024, and 2025, respectively. The decline in the ratio was primarily attributable to the fact that revenue growth outpaced the increase in research and development expenses in 2025.

Impairment Losses on Financial Assets, Net

We recorded net impairment losses on financial assets of RMB2.4 million, RMB7.3 million, and RMB5.7 million in 2023, 2024, and 2025, respectively. Such financial assets consisted of trade and bills receivables, contract assets, prepayments, and other receivables. Fluctuations in our net impairment losses on financial assets were primarily driven by net impairment of trade receivables.

The following table sets forth a breakdown of our impairment losses/(reversal) of impairment losses on financial assets by category, for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Impairment of trade receivables, net	1,175	6,446	5,578
Impairment of contract assets, net	1,001	847	50
Impairment/(reversal of impairment) of other receivables, net	176	(20)	39
	<u>2,352</u>	<u>7,273</u>	<u>5,667</u>

Other Expenses

Our other expenses consisted of (i) foreign currency exchange losses; (ii) investment losses; and (iii) non-operating expenses including impairment of non-current assets.

The following table sets forth a breakdown of our other expenses by nature, for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Foreign currency exchange losses	231	54.4	—	—	—	—
Investment loss	—	—	62	38.3	—	—
Non-operating expenses	194	45.6	100	61.7	70	100.0
	<u>425</u>	<u>100.0</u>	<u>162</u>	<u>100.0</u>	<u>70</u>	<u>100.0</u>

Finance Costs

Our finance costs consisted of (i) interest on lease liabilities; (ii) interest on bank loans; (iii) interest on discounted notes; and (iv) interest on discounted letter of credit.

FINANCIAL INFORMATION

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Interest on lease liabilities	4,958	94.8	6,127	97.9	5,594	81.9
Interest on bank loans	272	5.2	78	1.2	426	6.2
Interest on discounted notes	—	—	55	0.9	707	10.4
Interest on discounted letters of credit	—	—	—	—	100	1.5
	5,230	100.0	6,260	100.0	6,827	100.0

Our finance costs increased by 19.7% from RMB5.2 million in 2023 to RMB6.3 million in 2024, primarily due to an increase in interest on lease liabilities from RMB5.0 million to RMB6.1 million, primarily due to the new lease agreements we entered into in 2024.

Our finance costs further increased by 9.1% to RMB6.8 million in 2025, primarily due to an increase in interest on discounted notes from RMB55 thousand to RMB0.7 million, an increase in interest on bank loans from RMB78 thousand to RMB0.4 million, and interest on discounted letter of credit of RMB0.1 million, partially offset by a decrease in interest on lease liabilities from RMB6.1 million to RMB5.6 million, attributable to the expiry of certain lease agreements in 2025.

Income Tax Expense

We had income tax expense of RMB0.1 million in 2023, income tax benefit of RMB0.3 million in 2024, and income tax expense of RMB6.0 million in 2025. We qualified as a High and New Technology Enterprise and were entitled to a preferential income tax rate of 15% during the Track Record Period. One of our Hong Kong subsidiaries was a qualifying entity under the two-tiered profits tax rates regime during the Track Record Period, with the first HKD2,000,000 of assessable profits taxed at 8.25% and the remaining assessable profits taxed at 16.5%. During the Track Record Period, we did not have any dispute or unresolved issues with the relevant tax authorities.

Our income tax expense was RMB0.1 million in 2023. We then recorded an income tax benefit of RMB0.3 million in 2024, primarily due to the recognition of deferred tax credits. Our income tax expense increased to RMB6.0 million in 2025, primarily driven by the continued growth in taxable profit and a reversal of deferred income tax from a credit of RMB13.6 million in 2024 to an expense of RMB2.4 million in 2025, primarily attributable to the decrease in deferred tax assets from unrealized intercompany profits.

Profit for the year

We had profit for the year of RMB12.3 million in 2023, RMB33.2 million in 2024, and RMB53.8 million in 2025.

RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 42.2% from RMB494.0 million in 2024 to RMB702.7 million in 2025, primarily driven by the continued expansion of the global energy storage market and the corresponding increase in customer demand.

FINANCIAL INFORMATION

Our growth in revenue was primarily driven by the rapid increase in overseas sales of our BESS products and solutions, accounting for 53.4% and 87.9% of our total revenue in 2024 and 2025, respectively. Such growth benefited from favorable policies in major overseas markets and increasing demand for power infrastructure upgrades. Specifically, revenue from Europe increased significantly by 150.6% from RMB243.1 million in 2024 to RMB609.1 million in 2025, driven by the overall growth in market demand and our expanded customer base in 2025, as we continued to deepen our market penetration.

Revenue from Chinese mainland decreased by 63.1% from RMB230.5 million in 2024 to RMB85.0 million in 2025, accounting for 46.6% and 12.1% of our total revenue in 2024 and 2025, respectively. This decrease was in line with our strategic focus on overseas markets, while we took a more prudent and selective approach to domestic projects.

In terms of product series, revenue from PowerCombo increased by 32.3% from RMB483.5 million in 2024 to RMB639.6 million in 2025, in line with our sales growth.

Revenue from FlexCombo increased significantly from RMB4.8 million in 2024 to RMB55.3 million in 2025, primarily due to increased sales volume from 1.6MWh to 61.9MWh. We had limited sales volume of FlexCombo in 2024, as the product was still in the pilot stage during the period. We commenced large-scale production and commercialization in 2024, which was reflected in its revenue recognized in 2025.

Cost of Sales

Our overall cost of sales increased by 44.2% from RMB362.1 million in 2024 to RMB522.2 million in 2025, primarily due to (i) the growth in revenue, which led to a corresponding increase in production costs, and (ii) the reduction in the export tax rebate rate from 13% to 9% effective from December 2024, resulting in a higher amount of non-deductible input VAT being transferred to cost of sales. This increase was partially offset by (iii) a decrease in the average raw material costs for battery cells in 2025.

Material costs increased by 30.9% from RMB305.4 million in 2024 to RMB399.7 million in 2025, in line with revenue growth, partially offset by a decline in our average procurement costs of battery cells. Manufacturing costs increased by 47.5% from RMB18.6 million in 2024 to RMB27.5 million in 2025, while labor costs increased by 49.4% from RMB10.7 million in 2024 to RMB16.0 million in 2025, in line with revenue growth. Warranty fees increased by 42.9% from RMB7.3 million in 2024 to RMB10.5 million in 2025, in line with changes in revenue generated from contracts that included warranty retention provisions. Engineering service fees increased by 269.9% from RMB15.5 million in 2024 to RMB57.3 million in 2025, primarily due to increased revenue contribution from the sale of BESS solutions, which require product design, deployment support, commissioning services, etc.

Cost of sales from PowerCombo increased by 34.9% from RMB355.0 million in 2024 to RMB478.8 million in 2025, in line with revenue growth. Cost of sales from FlexCombo was RMB37.7 million in 2025, compared to RMB2.9 million in 2024, due to the aforementioned scaled production and commercialization.

Gross Profit and Gross Profit Margin

For the above reasons, our gross profit increased by 36.9% from RMB131.9 million in 2024 to RMB180.5 million in 2025. Our gross profit margin remained relatively stable at 25.7% in 2025, compared to 26.7% in 2024.

As a result of the foregoing, our gross profit from PowerCombo increased by 25.1% from RMB128.5 million in 2024 to RMB160.8 million in 2025. Our gross profit margin for PowerCombo decreased from 26.6% for 2024 to 25.1% for 2025, primarily attributable to the relatively faster

FINANCIAL INFORMATION

increase in cost of sales compared to revenue. The average selling price of PowerCombo was RMB1.2 per Wh in 2024 and RMB1.1 per Wh in 2025, while the average cost remained stable at RMB0.8 per Wh in each year.

Gross profit from FlexCombo was RMB1.9 million in 2024, representing gross profit margin of 39.8%. Following the aforementioned scaled production and commercialization, gross profit from FlexCombo was RMB17.6 million in 2025, representing gross profit margin of 31.9%.

Other Income and Gains

Our other income and gains remained relatively stable at RMB17.8 million in 2025, compared to RMB15.9 million in 2024. Interest income increased by 27.2% from RMB4.3 million in 2024 to RMB5.5 million in 2025, primarily reflecting our increased utilization of idle funds to purchase wealth management products and structured deposit products. Value added tax refunds (which are related to the embedded software) increased by 23.0% from RMB6.5 million in 2024 to RMB8.0 million in 2025, in line with the growth in sales of our BESS. This was partially offset by (i) a decrease in government grants by 21.4% from RMB2.3 million in 2024 to RMB1.8 million in 2025, primarily because these grants are one-off in nature; and (ii) decrease in net foreign exchange differences by 32.2% from RMB2.6 million in 2024 to RMB1.8 million in 2025, primarily due to the appreciation of U.S. dollars against Renminbi during 2024 and increased cash and cash equivalents denominated in U.S. dollars at the end of 2024.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 39.6% from RMB32.5 million in 2024 to RMB45.4 million in 2025, primarily driven by the growth of our overseas sales and after-sales service teams and increasing marketing efforts in connection with our business development, particularly in overseas markets such as Europe.

Staff costs, representing the largest component of our selling and marketing expenses, increased by 54.6% from RMB13.5 million in 2024 to RMB20.9 million in 2025, primarily driven by the expansion of the sales team, including the recruitment of senior overseas sales personnel.

Our travel expenses increased by 34.2% from RMB3.8 million in 2024 to RMB5.1 million in 2025, while our business development expenses increased by 21.5% from RMB9.9 million in 2024 to RMB12.1 million in 2025, primarily due to increased marketing and promotional activities as we continued to expand our overseas business.

Administrative Expenses

Our administrative expenses increased by 23.0% from RMB31.3 million in 2024 to RMB38.5 million in 2025, primarily driven by increases in (i) share-based payment expenses by 87.9% from RMB3.5 million in 2024 to RMB6.5 million in 2025; (ii) consulting service fees by 154.3% from RMB1.5 million in 2024 to RMB3.8 million in 2025, primarily due to increased consulting fees incurred in connection with our business expansion in 2025; and (iii) staff costs for the administrative function by 6.2% from RMB15.0 million for 2024 to RMB15.9 million in 2025, reflecting our prudent management of back-office headcount amid our business expansion.

Research and Development Expenses

Our research and development expenses increased by 12.4% from RMB37.4 million in 2024 to RMB42.0 million in 2025, primarily due to (i) an increase in depreciation and amortization expenses by 23.6% from RMB6.5 million in 2024 to RMB8.0 million in 2025, due to increased depreciation from newly purchased R&D testing equipment; (ii) an increase in staff costs by 9.1% from RMB17.7 million in 2024 to RMB19.3 million in 2025, primarily due to increased average compensation for our R&D personnel in 2025; and (iii) an increase in share-based payment expenses by 31.0% from RMB3.8 million in 2024 to RMB4.9 million in 2025.

FINANCIAL INFORMATION

Impairment Losses on Financial Assets, Net

We recorded net impairment losses on financial assets of RMB5.7 million in 2025, compared to net impairment losses of RMB7.3 million in 2024, primarily due to a decrease in net impairment of trade receivables. Net impairment of trade receivables decreased by 13.5% from RMB6.4 million in 2024 to RMB5.6 million in 2025, primarily due to collection of certain long-aging trade receivables during the period.

Other Expenses

Our other expenses decreased from RMB0.2 million in 2024 to RMB70 thousand in 2025.

Finance Costs

Our finance costs increased by 9.1% from RMB6.3 million in 2024 to RMB6.8 million in 2025, primarily due to increases in interest on discounted notes, interest on bank loans, and interest on discounted letters of credit, partially offset by a decrease in interest on lease liabilities, attributable to the expiry of certain lease agreements in 2025.

Income Tax (Expense)/Benefit

Our income tax changed from a benefit of RMB0.3 million in 2024 to an expense of RMB6.0 million in 2025, primarily driven by the continued growth in taxable profit and the reversal of deferred income tax from a credit to an expense.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 62.2% from RMB33.2 million in 2024 to RMB53.8 million in 2025.

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

Revenue

Our revenue increased by 9.4% from RMB451.5 million in 2023 to RMB494.0 million in 2024. The growth was primarily driven by an increase in demand for our products amid the continued rapid expansion of the global energy storage market and the improvement of our competitiveness.

Revenue from Chinese mainland increased by 173.4% from RMB84.3 million in 2023 to RMB230.5 million in 2024, primarily because revenue from Chinese mainland in 2024 included several projects that were signed and shipped prior to 2024 but were accepted and recognized as revenue in 2024, involving an aggregate amount of RMB151.5 million.

Revenue from Europe increased by 119.6% from RMB110.7 million in 2023 to RMB243.1 million in 2024, reflecting growing demand from the European market. Revenue from Asia Pacific (excluding Chinese mainland) decreased by 98.8% from RMB233.2 million in 2023 to RMB2.7 million in 2024, primarily because contracts with Customer A and Customer D were completed and recognized in 2023 contributing a revenue of RMB233.2 million, with no comparable contract in 2024.

In terms of product series, revenue from PowerCombo increased by 9.8% from RMB440.4 million in 2023 to RMB483.5 million in 2024, primarily due to a significant increase in sales volume from 275.7MWh in 2023 to 419.7 MWh in 2024. The relatively moderate growth in revenue compared to sales volume reflected a decrease in the average selling price, as we adjusted our per-unit pricing downward in response to declining raw material costs, particularly lower battery cell prices. Revenue from FlexCombo was RMB5.4 million in 2023 and RMB4.8 million in 2024. We had limited sales volume of FlexCombo in 2023 and 2024, as the product was still in the pilot stage during the period.

FINANCIAL INFORMATION

Cost of Sales

Our cost of sales increased by 4.0% from RMB348.2 million in 2023 to RMB362.1 million in 2024, primarily driven by the increase in our revenue and the corresponding increase in production costs.

Material costs decreased by 2.2% from RMB312.3 million in 2023 to RMB305.4 million in 2024, primarily driven by a decline in battery cell prices. Manufacturing costs increased by 25.3% from RMB14.9 million in 2023 to RMB18.6 million in 2024, while labor costs increased by 64.6% from RMB6.5 million in 2023 to RMB10.7 million in 2024, in line with revenue growth. Warranty fees increased by 9.9% from RMB6.7 million in 2023 to RMB7.3 million in 2024, in line with changes in revenue generated from contracts that included warranty retention provisions. Engineering service fees increased by 411.0% from RMB3.0 million in 2023 to RMB15.5 million in 2024, primarily due to increased revenue contribution from the sale of BESS solutions.

Our cost of sales from PowerCombo increased by 4.0% from RMB341.3 million in 2023 to RMB355.0 million in 2024, primarily due to the increase in sales volume, which led to higher overall production costs, partially offset by the decline in raw material costs, particularly battery cell prices, during 2024. Our cost of sales from FlexCombo was RMB4.3 million in 2023 and RMB2.9 million in 2024.

Gross Profit and Gross Profit Margin

For the above reasons, our gross profit increased by 27.8% from RMB103.2 million in 2023 to RMB131.9 million in 2024. Gross profit margin increased from 22.9% in 2023 to 26.7% in 2024.

Fluctuations in gross profit and gross profit margin were primarily driven by PowerCombo during 2023 and 2024. Our gross profit from PowerCombo increased by 29.6% from RMB99.2 million in 2023 to RMB128.5 million in 2024. Our gross profit margin for PowerCombo increased from 22.5% in 2023 to 26.6% in 2024. The average selling price of PowerCombo decreased by 25.0% from RMB1.6 per Wh in 2023 to RMB1.2 per Wh in 2024, while the average cost decreased by 33.3% from RMB1.2 per Wh in 2023 to RMB0.8 per Wh in 2024.

Our gross profit from FlexCombo was RMB1.1 million in 2023 and RMB1.9 million in 2024, representing gross profit margin of 20.9% and 39.8%.

Other Income and Gains

Our other income and gains remained relatively stable at RMB15.8 million in 2023 and RMB15.9 million in 2024, primarily attributable to a decrease in government grants by 69.4% from RMB7.4 million in 2023 to RMB2.3 million in 2024. The higher government grants in 2023 was due to several one-off government subsidies recognized during the year. This was partially offset by (i) an increase in interest income by 89.0% from RMB2.3 million in 2023 to RMB4.3 million in 2024, reflecting our increased utilization of idle funds in time deposits and structured deposit products; and (ii) net foreign exchange differences of RMB2.6 million recorded in 2024, primarily attributable to the appreciation of U.S. dollars against Renminbi during 2024 and increased cash and cash equivalents denominated in U.S. dollars at the end of 2024.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 26.2% from RMB25.8 million in 2023 to RMB32.5 million in 2024, primarily driven by the expansion of our sales team and increased marketing initiatives in connection with our business expansion, particularly in overseas markets such as Europe.

Staff costs, which were the largest component of our selling and marketing expenses, increased by 3.7% from RMB13.0 million in 2023 to RMB13.5 million in 2024, primarily driven by the expansion of our overseas sales team.

FINANCIAL INFORMATION

Business development expenses increased by 54.3% from RMB6.4 million in 2023 to RMB9.9 million in 2024, primarily due to increased marketing and promotional activities as we ramped up our business expansion and market development overseas.

Administrative Expenses

Our administrative expenses decreased by 19.9% from RMB39.1 million in 2023 to RMB31.3 million in 2024, primarily driven by (i) a significant decrease in share-based payment expenses by 68.5% from RMB11.0 million in 2023 to RMB3.5 million in 2024; and (ii) a decrease in consulting service fees by 46.1% from RMB2.8 million in 2023 to RMB1.5 million in 2024, reflecting higher audit fees and other third-party professional service fees incurred in 2023. These decreases were partially offset by an increase in staff costs by 6.5% from RMB14.1 million in 2023 to RMB15.0 million in 2024, reflecting our prudent management of back-office headcount amid our business expansion.

Research and Development Expenses

Our research and development expenses increased by 10.7% from RMB33.8 million in 2023 to RMB37.4 million in 2024, primarily driven by (i) an increase in depreciation and amortization expenses by 73.0% from RMB3.8 million in 2023 to RMB6.5 million in 2024, due to the addition of an assembly line and testing equipment for laboratory use in 2024; (ii) an increase in research and material expenses by 31.0% from RMB6.5 million in 2023 to RMB8.5 million in 2024, primarily due to increased R&D projects; and (iii) an increase in staff costs by 9.2% from RMB16.2 million in 2023 to RMB17.7 million in 2024. These increases were partially offset by a decrease in share-based payment expenses by 41.8% from RMB6.5 million in 2023 to RMB3.8 million in 2024.

Impairment Losses on Financial Assets, Net

We recorded net impairment losses on financial assets of RMB7.3 million in 2024, compared to net impairment losses of RMB2.4 million in 2023. The increase was primarily due to the net impairment of trade receivables increasing from RMB1.2 million in 2023 to RMB6.4 million in 2024, in line with our business growth.

Other Expenses

Our other expenses decreased from RMB0.4 million in 2023 to RMB0.2 million in 2024, primarily due to lower non-operating expenses, partially offset by investment loss of RMB62.0 thousand recognized in 2024.

Finance Costs

Our finance costs increased by 19.7% from RMB5.2 million in 2023 to RMB6.3 million in 2024, primarily due to an increase in interest on lease liabilities associated with new lease agreements we entered into in 2024, partially offset by a decrease in interest on bank loans as we repaid certain bank borrowing outstanding as of December 31, 2023.

Income Tax (Expense)/Benefit

We recorded income tax expense of RMB0.1 million in 2023 and income tax benefit of RMB0.3 million in 2024, primarily due to the recognition of deferred tax credits offsetting the increase in current tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 169.0% from RMB12.3 million in 2023 to RMB33.2 million in 2024.

FINANCIAL INFORMATION

DESCRIPTION OF MAJOR LINE ITEMS IN OUR CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountants’ Report set out in Appendix I to this document:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total non-current assets	283,313	351,871	343,297
Total current assets	509,878	643,789	997,035
Total assets	793,191	995,660	1,340,332
Total current liabilities	372,066	405,441	645,526
Total non-current liabilities	125,896	115,178	150,473
Total liabilities	497,962	520,619	795,999
Net current assets	137,812	238,348	351,509
Share capital	57,395	61,413	61,413
Reserves	237,834	413,628	483,737
Non-controlling interests	—	—	(817)
Total equity	295,229	475,041	544,333

Current Assets and Current Liabilities

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

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				RMB'000
				(unaudited)
Current assets:				
Inventories	225,853	264,320	400,340	497,175
Trade and bills receivables	31,620	130,747	151,793	179,858
Contract assets	3,518	5,306	802	1,453
Prepayments, other receivables and other assets	73,717	100,505	88,139	216,399
Prepaid income tax	15	—	2,178	4,537
Financial assets at fair value through profit or loss	—	312	1,271	1,251
Financial assets at fair value through other comprehensive income	3,005	—	—	732
Certificates of deposit	—	—	123,205	101,328
Restricted bank deposits	83,050	49,536	80,795	103,792
Cash and cash equivalents	89,100	93,063	148,512	57,763
Total current assets	509,878	643,789	997,035	1,164,288

FINANCIAL INFORMATION

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)
Current liabilities:				
Trade and bills payables	161,324	155,017	318,602	473,431
Contract liabilities	125,635	170,835	246,739	287,497
Other payables and accruals	19,255	11,715	35,789	16,995
Interest-bearing bank borrowings	49,037	45,482	20,061	20,155
Lease liabilities	10,578	12,984	12,507	13,763
Provision	4,903	6,117	8,363	6,937
Tax payable	1,334	3,291	1,605	1,534
Deferred income	—	—	1,860	1,860
Total current liabilities	372,066	405,441	645,526	822,172
Net current assets	137,812	238,348	351,509	342,116

Our net current assets increased by 73.0% from RMB137.8 million as of December 31, 2023 to RMB238.3 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB99.1 million, (ii) an increase in inventories of RMB38.5 million, and (iii) an increase in prepayments, other receivables and other assets of RMB26.8 million, partially offset by (iv) an increase in contract liabilities of RMB45.2 million, (v) a decrease in restricted bank deposits of RMB33.5 million, and (vi) a decrease in financial assets at fair value through other comprehensive income of RMB3.0 million.

Our net current assets increased by 47.5% from RMB238.3 million as of December 31, 2024 to RMB351.5 million as of December 31, 2025, primarily due to (i) an increase in inventories of RMB136.0 million, (ii) an increase in certificates of deposit of RMB123.2 million, and (iii) an increase in cash and cash equivalents of RMB55.4 million, partially offset by (iv) an increase in trade and bills payables of RMB163.6 million, (v) an increase in contract liabilities of RMB75.9 million, and (vi) an increase in other payables and accruals of RMB24.1 million.

Property, Plant, and Equipment

As of December 31, 2023, 2024, and 2025, we had property, plant and equipment of RMB34.1 million, RMB43.6 million, and RMB115.4 million, respectively. As of December 31, 2023 and 2024, such amounts mainly comprised instruments and equipment, machine equipment and tooling, renovation assets, construction in progress, and other equipment. Our property, plant and equipment increased significantly in 2025 primarily due to the addition of construction in progress of RMB56.8 million relating to the Phase I construction of our production base in Changzhou, Jiangsu Province, which is expected to commence commercial production in or around the fourth quarter of 2026.

Right-of-use Assets

As of December 31, 2023, 2024, and 2025, we had right-of-use assets of RMB124.5 million, RMB111.5 million, and RMB128.1 million, respectively. Such amounts mainly represented leased properties used for our factory and office premises. Our right-of-use assets decreased by 10.4% from RMB124.5 million as of December 31, 2023 to RMB111.5 million as of December 31, 2024, primarily due to the depreciation of our right-of-use assets, and then increased by 14.9% to RMB128.1 million as of December 31, 2025 due to the addition of a leasehold land of RMB30.6 million.

FINANCIAL INFORMATION

Intangible Assets

As of December 31, 2023, 2024, and 2025, our intangible assets remained relatively stable at RMB2.7 million, RMB2.2 million, and RMB2.3 million, respectively. Our intangible assets primarily consisted of software during the Track Record Period.

Deferred Tax Assets

As of December 31, 2023, 2024, and 2025, we had net deferred tax assets of RMB12.5 million, RMB26.1 million, and RMB23.7 million, respectively. Our deferred tax assets were primarily attributable to temporary differences arising from lease liabilities, provision for impairment of trade and other receivables, unrealized profit from intercompany transactions, provision for impairment of inventories, and provision for product warranties.

Inventories

Our inventories primarily consisted of (i) finished goods, primarily comprising BESS products that had been shipped to customers but had not yet been accepted as of the period end; (ii) raw materials, representing various materials used for the production of our BESS products; and (iii) work in progress, representing BESS products in the production and integration stage.

The following table sets forth a breakdown of our inventories by nature as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Finished goods	138,981	126,212	234,256
Raw materials	50,060	85,448	106,305
Work in progress	36,812	52,660	59,779
	225,853	264,320	400,340

Our inventories increased by 17.0% from RMB225.9 million as of December 31, 2023 to RMB264.3 million as of December 31, 2024, and further increased by 51.5% to RMB400.3 million as of December 31, 2025, primarily reflecting our business growth and increasing order backlog during the Track Record Period. Finished goods decreased by 9.2% from RMB139.0 million as of December 31, 2023 to RMB126.2 million as of December 31, 2024, primarily because several large energy storage projects that had been backlogged at the end of 2023 accelerated their on-site installation and commissioning progress and passed customer acceptance in 2024.

Finished goods increased by 85.6% from RMB126.2 million as of December 31, 2024 to RMB234.3 million as of December 31, 2025, in line with our sales growth. Raw materials increased by 70.7% from RMB50.1 million as of December 31, 2023 to RMB85.4 million as of December 31, 2024, and further increased by 24.4% to RMB106.3 million as of December 31, 2025, primarily reflecting higher inventory levels we maintained to support order backlog and safety stock requirements.

Our inventory turnover days (calculated as the average balance of the opening and closing inventories in a period divided by cost of sales for the same period multiplied by 365 days) were 243, 247, and 232 days in 2023, 2024, and 2025, respectively. Our relatively longer inventory turnover days were primarily attributable to (i) overseas sales representing the substantial majority of our revenue during the Track Record Period, which involved longer shipping cycles; and (ii) the integrated nature of our BESS solutions, which generally entails longer delivery cycles compared to standalone equipment.

FINANCIAL INFORMATION

As of April 30, 2026, RMB184.4 million or 46.1% of the outstanding balance of our inventories as of December 31, 2025 had been recognized as costs of goods sold.

Subsequent to the Track Record Period and as of April 30, 2026, we had not recognized significant impairment for our inventories. We assess the net realizable value of inventories and we also periodically review our inventory levels for slow-moving inventory, obsolescence, or decline in fair value. Allowance is made when the net realizable value of inventories falls below the cost or any of the inventories is identified as obsolete. We believe that sufficient provision has been made for our inventories considering the rapid growth of the sales of the products which made up a substantial part of our inventories balance as of April 30, 2026.

Trade and Bills Receivables

Our trade and bills receivables were primarily related to the sale of our BESS products and solutions.

Our trade and bills receivables increased from RMB31.6 million as of December 31, 2023 to RMB130.7 million as of December 31, 2024, primarily due to the rapid expansion of business scale and the significant increase in orders for our BESS. Our trade and bills receivables further increased to RMB151.8 million (current portion) and RMB6.1 million (non-current portion) as of December 31, 2025, reflecting continued business growth.

The following table sets forth the net carrying amount of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bills receivables	45	2,416	8,270
Trade receivables	38,519	141,685	168,095
	38,564	144,101	176,365
Less: Impairment of trade receivables	(6,944)	(13,354)	(18,474)
Net carrying amount	31,620	130,747	157,891

We seek to maintain strict control over our outstanding receivables, and have designated credit control personnel to control credit risk. Overdue balances are reviewed regularly by our management. Our impairment allowance for trade receivables increased from RMB6.9 million as of December 31, 2023 to RMB13.4 million as of December 31, 2024, and further to RMB18.5 million as of December 31, 2025, primarily driven by the expansion of the receivable balance and the increase in the proportion of longer-aged receivables as our overseas business expanded.

FINANCIAL INFORMATION

The following table sets forth the aging analysis of our trade and bills receivables based on the invoice date and net of loss allowance as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	15,350	117,932	118,126
1 to 2 years	11,851	4,438	31,056
2 years to 3 years	3,878	8,306	2,673
3 years to 4 years	524	71	6,036
4 years to 5 years	17	—	—
	31,620	130,747	157,891

Our trade and bills receivables turnover days (calculated as the average balance of the opening and closing net carrying amounts of trade and bills receivables in a period divided by revenue for the same period multiplied by 365 days) were 55, 67, and 83 days in 2023, 2024, and 2025, respectively. The increase was primarily due to the growing contribution of large enterprise customers to our customer base, to whom we generally grant relatively longer credit periods in light of their stronger credit profiles to secure project acquisition.

As of April 30, 2026, RMB64.0 million, or 36.3% of the outstanding balance of our trade and bills receivables as of December 31, 2025 had been settled.

Contract Assets

Our contract assets represented warranty retention receivables arising from sales of BESS products and solutions, where the receipt of retention consideration is conditional on expiration of the warranty period. The warranty service period generally ranges from one to five years.

We had contract assets of RMB8.2 million, RMB11.9 million, and RMB5.9 million as of December 31, 2023, 2024, and 2025, respectively. Fluctuations in contract assets were primarily in line with changes in revenue generated from contracts that included warranty retention provisions.

Financial Assets at Fair Value Through Other Comprehensive Income

We had financial assets at fair value through other comprehensive income of RMB2.7 million and RMB2.7 million as of December 31, 2024 and 2025, respectively, representing our equity investment in an energy storage station operator in the PRC in 2024.

Financial Assets at Fair Value Through Profit or Loss

As of December 31, 2023, 2024, and 2025, we had financial assets at fair value through profit or loss of nil, RMB0.3 million, and RMB1.3 million, respectively, consisting of wealth management products and structured deposits.

Our investments in wealth management products and structured deposits are subject to internal control and treasury management procedures, pursuant to which such investments are limited to products with relatively low risk, high liquidity and controlled exposure. Such investments are conducted within an investment amount cap approved by our Board for a term not exceeding 12 months and may be rolled over within the approved limit. Such investments are overseen by the head of our finance department, who possesses relevant accounting and financial expertise. After the [REDACTED], we intend to continue our investments in financial assets at fair value through profit or loss strictly in compliance with the requirements under Chapter 14 of the Listing Rules.

FINANCIAL INFORMATION

Cash and Cash Equivalents

We had cash and cash equivalents of RMB89.1 million, RMB93.1 million, and RMB148.5 million, respectively, as of December 31, 2023, 2024, and 2025.

The following table sets forth a breakdown of our cash and cash equivalents by currency denomination as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	73,688	22,863	113,734
EUR	14,369	173	31,526
USD	1,037	70,014	3,188
Others	6	13	64
	89,100	93,063	148,512

Restricted Bank Deposits

As of December 31, 2023 and 2024, we had restricted bank deposits of RMB83.1 million and RMB49.6 million, respectively, representing deposits to secure the issuance of bank acceptance bills. As of December 31, 2025, we had restricted bank deposits of RMB80.8 million, comprising RMB60.8 million deposited to secure the issuance of bank acceptance bills and RMB20.0 million representing funds that had not yet been transferred to a wealth management account.

Certificates of Deposit

We had certificates of deposit of RMB95.7 million, RMB140.2 million, and RMB174.5 million, respectively, as of December 31, 2023, 2024, and 2025, classified as financial assets measured at amortized cost, with expected yield rates ranging from 1.55% to 3.30% per annum. As of December 31, 2025, certificates of deposit of RMB123.2 million were classified as current assets (maturing within one year) and RMB51.3 million were classified as non-current assets. As of December 31, 2025, certificates of deposit of RMB30.0 million were pledged to banks to secure the issuance of bank guarantees.

Trade and Bills Payables

Our trade and bills payables were primarily related to the procurement of raw materials and components for the production of our BESS, including battery cells, battery modules, PCS, and other electronic components.

The following table sets forth a breakdown of our trade and bills payables by nature for the periods indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	23,957	29,558	92,822
Bills payables	137,367	125,459	225,780
	161,324	155,017	318,602

FINANCIAL INFORMATION

Our trade and bills payables decreased by 3.9% from RMB161.3 million as of December 31, 2023 to RMB155.0 million as of December 31, 2024, and then increased significantly by 105.5% to RMB318.6 million as of December 31, 2025, primarily due to the rapid growth in market demand for energy storage systems and the corresponding significant increase in procurement of core raw materials such as battery cells and power conversion systems. The increase was mainly driven by bills payable, which increased by 80.0% from RMB125.5 million as of December 31, 2024 to RMB225.8 million as of December 31, 2025, reflecting our increased use of bank acceptance bills for procurement payments, and trade payables, which increased by 214.0% from RMB29.6 million to RMB92.8 million due to higher procurement volumes.

The following table sets forth the aging analysis of our trade and bills payables based on the invoice date as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	161,179	154,825	318,252
Over 1 year	145	192	350
	161,324	155,017	318,602

Our trade and bills payables turnover days (calculated as the average balance of the opening and closing trade and bills payables in a period divided by cost of goods sold for the same period multiplied by 365 days) were 240, 159, and 166 days, respectively, in 2023, 2024, and 2025. The respective turnover days in 2024 and 2025 were at a relatively lower level compared to 2023, primarily due to shorter payment cycles for raw materials to secure procurements of battery cells.

As of April 30, 2026, RMB166.8 million or 52.3% of the outstanding balance of our trade and bills payables as of December 31, 2025 had been settled.

Contract Liabilities

Our contract liabilities represented advances from customers for goods and services before they are recognized as revenue when we perform under the contract (i.e., transfer control of the related goods and services to the customers).

Our contract liabilities increased by 36.0% from RMB125.6 million as of December 31, 2023 to RMB170.8 million as of December 31, 2024, and further increased by 47.3% to RMB251.6 million as of December 31, 2025, reflecting the growth trend in our sales orders. We generally require customers to pay advances after signing of contracts. The non-current contract liability of RMB4.9 million as of December 31, 2025 arose from new sales contracts signed in 2025 where the performance obligations are expected to be fulfilled beyond one year.

Other Payables and Accruals

Our other payables and accruals primarily consisted of (i) payroll payable; (ii) other tax payable; and (iii) other payables. As of December 31, 2025, other payables and accruals included both current and non-current portions, with the non-current portion of RMB39.7 million relating to long-term construction payables for the Changzhou production base.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our total other payables and accruals (including both current and non-current portions) as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Payroll payable	14,217	7,227	15,688
Other tax payable	4,009	3,068	10,575
Other payables	1,029	1,420	49,270
	19,255	11,715	75,533

Our other payables and accruals decreased by 39.2% from RMB19.3 million as of December 31, 2023 to RMB11.7 million as of December 31, 2024, primarily due to a decrease in payroll payable from RMB14.2 million to RMB7.2 million as we adjusted our bonus policy in 2024 in light of market changes and reduced year-end bonuses paid to employees.

Our other payables and accruals increased significantly to RMB75.5 million (of which RMB35.8 million was classified as current and RMB39.7 million as non-current) as of December 31, 2025, primarily driven by (i) an increase in other payables for property, plant, and equipment from RMB0.4 million to RMB47.8 million, reflecting the construction of the Changzhou production base, with the non-current portion of RMB39.7 million representing long-term construction and equipment payables with payment terms exceeding one year; (ii) an increase in tax payable from RMB3.1 million to RMB10.6 million, driven by the significant growth in sales revenue; and (iii) an increase in other payables from RMB1.0 million to RMB1.5 million.

Provision

Our provision represented assurance-type product warranty obligations for our BESS products and solutions. The warranty service period generally covers a period of one to five years. The provision is recognized based on historical maintenance expenses incurred and management’s estimates of future warranty costs.

As of December 31, 2023, 2024, and 2025, our provision was RMB10.6 million, RMB11.8 million, and RMB14.9 million, respectively, of which the current portion was RMB4.9 million, RMB6.1 million, and RMB8.4 million, and the non-current portion was RMB5.7 million, RMB5.7 million, and RMB6.5 million. The increase in provision during the Track Record Period was primarily driven by the growth in sales of BESS and the corresponding increase in warranty obligations.

Interest-bearing Bank Borrowings

Our interest-bearing bank borrowings were RMB49.0 million, RMB45.5 million, and RMB20.1 million, as of December 31, 2023, 2024, and 2025, respectively. As of December 31, 2023, our bank borrowings consisted of secured and guaranteed bank loans of RMB49.0 million with effective interest rates ranging from 2.81% to 3.85%. As of December 31, 2024, our bank borrowings consisted of discounted bills receivables of RMB45.5 million with effective interest rates of 1.00% to 1.25%. As of December 31, 2025, our bank borrowings consisted of (i) secured and guaranteed bank loans of RMB10.1 million with an effective interest rate of 2.65%; and (ii) discounted letters of credit of RMB10.0 million with an effective interest rate of 1.46%. All bank borrowings were denominated in RMB and repayable within one year during the Track Record Period.

As of April 30, 2026, interest-bearing bank borrowings remained relatively stable at RMB22.0 million, comprising RMB20.2 million (current portion) and RMB1.8 million (non-current portion).

FINANCIAL INFORMATION

Lease Liabilities

Our lease liabilities were primarily related to leases of Dongguan facility and office premises. Our lease liabilities decreased by 6.4% from RMB129.9 million as of December 31, 2023 to RMB121.6 million as of December 31, 2024, and further decreased by 8.0% to RMB111.8 million as of December 31, 2025, primarily reflecting the regular repayment of lease liabilities.

As of April 30, 2026, lease liabilities remained relatively stable at RMB110.3 million, comprising RMB13.8 million (current portion) and RMB96.5 million (non-current portion).

Tax Payable

Our tax payable represented our corporate income tax payable. Our tax payable was RMB1.3 million, RMB3.3 million, and RMB1.6 million as of December 31, 2023, 2024, and 2025, respectively. The increase from 2023 to 2024 was primarily due to improved operating results, leading to higher income tax accruals. The decrease from 2024 to 2025 was primarily attributable to the utilization of prepaid income tax credits.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Our principal use of cash during the Track Record Period was for operating activities, primarily representing the procurement of raw materials and components for the production of energy storage systems, and investing activities, primarily representing the purchase of property, plant, and equipment; certificates of deposit; and financial assets. Our main source of liquidity was generated from cash flows from operating activities and financing activities, including bank borrowings and capital contributions from shareholders.

The following table sets forth selected cash flow data from our consolidated cash flow statements for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash flows from/(used in) operating activities	172,492	(33,125)	189,186
Net cash flows used in investing activities	(118,347)	(68,965)	(101,746)
Net cash flows from/(used in) financing activities	25,704	105,105	(34,541)
Net increase in cash and cash equivalent	79,849	3,015	52,899
Cash and cash equivalent at beginning of the year	9,237	89,100	93,063
Effect of foreign exchange rate changes, net	14	948	2,550
Cash and cash equivalent at end of the year	89,100	93,063	148,512

Net Cash Flows from/Used in Operating Activities

In 2023, 2024, and 2025, we had net cash flows from operating activities of RMB172.5 million, net cash used in operating activities of RMB33.1 million, and net cash flows from operating activities of RMB189.2 million, respectively.

In 2023, we had net cash flows from operating activities of RMB172.5 million, primarily attributable to our profit before tax of RMB12.4 million, adjusted for non-cash items including share-based payment expenses of RMB20.1 million, depreciation of right-of-use assets of RMB15.6 million, depreciation of property, plant and equipment of RMB5.1 million, and finance costs of RMB5.2 million, as well as favorable working capital movements including (i) a decrease in restricted bank deposits of RMB150.1 million, (ii) an increase in contract liabilities of RMB83.7

FINANCIAL INFORMATION

million, and (iii) a decrease in trade and bills receivables of RMB59.0 million, partially offset by (iv) an increase in prepayments, other receivables and other assets of RMB41.8 million, and (v) a decrease in trade and bills payables of RMB137.8 million.

In 2024, we had net cash flows used in operating activities of RMB33.1 million, primarily attributable to our profit before tax of RMB32.9 million, adjusted for non-cash items including depreciation of right-of-use assets of RMB15.8 million, share-based payment expenses of RMB10.4 million, depreciation of property, plant and equipment of RMB6.9 million, and finance costs of RMB6.3 million, offset by unfavorable working capital movements including (i) an increase in trade and bills receivables of RMB106.5 million, (ii) an increase in inventories of RMB43.7 million, (iii) an increase in prepayments, other receivables and other assets of RMB25.0 million, and (iv) a decrease in trade and bills payables of RMB10.3 million, partially offset by (v) an increase in contract liabilities of RMB45.2 million and (vi) a decrease in restricted bank deposits of RMB43.6 million.

In 2025, we had net cash flows from operating activities of RMB189.2 million, primarily attributable to our profit before tax of RMB59.8 million, adjusted for non-cash items including depreciation of right-of-use assets of RMB16.7 million, share-based payment expenses of RMB15.5 million, depreciation of property, plant and equipment of RMB11.2 million, finance costs of RMB6.8 million, and impairment of trade receivables of RMB5.6 million, as well as favorable working capital movements including (i) an increase in trade and bills payables of RMB153.6 million, (ii) an increase in contract liabilities of RMB80.8 million, and (iii) an increase in other payables and accruals of RMB16.5 million, partially offset by (iv) an increase in inventories of RMB139.9 million, (v) an increase in trade and bills receivables of RMB35.2 million, and (vi) an increase in restricted bank deposits of RMB21.3 million.

Net Cash Flows Used in Investing Activities

In 2023, 2024, and 2025, we had net cash used in investing activities of RMB118.3 million, RMB69.0 million, and RMB101.7 million, respectively.

In 2023, our net cash flows used in investing activities was RMB118.3 million, primarily due to (i) additions of financial assets at fair value through profit or loss of RMB355.5 million, (ii) additions to certificates of deposit of RMB125.6 million, and (iii) purchases of property, plant, and equipment of RMB22.2 million, partially offset by (iv) proceeds from disposal of financial assets at fair value through profit or loss of RMB356.4 million and (v) proceeds from maturity of certificates of deposit of RMB30.3 million.

In 2024, our net cash flows used in investing activities was RMB69.0 million, compared with RMB118.3 million in 2023, primarily due to (i) additions of financial assets at fair value through profit or loss of RMB434.2 million, (ii) additions to certificates of deposit of RMB61.6 million, (iii) purchases of property, plant, and equipment of RMB14.0 million, and (iv) increase in prepayment for leasehold land of RMB10.0 million, partially offset by (v) proceeds from disposal of financial assets at fair value through profit or loss of RMB433.8 million and (vi) proceeds from maturity of certificates of deposit of RMB20.0 million.

In 2025, our net cash flows used in investing activities was RMB101.7 million, compared with RMB69.0 million in 2024, primarily due to (i) additions of financial assets at fair value through profit or loss of RMB186.6 million, (ii) additions to certificates of deposit of RMB30.2 million, (iii) an increase in restricted bank deposits of RMB20.0 million, (iv) purchases of property, plant, and equipment of RMB29.2 million, and (v) additions to leasehold land of RMB20.6 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB186.0 million.

FINANCIAL INFORMATION

Net Cash Flows from/Used in Financing Activities

In 2023, 2024, and 2025, we had net cash flows from financing activities of RMB25.7 million, net cash flows from financing activities of RMB105.1 million, and net cash used in financing activities of RMB34.5 million, respectively.

In 2023, our net cash flows from financing activities were RMB25.7 million, primarily due to new bank borrowings of RMB68.0 million, partially offset by repayment of bank borrowings of RMB25.2 million, and the principal portion of lease payments of RMB11.9 million.

In 2024, our net cash flows from financing activities were RMB105.1 million, compared with RMB25.7 million in 2023, primarily due to (i) a capital contribution by shareholders of RMB140.0 million and (ii) new bank borrowings of RMB45.4 million, partially offset by (iii) repayment of bank borrowings of RMB49.0 million and (iv) principal portion of lease payments of RMB11.2 million.

In 2025, our net cash flows used in financing activities was RMB34.5 million, compared with net cash flows from financing activities of RMB105.1 million in 2024, primarily due to (i) repayment of bank borrowings of RMB160.7 million, (ii) principal portion of lease payments of RMB12.4 million, and (iii) interest paid of RMB6.8 million, partially offset by new bank borrowings of RMB135.2 million. The shift to net cash used in financing activities was primarily attributable to the absence of shareholder capital contributions in 2025 and the net repayment of bank borrowings during the year.

Working Capital Sufficiency

During the Track Record Period, we funded our operations primarily with cash flows generated from our operating activities, bank borrowings, and capital contributions from shareholders. We manage our cash flow and working capital mainly through closely monitoring our operations and expansion plans. We also diligently review future cash flow requirements and adjust our operation and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations and expansion plans.

Our liquidity and capital resource needs over the next 12 months primarily relate to the procurement of raw materials and components for the production of BESS, capital expenditure for the construction of our Changzhou production base, and general working capital needs. We believe our liquidity requirements will be satisfied by using funds from a combination of cash flow generated from operating activities, debt financing, and other funds raised from the capital markets from time to time. We currently do not have any plans for material external debt financing.

As of April 30, 2026, we had cash and cash equivalents of RMB57.8 million and unutilized bank borrowing facilities of RMB945.9 million.

After taking into consideration the above financial resources available to us, in the absence of unforeseeable circumstances, our Directors are of the opinion that we have sufficient working capital to meet our present and future cash requirements for at least the next 12 months from the date of the document. Our ability to obtain additional funding beyond our anticipated cash needs for the next 12 months following the date of the document, however, is subject to a variety of uncertainties, including our future results of operations, our future business plans, financial condition and cash flows and economic, political, and other conditions in the markets where we and our customers and lenders operate.

FINANCIAL INFORMATION

INDEBTEDNESS

Our indebtedness primarily consisted of interest-bearing bank borrowings and lease liabilities. Our indebtedness was RMB178.9 million, RMB167.0 million and RMB131.9 million as of December 31, 2023, 2024 and 2025, respectively. Our indebtedness remained relatively stable at RMB132.3 million as of April 30, 2026. See “— Description of Major Line Items in Our Consolidated Statement of Financial Positions” above for more details.

The following table sets forth a breakdown of our indebtedness as of the date indicated:

	As of December 31,			As of
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026
				(unaudited)
Current indebtedness:				
Interest-bearing bank borrowings	49,037	45,482	20,061	20,155
Lease liabilities	10,578	12,984	12,507	13,763
	59,615	58,466	32,568	33,918
Non-current indebtedness:				
Interest-bearing bank borrowings	—	—	—	1,800
Lease liabilities	119,302	108,579	99,310	96,564
	119,302	108,579	99,310	98,364
	178,917	167,045	131,878	132,282

Indebtedness statement

Save as discussed above, as of April 30, 2026, being the indebtedness statement date, we did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing.

Our Directors confirm that (i) there has not been any material adverse change in our indebtedness since April 30, 2026 and up to the Latest Practicable Date, and (ii) during the Track Record Period and up to the Latest Practicable Date, we did not have any material default on our indebtedness or breach of covenant. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans or other borrowings, nor any default in repayment or breach of covenant, during the Track Record Period and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

We did not have any contingent liabilities as of the Latest Practicable Date.

COMMITMENTS

During the Track Record Period, our commitments were related to contracted, but not provided for items of property, plant, and equipment. See Note 37 to the Accountants’ Report set out in Appendix I to this document for details.

FINANCIAL INFORMATION

CAPITAL EXPENDITURE

In 2023, 2024, and 2025, our capital expenditure was RMB24.1 million, RMB24.3 million, and RMB51.0 million, respectively. Our capital expenditure during the Track Record Period consisted of purchases of (i) property, plant and equipment; and (ii) intangible assets.

We intend to fund our planned capital expenditures through a combination of cash flow generated from operating activities, debt financing, and other funds raised from the capital markets from time to time. Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition, economic conditions in the market and changes in the regulatory environment. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

RELATED-PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, our related party transactions mainly involved guarantees provided by our Shareholders and compensation for key management personnel. All the transactions with our related parties were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

See note 38 to the Accountants’ Report in Appendix I to this document for more information.

Our Directors are of the view that each of the related party transactions set out in Note 38 to the Accountants’ Report in Appendix I to this document was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties and their terms were fair, reasonable and in the interest of our Shareholders as a whole.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the date or for the period indicated:

	As of or for the year ended December 31,		
	2023	2024	2025
Turnover growth ⁽¹⁾	7.3%	9.4%	42.2%
Gross profit growth ⁽²⁾	6.3%	27.8%	36.9%
Gross profit margin ⁽³⁾	22.9%	26.7%	25.7%
Return on equity ⁽⁴⁾	4.4%	8.6%	10.6%
Current ratio ⁽⁵⁾	1.4	1.6	1.5
Gearing ratio ⁽⁶⁾	60.6%	35.2%	24.2%

Notes:

- (1) Turnover growth is calculated by dividing the difference between the revenue for the current year and the revenue for the prior year by the revenue for the prior year.
- (2) Gross profit growth is calculated by dividing the difference between the gross profit for the current year and the gross profit for the prior year by the gross profit for the prior year.
- (3) Gross profit margin is calculated by dividing gross profit by revenue.
- (4) Return on equity is calculated by dividing net profit by the average of opening and closing total shareholders’ equity.
- (5) Current ratio is calculated by dividing total current assets by total current liabilities.
- (6) Gearing ratio is calculated by dividing total interest-bearing debt by total equity.

FINANCIAL INFORMATION

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF RISKS

Our Group’s principal financial instruments comprise interest-bearing bank borrowings, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for our Group’s operations. Our Group has various other financial assets and liabilities which arise directly from our operations.

The main risks arising from our Group’s financial instruments are foreign currency risk, credit risk, and liquidity risk. Our Board reviews and agrees policies for managing each of these risks. See note 41 to the Accountants’ Report in Appendix I to this document for more information.

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, we did not declare or pay any dividend. Going forward, we may distribute dividends by way of cash or by other means that we consider appropriate.

We currently do not have a fixed dividend payout ratio. The applicable PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

Any future determination to declare and pay any dividends will be at the discretion of our Board and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that our Board deems relevant. In addition, any final dividends for a financial year will be subject to the Shareholders’ approval.

To the extent profits are distributed as dividends, such portion of profits may not be reinvested in our operations. There can be no assurance that we will be able to declare or distribute any dividend in the amount set forth in any plan to our Board or at all. Furthermore, if we or any of our subsidiaries incur debt on our or its own behalf in the future, the instruments governing the debt may restrict our ability to pay dividends. The past dividend distribution record may not be used as a reference or basis in determining the level of dividends that may be declared or paid by us in the future.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company had retained profits of RMB105.1 million.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

See “Unaudited [REDACTED] Financial Information” in Appendix II to this document for further details of our unaudited [REDACTED] statement of adjusted combined net tangible assets.

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include [REDACTED] and [REDACTED] and [REDACTED]. We expect to incur a total of HK\$[REDACTED] of [REDACTED] expenses (assuming an [REDACTED] of HK\$[REDACTED], being the mid-point of the indicative [REDACTED] between HK\$[REDACTED] and HK\$[REDACTED], and assuming that the [REDACTED] is not exercised) until the completion of the [REDACTED], which accounts for [REDACTED]% of the gross [REDACTED] from the [REDACTED]. We estimate that approximately HK\$[REDACTED] will be charged to our consolidated income statement, and the remaining balance of approximately HK\$[REDACTED] is expected to be [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED] expenses of

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FINANCIAL INFORMATION

HK\$[REDACTED], [REDACTED] of HK\$[REDACTED] and other expenses of HK\$[REDACTED]. The [REDACTED] expenses above are the best estimate as at the Latest Practicable Date and are for reference only. The actual amount may differ from this estimate.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our net profit/(loss) for the period between January 1, 2026 and the Latest Practicable Date experienced downward pressure from factors including (i) increasing battery cell prices, (ii) reduction in export tax rebate rate effective April 1, 2026 in accordance with rules and regulations promulgated jointly by China’s Ministry of Finance and the SAT, (iii) increased share-based payment, (iv) lower average selling price in line with prevailing industry-wide pricing trend, and (v) [REDACTED] expenses. We expect that our net profit/(loss) for 2026 may decline compared to 2025.

Save as disclosed above, after due and careful consideration, our Directors confirm that, as of the date of the document, there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, and there is no event since December 31, 2025 which would materially affect the information shown in the Accountants’ Report, the text of which is set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rule 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “Business — Our Strategies”.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the midpoint of the range of the [REDACTED] stated in this document), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED] (assuming the [REDACTED] is not exercised). We intend to use our [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for production capacity expansion, including the construction and upgrade of production lines to enhance our delivery capabilities. The primary uses of funds in this category include:
 - Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to the construction of our Changzhou production base. Our Changzhou facility, currently under construction at the Changzhou National High-Tech Zone, is being developed in two phases with a long-term designed capacity of 15GWh. See “Business — Manufacturing and Production — Production Facilities” for more information about our production facilities. Of the total allocation to the Changzhou production base: (a) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used to finance capital expenditures for Phase I of the Changzhou facility, including settlement of remaining construction costs, expenditures relating to the renovation and fit-out of office and factory premises, as well as the procurement of production line equipment and other fixed assets; (b) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for the procurement of production equipment for Phase II of the Changzhou facility; (c) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for the renovation and fit-out of new production line facilities under Phase II; and (d) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for supporting fixed asset investments for Phase II.
 - Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to the construction of overseas production bases to further enhance our overseas delivery capabilities. As we continue to develop our customer base in international markets, establishing localized production infrastructure overseas will enable us to reduce transportation costs, shorten delivery cycles, and improve our overall competitiveness in international markets. We plan to establish overseas production lines to serve local market demand. Of the total allocation to the construction of overseas production bases: (a) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for the acquisition or lease of production premises, including factory space required for the establishment of production lines; (b) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for the procurement of production equipment for the overseas facility; and (c) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for supporting fixed asset investments.

We anticipate using approximately [REDACTED]% of the [REDACTED] allocated for the aforementioned purposes within 24 months following the [REDACTED].

FUTURE PLANS AND [REDACTED]

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our R&D capabilities. The primary uses of funds in this category include:
 - Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to iterative upgrades of our core technologies, including BMS, PCS, and EMS. We intend to continue the ongoing development and enhancement of our technology through targeted investments in R&D talent and infrastructure. Of the total allocation in this regard: (a) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for BMS R&D, including the recruitment of additional senior engineers to support BMS upgrades and iterative development across different product lines within our energy storage systems, procurement of specialized testing equipment and software, and daily R&D expenditures; (b) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for PCS R&D, including recruitment of additional senior engineers specializing in PCS development, as well as the procurement of specialized testing and simulation equipment; and (c) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for EMS R&D, including recruitment of additional senior software engineers to enhance EMS capabilities across different business scenarios, procurement of specialized software, and daily R&D expenditures.
 - Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to the construction of a dedicated R&D and testing center. Our R&D facilities are currently located in our Shenzhen headquarters and Chengdu R&D base. We intend to establish a dedicated R&D and testing center at our Changzhou facility to centralize and enhance our product validation and testing capabilities. Of the total allocation to the R&D and testing center: (a) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for the expansion of our R&D testing team; (b) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for site construction and renovation of the testing center at our Changzhou facility; and (c) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for the procurement of testing equipment.
 - Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to the R&D of an AI-powered energy trading platform, enabling customers to maximize economic returns from their energy storage investments. Of the total allocation to the AI-powered energy trading platform: (a) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used to assemble a core R&D team, including the recruitment of additional AI software system developers specializing energy trading platform development; and (b) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for the development and iteration of the trading platform system, including the procurement of professional R&D software and the ongoing development and enhancement of the platform.

We anticipate using approximately [REDACTED]% of the [REDACTED] allocated for the aforementioned purposes within 24 months following the [REDACTED].

FUTURE PLANS AND [REDACTED]

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for the construction and upgrade of our marketing and after-sales service network. As we employ a direct sales model, we believe that it is of fundamental importance for us to continue strengthening our internal sales and marketing capabilities. The primary uses of funds in this category include:
 - Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to marketing and business development activities. Of the total allocation to marketing and business development activities: (a) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for participation in industry exhibitions and local reference workshops; (b) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for digital marketing and advertising campaigns on professional industry websites and streaming media platforms to enhance our online marketing presence; and (c) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for participation in industry forums and conferences, as well as brand and marketing strategy planning to strengthen our overall brand awareness and marketing effectiveness.
 - Approximately [REDACTED]%, or HK\$[REDACTED], will be allocated to the expansion of our sales, marketing, and after-sales service capabilities. Of the total allocation to the expansion of our sales and after-sales capabilities: (a) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for the establishment of regional marketing centers and after-sales service centers overseas, to provide localized support coverage for customer projects; and (b) approximately [REDACTED]%, or HK\$[REDACTED], of the total [REDACTED] will be used for the recruitment of additional sales and after-sales personnel, including senior sales personnel and professional after-sales support engineers, to reinforce our localized service capabilities and maintain the high level of customer responsiveness and technical support.

We anticipate using approximately [REDACTED]% of the [REDACTED] allocated for the aforementioned purposes within 24 months following the [REDACTED].

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes. These funds will be utilized to support our daily operations, covering operational needs such as business expansion, administrative expenses, and cost advances, with a view to optimizing cash flow stability.

In the event that the [REDACTED] is fixed at a higher or lower level compared to the midpoint of the range of the [REDACTED] stated in this document, we expect that the [REDACTED] from the [REDACTED] will be allocated to the above purposes on a pro rata basis.

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we plan to deposit such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

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[REDACTED]

[REDACTED]

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[REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report received from the Company’s reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

Shenzhen Cubenergy Co., Ltd.

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN CUBENERGY CO., LTD AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Shenzhen Cubenergy Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages [I-3] to [I-67], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages [I-3] to [I-67] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the “Document”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

APPENDIX I

ACCOUNTANTS’ REPORT

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [3] have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[•]

Certified Public Accountants

Hong Kong

[•]

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APPENDIX I**ACCOUNTANTS’ REPORT**

I HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
REVENUE	5	451,458	494,016	702,706
Cost of sales		<u>(348,239)</u>	<u>(362,141)</u>	<u>(522,187)</u>
Gross profit		<u>103,219</u>	<u>131,875</u>	<u>180,519</u>
Other income and gains	5	15,803	15,902	17,752
Selling and marketing expenses		(25,763)	(32,520)	(45,410)
Administrative expenses		(39,058)	(31,276)	(38,457)
Research and development expenses		(33,783)	(37,410)	(42,039)
Impairment losses on financial assets, net		(2,352)	(7,273)	(5,667)
Other expenses		(425)	(162)	(70)
Finance costs	7	<u>(5,230)</u>	<u>(6,260)</u>	<u>(6,827)</u>
PROFIT BEFORE TAX	6	12,411	32,876	59,801
Income tax (expense)/benefit	10	<u>(80)</u>	<u>294</u>	<u>(5,989)</u>
PROFIT FOR THE YEAR		<u>12,331</u>	<u>33,170</u>	<u>53,812</u>
Attributable to:				
Owners of the parent		12,331	33,170	54,629
Non-controlling interests		<u>—</u>	<u>—</u>	<u>(817)</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	12	<u>0.04</u>	<u>0.11</u>	<u>0.18</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PROFIT FOR THE YEAR	12,331	33,170	53,812
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(11)	14	24
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(11)	14	24
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:	—	—	1
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	—	—	1
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	(11)	14	25
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	12,320	33,184	53,837
Attributable to:			
Owners of the parent	12,320	33,184	54,654
Non-controlling interests	—	—	(817)

For the details of pre-[REDACTED] investments, please refer to note 32 to this report.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	34,088	43,616	115,440
Right-of-use assets	14(a)	124,461	111,536	128,124
Intangible assets	15	2,664	2,174	2,304
Deferred tax assets	18	12,528	26,118	23,701
Financial assets at fair value through other comprehensive income	17	—	2,700	2,701
Trade and bills receivables	22	—	—	6,098
Prepayments, other receivables and other assets	19	9,082	18,821	8,573
Contract assets	23	4,720	6,593	5,095
Certificates of deposit	25	95,702	140,245	51,261
Restricted bank deposits	25	68	68	—
Total non-current assets		283,313	351,871	343,297
CURRENT ASSETS				
Inventories	21	225,853	264,320	400,340
Trade and bills receivables	22	31,620	130,747	151,793
Contract assets	23	3,518	5,306	802
Prepayments, other receivables and other assets	19	73,717	100,505	88,139
Prepaid income tax	20	15	—	2,178
Financial assets at fair value through profit or loss	24	—	312	1,271
Financial assets at fair value through other comprehensive income	17	3,005	—	—
Certificates of deposit	25	—	—	123,205
Restricted bank deposits	25	83,050	49,536	80,795
Cash and cash equivalents	25	89,100	93,063	148,512
Total current assets		509,878	643,789	997,035
CURRENT LIABILITIES				
Trade and bills payables	26	161,324	155,017	318,602
Contract liabilities	27	125,635	170,835	246,739
Other payables and accruals	28	19,255	11,715	35,789
Deferred income	31	—	—	1,860
Interest-bearing bank borrowings	29	49,037	45,482	20,061
Lease liabilities	14(b)	10,578	12,984	12,507
Provision	30	4,903	6,117	8,363
Tax payable		1,334	3,291	1,605
Total current liabilities		372,066	405,441	645,526
NET CURRENT ASSETS		137,812	238,348	351,509
TOTAL ASSETS LESS CURRENT LIABILITIES		421,125	590,219	694,806

APPENDIX I

ACCOUNTANTS’ REPORT

		31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Lease liabilities	14(b)	119,302	108,579	99,310
Contract liabilities	27	—	—	4,910
Deferred income	31	930	930	—
Other payables and accruals	28	—	—	39,744
Provision	30	5,664	5,669	6,509
Total non-current liabilities		125,896	115,178	150,473
Net assets		295,229	475,041	544,333
EQUITY				
Equity attributable to owners of the parent				
Share capital	32	57,395	61,413	61,413
Reserves	33	237,834	413,628	483,737
Non-controlling interests		—	—	(817)
Total equity		295,229	475,041	544,333

For the details of pre-[REDACTED] investments, please refer to note 32 to this report.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent						Total equity
	Share capital	Paid in capital	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Retained earnings/ (accumulated losses)	
	RMB'000 (note 32)	RMB'000 (note 32)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000
At 1 January 2023	—	57,395	226,593	14,100	1,596	(36,914)	262,770
Profit for the year	—	—	—	—	—	12,331	12,331
Exchange differences on translation of foreign operations	—	—	—	—	—	—	(11)
Total comprehensive income for the year	—	—	—	—	—	12,331	12,320
Share-based payment expenses (note 34)	—	—	—	20,139	—	—	20,139
Cancellation of restricted shares	—	—	9,091	(9,091)	—	—	—
Conversion of the Company into a joint stock company	57,395	(57,395)	(4,506)	—	(1,596)	6,102	—
Transfer from retained profits	—	—	—	—	4,324	(4,324)	—
At 31 December 2023	57,395	—	231,178*	25,148*	4,324*	(22,805)*	295,229

Year ended 31 December 2024

	Attributable to owners of the parent						Total equity
	Share capital	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Retained earnings/ (accumulated losses)	Exchange fluctuation reserve	
	RMB'000 (note 32)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000	RMB'000 (note 33)	RMB'000
At 1 January 2024	57,395	231,178	25,148	4,324	(22,805)	(11)	295,229
Profit for the year	—	—	—	—	33,170	—	33,170
Exchange differences on translation of foreign operations	—	—	—	—	—	14	14
Total comprehensive income for the year	—	—	—	—	33,170	14	33,184
Share-based payment expenses (note 34)	—	—	10,393	—	—	—	10,393
Capital contribution by shareholders (note 32)	4,018	132,217	—	—	—	—	136,235
Transfer from retained profits	—	—	—	7,700	(7,700)	—	—
At 31 December 2024	61,413	363,395*	35,541*	12,024*	2,665*	3*	475,041

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APPENDIX I

ACCOUNTANTS’ REPORT

Year ended 31 December 2025

	Attributable to owners of the parent								Non-controlling interests	Total equity
	Share capital	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained earnings/(accumulated losses)	Exchange fluctuation reserve	Total		
	RMB'000 (note 32)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000	RMB'000 (note 33)	RMB'000	RMB'000	RMB'000
At 1 January 2025	61,413	363,395	35,541	12,024	—	2,665	3	475,041	—	475,041
Profit for the year	—	—	—	—	—	54,629	—	54,629	(817)	53,812
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	—	1	—	—	1	—	1
Exchange differences on translation of foreign operations	—	—	—	—	—	—	24	24	—	24
Total comprehensive income for the year	—	—	—	—	1	54,629	24	54,654	(817)	53,837
Share-based payment expenses (note 34)	—	—	15,455	—	—	—	—	15,455	—	15,455
Cancellation of restricted shares	—	390	(390)	—	—	—	—	—	—	—
Transfer from retained profits	—	—	—	3,007	—	(3,007)	—	—	—	—
At 31 December 2025	61,413	363,785*	50,606*	15,031*	1*	54,287*	27*	545,150	(817)	544,333

* These reserve accounts comprise the consolidated reserves of RMB237,834,000, RMB413,628,000 and RMB483,737,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		12,411	32,876	59,801
Adjustments for:				
Finance costs	7	5,230	6,260	6,827
Interest income	5	(2,279)	(4,307)	(5,479)
Fair value gains from financial assets at fair value through profit or loss, net	6	—	(4)	(1)
Investment (income)/loss from financial assets at fair value through profit or loss	6	(942)	62	(361)
Loss/(gains) on disposal of items of property, plant and equipment	6	140	92	(6)
Gains on early termination of lease arrangements	6	(44)	—	—
Depreciation of property, plant and equipment	6	5,148	6,912	11,174
Depreciation of right-of-use assets	6	15,580	15,792	16,665
Amortisation of intangible assets	6	508	870	1,093
Impairment of trade receivables, net	6	1,175	6,446	5,578
Impairment/(reversal of impairment) of other receivables, net	6	176	(20)	39
Impairment of contract assets, net	6	1,001	847	50
Impairment of prepayments, net	6	—	—	17
Write-down of inventories to net realisable value	6	3,740	5,273	3,894
Share-based payment expenses	34	20,139	10,393	15,455
		61,983	81,492	114,746
Decrease/(increase) in inventories		8,368	(43,740)	(139,914)
Decrease/(increase) in restricted bank deposits		150,095	43,648	(21,325)
Decrease/(increase) in trade and bills receivables		59,028	(106,509)	(35,248)
(Increase)/decrease in contract assets		(4,033)	(4,508)	5,952
(Increase)/decrease in prepayments, other receivables and other assets		(41,788)	(24,952)	16,020
Decrease in financial assets at fair value through other comprehensive income		(3,005)	3,005	—
Increase in contract liabilities		83,707	45,200	80,814
(Decrease)/increase in trade and bills payables		(137,764)	(10,264)	153,566
(Decrease)/increase in other payables and accruals		(2,323)	(7,719)	16,488
Increase in deferred income		930	—	930
Increase in provision		2,268	1,219	3,086
Cash generated from/(used in) operations		177,466	(23,128)	195,115
Interest received		1,806	1,327	1,507
Income tax paid		(6,780)	(11,324)	(7,436)
Net cash flows from/(used in) operating activities		172,492	(33,125)	189,186

APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Net cash flows from/(used in) operating activities		172,492	(33,125)	189,186
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received		71	34	—
Additions of financial assets at fair value through profit or loss		(355,500)	(434,158)	(186,560)
Additions of financial assets through other comprehensive income		—	(2,700)	—
Additions to certificates of deposit		(125,640)	(61,597)	(30,249)
Purchases of items of property, plant and equipment		(22,225)	(13,956)	(29,156)
Purchases of intangible assets		(1,838)	(402)	(1,292)
Purchases of leasehold land		—	—	(20,594)
Proceeds from disposal of items of property, plant and equipment		4	7	141
Proceeds from disposal of financial assets at fair value through profit or loss		356,442	433,788	185,964
Proceeds from maturity of certificates of deposit		30,339	20,000	—
Increase in restricted bank deposits		—	—	(20,000)
Increase in prepayment for leasehold land		—	(9,981)	—
Net cash flows used in investing activities		<u>(118,347)</u>	<u>(68,965)</u>	<u>(101,746)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank borrowings	35(b)	68,000	45,428	135,237
Repayment of bank borrowings	35(b)	(25,160)	(49,000)	(160,711)
Interest paid	35(b)	(5,200)	(6,243)	(6,774)
Principal portion of lease payments	35(b)	(11,936)	(11,181)	(12,427)
Capital contribution by shareholders		—	140,000	—
Share issue expenses paid		—	(3,765)	—
(Increase)/decrease in restricted bank deposits		—	(10,134)	10,134
Net cash flows from/(used in) financing activities		<u>25,704</u>	<u>105,105</u>	<u>(34,541)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		79,849	3,015	52,899
Cash and cash equivalents at beginning of year		9,237	89,100	93,063
Effect of foreign exchange rate changes, net		<u>14</u>	<u>948</u>	<u>2,550</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>89,100</u></u>	<u><u>93,063</u></u>	<u><u>148,512</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	25	79,595	48,226	131,966
Non-pledged time deposits with original maturity of less than three months when acquired	25	<u>9,505</u>	<u>44,837</u>	<u>16,546</u>
Cash and cash equivalents as stated in the statement of financial position and statement of cash flows		<u><u>89,100</u></u>	<u><u>93,063</u></u>	<u><u>148,512</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	15,810	27,197	32,234
Right-of-use assets	14(a)	4,419	3,497	4,566
Intangible assets	15	2,664	2,204	2,247
Investments in subsidiaries	16	29,035	36,094	76,804
Deferred tax assets	18	3,665	5,765	5,147
Financial assets at fair value through other comprehensive income	17	—	2,700	2,701
Prepayments, other receivables and other assets	19	2,329	452	780
Contract assets	23	4,720	6,593	5,095
Certificates of deposit	25	95,702	140,245	51,261
Restricted bank deposits	25	68	68	—
Total non-current assets		158,412	224,815	180,835
CURRENT ASSETS				
Inventories	21	163,934	53,507	196,476
Trade and bills receivables	22	169,300	385,038	370,051
Contract assets	23	3,518	5,306	802
Prepayments, other receivables and other assets	19	53,764	20,800	120,217
Prepaid income tax	20	—	—	2,178
Financial assets at fair value through other comprehensive income	17	3,005	—	—
Certificates of deposit	25	—	—	123,205
Restricted bank deposits	25	83,050	49,536	80,795
Cash and cash equivalents	25	71,262	45,818	111,638
Total current assets		547,833	560,005	1,005,362
CURRENT LIABILITIES				
Trade and bills payables	26	157,063	184,351	330,701
Contract liabilities	27	99,012	9,112	182,406
Other payables and accruals	28	57,222	24,163	44,959
Deferred income	31	—	—	1,860
Interest-bearing bank borrowings	29	49,037	—	10,107
Lease liabilities	14(b)	2,345	2,843	1,942
Provision	30	4,903	5,964	7,616
Tax payable		1,129	2,468	—
Total current liabilities		370,711	228,901	579,591
NET CURRENT ASSETS		177,122	331,104	425,771
TOTAL ASSETS LESS CURRENT LIABILITIES		335,534	555,919	606,606

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APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Notes</i>	31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>335,534</u>	<u>555,919</u>	<u>606,606</u>
NON-CURRENT LIABILITIES				
Lease liabilities	14(b)	2,308	926	2,717
Deferred income	31	930	930	—
Contract liabilities	27	—	—	4,910
Provision	30	<u>5,540</u>	<u>3,679</u>	<u>3,071</u>
Total non-current liabilities		<u>8,778</u>	<u>5,535</u>	<u>10,698</u>
Net assets		<u>326,756</u>	<u>550,384</u>	<u>595,908</u>
EQUITY				
Share capital	32	57,395	61,413	61,413
Reserves	33	<u>269,361</u>	<u>488,971</u>	<u>534,495</u>
Total equity		<u>326,756</u>	<u>550,384</u>	<u>595,908</u>

APPENDIX I

ACCOUNTANTS’ REPORT

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company established in the People’s Republic of China (the “PRC”) on 17 October 2014, which was converted into a joint stock company in May 2023. The registered office address of the Company is 2nd Floor, Building 2, Tongchan New Material Industrial Park, No. 28, Langshan Road, Songpingshan Community, Xili Subdistrict, Nanshan District, Shenzhen City, PRC.

During the Relevant Periods, the Company and its subsidiaries (together, the “Group”) were involved in the research and development (“R&D”), manufacture, marketing and sale of battery energy storage system (“BESS”).

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all(or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong)of which are private limited liability companies, the particulars of the principal subsidiaries are set out below:

Name*	Notes	Place and date of incorporation/ registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Dongguan Cubenergy Technology Co., Ltd. (“東莞庫博能源科技有限公司”)	(c)	2 April 2019 PRC/Chinese mainland	RMB1,000,000	100%	—	Sales of BESS
Dongguan Liye New Energy Co., Ltd. (“東莞利業新能源有限公司”)	(c)	26 July 2022 PRC/Chinese mainland	RMB10,000,000	100%	—	Manufacturing and sales of BESS
Sichuan Qingrong Cubenergy Technology Co., Ltd. (“四川清蓉庫博能源科技有限公司”)	(c)	16 May 2017 PRC/Chinese mainland	RMB10,000,000	100%	—	R&D of BESS
Shenzhen Cubenergy New Energy Co., Ltd. (“深圳庫博新能源有限公司”)	(c)	3 March 2017 PRC/Chinese mainland	RMB10,000,000	100%	—	Sales of BESS
Cubenergy (Hong Kong) Limited (“香港庫博能源有限公司”)	(a)	16 June 2023/ Hong Kong	HKD10,000	100%	—	Sales of BESS
Changzhou Cubenergy Liye New Energy Co., Ltd. (“常州庫博利業新能源有限公司”)	(c)	14 September 2023 PRC/ Chinese mainland	RMB50,000,000	100%	—	Manufacturing and sales of BESS
Paneco Cubenergy (HongKong) Limited (“香港百年科庫博有限公司”)	(b)	15 April 2024/ Hong Kong	HKD10,000	—	60%	Sales of BESS

* The English names of the companies registered in the PRC represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

Notes:

- (a) The statutory financial statements of the entity for the years ended 31 December 2023 and 2024, prepared in accordance with Hong Kong Financial Reporting Standard for Private Entities issued by the HKICPA were audited by AYC CPA Limited, registered in Hong Kong. The statutory financial statements of the entity for the year ended 31 December 2025 have not been issued.
- (b) The statutory financial statements of the entity for the years ended 31 December 2024 and 2025, prepared in accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the HKICPA, were audited by NOVEL SUCCESS CPA LIMITED, registered in Hong Kong.
- (c) No audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024 and 2025, as the entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.

APPENDIX I

ACCOUNTANTS’ REPORT

2.1 BASIS OF PREPARATION

For ordinary shares issued to pre-[REDACTED] investors, pursuant to the supplemental agreements entered into between the Company and the pre-[REDACTED] investors in relation to the termination of redemption rights granted by the Company, which are void ab initio as described in note 32 to this report, having taken into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-[REDACTED] investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 32 of this report.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information.

The Historical Financial Information has been prepared under the historical cost convention except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial information of the subsidiaries is prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
Annual Improvements to IFRS Accounting Standards — Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7¹</i>

APPENDIX I

ACCOUNTANTS’ REPORT

- ¹ Effective for annual periods beginning on or after 1 January 2026
- ² Effective for annual/reporting periods beginning on or after 1 January 2027
- ³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon [REDACTED]. So far, the Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies but are unlikely to have a significant impact on the Group’s financial performance and financial position in the period of [REDACTED]. The application of IFRS 18 is not expected to have a material impact on the consolidated financial position of the Group but is expected to affect the presentation of the consolidated statements of profit or loss and statements of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group’s financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

APPENDIX I

ACCOUNTANTS’ REPORT

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Plant and machinery	9.00% to 31.67%
Motor vehicles	24.00%
Furniture and fixtures	19.00% to 33.33%
Leasehold improvements	20.00% to 33.33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful

APPENDIX I

ACCOUNTANTS’ REPORT

economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with definite useful lives are amortised on the straight-line basis over the following useful economic lives:

Software

Shorter of remaining service terms and estimated useful lives

Research and development expenses

All research expenses are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Properties

2 to 10 years

Leasehold land

50 years

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

APPENDIX I

ACCOUNTANTS’ REPORT

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

APPENDIX I

ACCOUNTANTS’ REPORT

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity’s own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

APPENDIX I

ACCOUNTANTS’ REPORT

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (Trade and bills payables and other payables, and borrowings)

After initial recognition, trade and bills payables, other payables and accruals, and interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides a certain period of warranty service for the BESS products and solutions sold, generally within 5 years. Provisions for these assurance-type warranties granted by the Group are recognised based on historical maintenance expenses incurred. The provision for assurance-type warranties is set out in note 30 to the Historical Financial Information.

The Group also provides operation and maintenance services for a specific period (normally 5 to 10 years) as stipulated in the same contract. These operation and maintenance services are provided to maintain and improve the effectiveness of the BESS products and solutions and therefore are accounted for as a separate performance obligation. Revenue from the provision of operation and maintenance services is deferred and recognised over the service period. A contract liability is recognised for advances from the customers in which revenue has not yet been recognised.

APPENDIX I

ACCOUNTANTS’ REPORT

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

APPENDIX I

ACCOUNTANTS’ REPORT

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) BESS business

Revenue from the BESS business primarily arises from the sale of BESS products and delivery of integrated BESS solutions.

(i) BESS products

Revenue from BESS products is recognised at the point in time when control of the asset is transferred to the customer. For domestic sales, revenue is recognised upon delivery and acceptance by customer. For overseas sales, revenue is recognised at the point stipulated by the international trade terms, delivered to the customer’s designated place, and transferred the risks of obsolescence and loss to the customer.

(ii) BESS solutions

BESS solutions involve the design, research and development, production, and sale of BESS along with related services, these services are sold bundled together with the sale of BESS products to a customer. All these services or products are significantly customised or modify the industrial products and interrelated with each other and represent multiple inputs to a combined output that is transferred to the customer.

Contracts for BESS solutions, including design, research and development, production, and sale of BESS along with related services, are regarded as a single performance obligation because the promises to transfer the industrial products and provide related services are not distinct and can only be identified as a performance obligation.

Revenue from BESS solutions is recognised at the point in time when the control of such combination is transferred to the customer, typically upon acceptance following product delivery and the provision of related services.

(b) Others

Revenue from other sources, mainly including operation and maintenance services, is recognised over the scheduled period on a time proportion basis because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from spare parts is recognised at a point in time when control of the asset is transferred to the customer, typically upon delivery of the spare parts and acceptance by domestic customers or in accordance with international trade terms with foreign customers.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Group operates share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”).

APPENDIX I

ACCOUNTANTS’ REPORT

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value of restricted shares (“RSUs”) granted refers to the fair value of the underlying ordinary shares. Further details are included in note 34 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Group’s subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

For overseas subsidiaries, the Group pays fixed contributions into a local separate fund, which is responsible for paying pensions and other post-retirement benefits to the retired employees. The amounts under the defined contribution plans are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to profit or loss for the current period.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary

APPENDIX I

ACCOUNTANTS’ REPORT

assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group’s historical observed loss rates and with reference to the expected loss rates of comparable peer companies. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., World Real GDP Growth) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical loss rates are adjusted. At each reporting date, the historical observed loss rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables and contract assets are disclosed in note 22 and note 23 to the Historical Financial Information, respectively.

Write-down of inventories to net realisable value

The net realisable value of inventories is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. These estimates, based on the current market conditions and the historical experience in selling goods of a similar nature, include but are not limited to economic outlook, sales forecasts and the forecast market value for the inventory items. They could change significantly as a result of changes in market conditions. The Group reassesses these estimates at the end of each reporting period. The carrying amount of inventories is given in note 21 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

4. OPERATING SEGMENT INFORMATION

The Group manages its business as a whole for the purpose of making decisions on resource allocation and performance assessment, and therefore, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese mainland	84,294	230,458	85,041
Europe	110,670	243,054	609,119
Asia Pacific (excluding Chinese mainland)	233,198	2,726	2,891
Other countries/regions	23,296	17,778	5,655
Total	451,458	494,016	702,706

The revenue information above is based on the locations of the project.

(b) Non-current assets

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese mainland	165,933	163,089	250,461
Other countries/regions	—	830	502
Total non-current assets	165,933	163,919	250,963

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue from each of the major customers, which accounted for 10% or more of the Group’s revenue during the Relevant Periods, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	209,519	*	*
Customer B	*	76,831	*
Customer C	*	60,918	*
Customer D	*	51,572	*
Customer E	*	*	160,263

* The corresponding revenue from the customers is not disclosed as the revenue individually did not account for 10% or more of the Group’s revenue during the respective period.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	451,458	494,016	702,706
Total	451,458	494,016	702,706

APPENDIX I

ACCOUNTANTS’ REPORT

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of goods or services			
BESS business	445,849	488,258	694,856
Others	5,609	5,758	7,850
Total	451,458	494,016	702,706
Timing of revenue recognition			
Services transferred overtime	3,877	2,253	1,867
Services or Goods transferred at a point in time	447,581	491,763	700,839
Total	451,458	494,016	702,706

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of the respective periods (The balance of contract liabilities as of December 31, 2022 is RMB41,928,000):

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the year:			
Sale of products	41,928	125,635	170,835
Total	41,928	125,635	170,835

(b) Performance obligations

Information about the Group’s performance obligations is summarised below:

BESS business

(i) BESS products

The performance obligation is satisfied upon delivery and acceptance by domestic customers or international trade terms with foreign customers. Payment is billed in accordance with the payment schedules set out in the contracts.

(ii) BESS solutions

The performance obligation is satisfied upon construction and final client’s acceptance, and payment is billed in accordance with the payment schedules set out in the contracts.

Others

The performance obligation of operation and maintenance services is satisfied over time as services are rendered. Management service contracts are for periods of one year or less and are billed based on the time incurred. The performance obligation of sales of spare parts is satisfied upon acceptance by domestic customers or upon the international trade terms with foreign customers. Advances are normally required before delivery.

APPENDIX I

ACCOUNTANTS’ REPORT

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other income			
Interest income	2,279	4,307	5,479
Value added tax refund	4,821	6,530	8,029
Government grants*	7,409	2,265	1,780
Investment income from financial assets at fair value through profit or loss	942	—	361
Others	308	199	336
Total other income	15,759	13,301	15,985
Gains			
Fair value gains on financial assets at fair value through profit or loss	—	4	1
Gains on disposal of property, plant and equipment	—	—	6
Gains on early termination of lease arrangements	44	—	—
Foreign exchange differences, net	—	2,597	1,760
Total gains	44	2,601	1,767
Total other income and gains	15,803	15,902	17,752

* Government grants have been received from local government authorities as subsidies and compensates for research and development to the Group. There were no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

The Group’s profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold*		348,088	361,964	521,937
Cost of services provided		151	177	250
Depreciation of property, plant and equipment**	13	5,148	6,912	11,174
Depreciation of right-of-use assets**	14(a)	15,580	15,792	16,665
Amortisation of intangible assets**	15	508	870	1,093
Research and development expenses		33,783	37,410	42,039
Lease payments not included in the measurement of lease liabilities		124	412	327
Auditor’s remuneration		637	141	124
Employee benefit expenses (excluding directors’ and supervisors’ remuneration (note 8)):				
Salaries, allowances and benefits in kind		50,506	51,253	65,690
Share-based payment expenses		19,842	10,255	15,278
Pension scheme contributions		2,070	3,129	3,526
Total		72,418	64,637	84,494

APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Foreign exchange differences, net***		231	(2,597)	(1,760)
Impairment losses on financial assets, net:				
Impairment of trade receivables, net	22	1,175	6,446	5,578
Impairment of contract assets, net	23	1,001	847	50
Impairment/(reversal of impairment) of other receivables, net	19	176	(20)	39
Impairment of prepayments, net	19	—	—	17
Write-down of inventories to net realisable value*		3,740	5,273	3,894
Product warranty provision*	30	6,676	7,336	10,512
Fair value gains on financial assets at fair value through profit or loss***	5	—	(4)	(1)
Investment (income)/loss from financial assets at fair value through profit or loss***		(942)	62	(361)
Loss/(gains) on disposal of items of property, plant and equipment, net***		140	92	(6)
Gains on early termination of lease arrangements, net***	5	(44)	—	—

* The amounts disclosed for cost of inventories sold include the write-down of inventories to net realisable value and product warranty provision.

** The depreciation of property, plant and equipment, depreciation of right-of-use assets, and amortisation of intangible assets are included in “Cost of sales”, “Selling and marketing expenses”, “Administrative expenses”, and “Research and development expenses” in profit or loss.

*** The Foreign exchange differences, Fair value gains on financial assets at fair value through profit or loss, Investment (income)/loss from financial assets at fair value through profit or loss, loss/gains on disposal of items of property, plant and equipment and gains on early termination of lease arrangements are included in “Other income and gains” and “Other expenses” in profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank loans	272	78	426
Interest on discounted notes	—	55	707
Interest on lease liabilities	4,958	6,127	5,594
Interest on discounted letter of credit	—	—	100
Total	5,230	6,260	6,827

8. DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVE’S REMUNERATION

The remuneration of each director and supervisor and the chief executive as recorded during the Relevant Periods is set out below:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fees	120	180	180
Other emoluments:			
Salaries, allowances and benefits in kind	3,152	3,286	2,778
Performance related bonus	633	—	272
Share-based payment expenses	297	138	177
Pension scheme contributions	107	134	150
Subtotal	4,189	3,558	3,377
Total	4,309	3,738	3,557

APPENDIX I

ACCOUNTANTS’ REPORT

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Ms. Chen Yan	(i)	40	60	60
Mr. Chen Yu	(ii)	40	60	60
Mr. Kang Xiaoning	(iii)	40	60	60
Total		120	180	180

Notes:

- (i) Ms. Chen Yan was appointed as an independent non-executive director of the Company with effect from 21 April 2023.
- (ii) Mr. Chen Yu was appointed as an independent non-executive director of the Company with effect from 21 April 2023.
- (iii) Mr. Kang Xiaoning was appointed as an independent non-executive director of the Company with effect from 21 April 2023.

(b) Executive directors, supervisors and the chief executive

Year ended 31 December 2023

	Notes	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Share-based payment expenses	Pension scheme contributions	Total remuneration
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:							
Mr. Men Kun	(i)	—	640	144	—	21	805
Mr. Wu Junyang	(ii)	—	701	144	—	18	863
Mr. Xu Bin	(iii)	—	694	144	—	18	856
Mr. Qian Cheng	(iv)	—	152	—	—	4	156
Mr. Zhang Shaolin	(v)	—	—	—	—	—	—
Mr. Liu Bin	(vi)	—	—	—	—	—	—
Mr. Chen Nan	(vii)	—	—	—	—	—	—
Mr. Han Yangyang	(viii)	—	—	—	—	—	—
Subtotal		—	2,187	432	—	61	2,680
Supervisors:							
Mr. Wu Zhong hong	(ix)	—	531	113	—	18	662
Mr. Shang Jinlai	(x)	—	274	—	183	14	471
Ms. Liu Huili	(xi)	—	160	88	114	14	376
Subtotal		—	965	201	297	46	1,509
Total		—	3,152	633	297	107	4,189

APPENDIX I

ACCOUNTANTS’ REPORT

Year ended 31 December 2024

	Notes	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonus RMB'000	Share-based payment expenses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:							
Mr. Men Kun	(i)	—	711	—	—	23	734
Mr. Wu Junyang	(ii)	—	865	—	—	33	898
Mr. Xu Bin	(iii)	—	857	—	—	33	890
Mr. Zhang Shaolin	(v)	—	—	—	—	—	—
Mr. Chen Nan	(vii)	—	—	—	—	—	—
Mr. Han Yangyang	(viii)	—	—	—	—	—	—
Mr. Zhao Liang	(xii)	—	—	—	—	—	—
Subtotal		—	2,433	—	—	89	2,522
Supervisors:							
Mr. Wu Zhonghong	(ix)	—	558	—	—	23	581
Mr. Shang Jinlai	(x)	—	65	—	—	3	68
Ms. Liu Huili	(xi)	—	230	—	138	19	387
Mr. Wei Wei	(xiii)	—	—	—	—	—	—
Subtotal		—	853	—	138	45	1,036
Total		—	3,286	—	138	134	3,558

Year ended 31 December 2025

	Notes	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonus RMB'000	Share-based payment expenses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:							
Mr. Men Kun	(i)	—	702	57	—	24	783
Mr. Wu Junyang	(ii)	—	645	57	—	41	743
Mr. Xu Bin	(iii)	—	637	57	—	41	735
Mr. Chen Nan	(vii)	—	—	—	—	—	—
Mr. Han Yangyang	(viii)	—	—	—	—	—	—
Mr. Zhao Liang	(xii)	—	—	—	—	—	—
Subtotal		—	1,984	171	—	106	2,261
Supervisors:							
Mr. Wu Zhonghong	(ix)	—	558	45	—	24	627
Ms. Liu Huili	(xi)	—	236	56	177	20	489
Mr. Wei Wei	(xiii)	—	—	—	—	—	—
Mr. Ying Ninggang	(xvi)	—	—	—	—	—	—
Subtotal		—	794	101	177	44	1,116
Total		—	2,778	272	177	150	3,377

There was no arrangement under which directors, supervisors or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

During the Relevant Periods, the Company’s shares were granted to certain directors through share incentive platforms, further details of which are set out in note 34 to the Historical Financial Information. The fair values of such awards, which have been recognised in profit or loss over the vesting periods, were determined as at the dates of grant and the amounts included in the Historical Financial Information for the Relevant Periods are included in the above directors’, supervisors’ and chief executive’s remuneration disclosures.

Notes:

- (i) Mr. Men Kun was appointed as an executive director and the chairman of the board of directors of the Company with effect from 28 August 2018.
- (ii) Mr. Wu Junyang was appointed as an executive director and the chief executive officer of the Company with effect from 17 October 2014.

APPENDIX I

ACCOUNTANTS’ REPORT

- (iii) Mr. Xu Bin was appointed as an executive director of the Company with effect from 28 August 2018.
- (iv) Mr. Qian Cheng was appointed as an executive director of the Company with effect from 7 June 2022 and resigned on 17 April 2023.
- (v) Mr. Zhang Shaolin was appointed as an executive director of the Company with effect from 28 August 2018 and resigned on 15 April 2024.
- (vi) Mr. Liu Bin was appointed as an executive director of the Company with effect from 22 August 2019 and resigned on 17 April 2023.
- (vii) Mr. Chen Nan was appointed as an executive director of the Company with effect from 21 April 2023 and resigned on 23 March 2026.
- (viii) Mr. Han Yangyang was appointed as an executive director of the Company with effect from 7 June 2022 and resigned on 23 January 2026.
- (ix) Mr. Wu Zhonghong was appointed as the chairman of the board of supervisors with effect from 21 April 2023.
- (x) Mr. Shang Jinlai was appointed as a supervisor of the Company with effect from 21 April 2023 and resigned on 29 January 2024.
- (xi) Ms. Liu Huili was appointed as a supervisor of the Company with effect from 17 April 2023.
- (xii) Mr. Zhao Liang was appointed as a non-executive director of the Company with effect from 14 June 2024.
- (xiii) Mr. Wei Wei was appointed as a supervisor of the Company with effect from 29 January 2024 and resigned on 27 June 2025.
- (xiv) Mr. Ying Ningkang was appointed as a supervisor of the Company with effect from 27 June 2025.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024 and 2025 included 5, 5, and 5 employees who were neither a director nor a supervisor of the Group, respectively, details of whose remuneration are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	2,583	3,596	4,059
Performance related bonus	1,120	1,620	1,522
Share-based payment expenses	11,959	3,816	6,971
Pension scheme contributions	81	81	87
Total	15,743	9,113	12,639

The numbers of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands are as follows:

	Number of employees		
	Year ended 31 December		
	2023	2024	2025
HKD1,500,001 to HKD2,000,000	3	2	—
HKD2,000,001 to HKD2,500,000	1	3	3
HKD2,500,001 to HKD3,000,000	—	—	1
HKD4,000,001 to HKD4,500,000	—	—	1
HKD9,500,001 to HKD10,000,000	1	—	—
Total	5	5	5

During the Relevant Periods, the Company’s shares were granted to qualified non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 34 to the Historical Financial Information. The fair value of such shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the Historical Financial Information for the Relevant Periods are included in the above non-director and non-chief executive highest paid employee’s remuneration disclosures.

APPENDIX I

ACCOUNTANTS’ REPORT

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and/or operate.

Chinese mainland

The provision for corporate income tax in Chinese mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Chinese mainland which are granted tax concessions and are taxed at preferential tax rates.

The Company was approved as a High and New Technology Enterprise and was entitled to a preferential income tax rate of 15% during the Relevant Periods. This qualification is subject to review by the relevant tax authority in the People’s Republic of China every three years.

Pursuant to Caishui [2022] No. 13 “Announcement on Further Implementing the Income Tax Preferential Policies for Small Meagre-profit Enterprises” (關於進一步實施小微企業所得稅優惠政策的公告) and Caishui [2023] No. 12 “Announcement on the Income Tax Preferential Policies for Small Meagre-profit Enterprises and Self-employed Businesses” (關於小微企業和個體工商戶所得稅優惠政策的公告), certain domestic subsidiaries within the Group are qualified as a small meagre-profit enterprise and are entitled to a preferential income tax rate of 20% on the 25% of taxable income exceeding RMB1,000,000 but less than RMB3,000,000 from 1 January 2022 to December 2023, and a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB3,000,000 from 1 January 2024 to December 2027.

Hong Kong

During the Relevant Periods, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Relevant Periods, except for Cubenergy (Hong Kong) Limited which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The income tax expense of the Group for the Relevant Periods is analysed as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current-Chinese mainland	7,879	13,296	3,144
Current-HongKong	—	—	428
Deferred income tax (note 18)	(7,799)	(13,590)	2,417
Total	80	(294)	5,989

A reconciliation of the expected income tax calculated at the preferential tax rate and profit before income tax to the actual income tax at the effective tax rate is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before tax	12,411	32,876	59,801
Tax at the statutory tax rate (25%)	3,103	8,219	14,950
Lower tax rate(s) enacted by local authority	(2,743)	(5,176)	(6,321)
Tax losses and temporary differences not recognised	366	1	377
Additional deductible research and development expenses*	(3,536)	(4,747)	(5,120)
Expenses not deductible for tax	2,902	1,483	2,221
Income not subject to tax	(12)	(74)	(118)
Tax charge/(credit) at the Group’s effective tax rate	80	(294)	5,989

* According to the Corporate Income Tax Law, the Company and its subsidiaries are entitled to an additional deduction for qualified research and development expenses from the taxable income. The additional deduction percentage is 100% from 1 January 2022 to 31 December 2027.

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

APPENDIX I

ACCOUNTANTS’ REPORT

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during the Relevant Periods.

No adjustment has been made to the basic earnings per share amounts presented for the Relevant Periods in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

The calculation of basic earnings per share is based on:

	Year ended 31 December		
	2023	2024	2025
Earnings			
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB’000)	12,331	33,170	54,629
Shares			
Weighted average number of ordinary shares outstanding during the year, used in the basic earnings per share calculation*	286,975,000	305,017,250	307,063,440

* The weighted average number of ordinary shares used for calculating basic earnings per share has been retroactively adjusted to reflect the stock split based on the division of each share into 5 shares, which took effect immediately upon [REDACTED].

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Plant and machinery RMB’000	Motor vehicles RMB’000	Furniture and fixtures RMB’000	Leasehold improvements RMB’000	Construction in progress RMB’000	Total RMB’000
31 December 2023						
At 1 January 2023						
Cost	9,102	—	2,180	1,374	10,691	23,347
Accumulated depreciation and impairment	(1,810)	—	(1,136)	(812)	—	(3,758)
Net carrying amount	7,292	—	1,044	562	10,691	19,589
At 1 January 2023, net of accumulated depreciation and impairment	7,292	—	1,044	562	10,691	19,589
Additions	3,773	1,268	1,786	4,895	5,724	17,446
Transfers from construction in progress	8,609	—	495	2,998	(12,102)	—
Transfer from inventories	2,345	—	—	—	—	2,345
Depreciation provided during the year	(1,869)	(243)	(622)	(2,414)	—	(5,148)
Disposals	(102)	—	(42)	—	—	(144)
At 31 December 2023, net of accumulated depreciation and impairment	20,048	1,025	2,661	6,041	4,313	34,088
At 31 December 2023						
Cost	23,727	1,268	4,419	9,267	4,313	42,994
Accumulated depreciation and impairment	(3,679)	(243)	(1,758)	(3,226)	—	(8,906)
Net carrying amount	20,048	1,025	2,661	6,041	4,313	34,088

APPENDIX I

ACCOUNTANTS’ REPORT

The Group

	Plant and machinery <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024						
At 1 January 2024						
Cost	23,727	1,268	4,419	9,267	4,313	42,994
Accumulated depreciation and impairment	(3,679)	(243)	(1,758)	(3,226)	—	(8,906)
Net carrying amount	<u>20,048</u>	<u>1,025</u>	<u>2,661</u>	<u>6,041</u>	<u>4,313</u>	<u>34,088</u>
At 1 January 2024, net of accumulated depreciation and impairment	20,048	1,025	2,661	6,041	4,313	34,088
Additions	4,675	106	1,098	790	5,913	12,582
Transfers from construction in progress	10,102	—	—	124	(10,226)	—
Transfer from inventories	3,957	—	—	—	—	3,957
Depreciation provided during the year	(3,627)	(317)	(1,078)	(1,890)	—	(6,912)
Disposals	(91)	—	(8)	—	—	(99)
At 31 December 2024, net of accumulated depreciation and impairment	<u>35,064</u>	<u>814</u>	<u>2,673</u>	<u>5,065</u>	<u>—</u>	<u>43,616</u>
At 31 December 2024						
Cost	42,370	1,374	5,509	10,181	—	59,434
Accumulated depreciation and impairment	(7,306)	(560)	(2,836)	(5,116)	—	(15,818)
Net carrying amount	<u>35,064</u>	<u>814</u>	<u>2,673</u>	<u>5,065</u>	<u>—</u>	<u>43,616</u>

The Group

	Plant and machinery <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2025						
At 1 January 2025						
Cost	42,370	1,374	5,509	10,181	—	59,434
Accumulated depreciation and impairment	(7,306)	(560)	(2,836)	(5,116)	—	(15,818)
Net carrying amount	<u>35,064</u>	<u>814</u>	<u>2,673</u>	<u>5,065</u>	<u>—</u>	<u>43,616</u>
At 1 January 2025, net of accumulated depreciation and impairment	35,064	814	2,673	5,065	—	43,616
Additions	4,166	769	547	617	67,013	73,112
Transfers from construction in progress	10,245	—	—	—	(10,245)	—
Transfer from inventories	10,019	—	—	—	—	10,019
Depreciation provided during the year	(7,321)	(394)	(1,198)	(2,261)	—	(11,174)
Disposals	(135)	—	—	—	—	(135)
Gains on exchange differences	—	—	2	—	—	2
At 31 December 2025, net of accumulated depreciation and impairment	<u>52,038</u>	<u>1,189</u>	<u>2,024</u>	<u>3,421</u>	<u>56,768</u>	<u>115,440</u>
At 31 December 2025						
Cost	66,665	2,143	6,058	10,798	56,768	142,432
Accumulated depreciation and impairment	(14,627)	(954)	(4,034)	(7,377)	—	(26,992)
Net carrying amount	<u>52,038</u>	<u>1,189</u>	<u>2,024</u>	<u>3,421</u>	<u>56,768</u>	<u>115,440</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Plant and machinery <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2023					
At 1 January 2023					
Cost	5,036	1,682	234	179	7,131
Accumulated depreciation and impairment	(689)	(980)	—	—	(1,669)
Net carrying amount	<u>4,347</u>	<u>702</u>	<u>234</u>	<u>179</u>	<u>5,462</u>
At 1 January 2023, net of accumulated depreciation and impairment	4,347	702	234	179	5,462
Additions	4,092	910	872	4,197	10,071
Transfers from construction in progress	149	—	—	(149)	—
Transfer from inventories	2,418	—	—	—	2,418
Depreciation provided during the year	(1,137)	(527)	(287)	—	(1,951)
Disposals	(187)	(3)	—	—	(190)
At 31 December 2023, net of accumulated depreciation and impairment	<u>9,682</u>	<u>1,082</u>	<u>819</u>	<u>4,227</u>	<u>15,810</u>
At 31 December 2023					
Cost	11,509	2,589	1,106	4,227	19,431
Accumulated depreciation and impairment	(1,827)	(1,507)	(287)	—	(3,621)
Net carrying amount	<u>9,682</u>	<u>1,082</u>	<u>819</u>	<u>4,227</u>	<u>15,810</u>

The Company

	Plant and machinery <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024					
At 1 January 2024					
Cost	11,509	2,589	1,106	4,227	19,431
Accumulated depreciation and impairment	(1,827)	(1,507)	(287)	—	(3,621)
Net carrying amount	<u>9,682</u>	<u>1,082</u>	<u>819</u>	<u>4,227</u>	<u>15,810</u>
At 1 January 2024, net of accumulated depreciation and impairment	9,682	1,082	819	4,227	15,810
Additions	3,981	889	640	5,914	11,424
Transfers from construction on in progress	10,141	—	—	(10,141)	—
Transfer from inventories	4,794	—	—	—	4,794
Depreciation provided during the year	(3,545)	(655)	(501)	—	(4,701)
Disposals	(122)	(8)	—	—	(130)
At 31 December 2024, net of accumulated depreciation and impairment	<u>24,931</u>	<u>1,308</u>	<u>958</u>	<u>—</u>	<u>27,197</u>
At 31 December 2024					
Cost	30,304	3,471	1,746	—	35,521
Accumulated depreciation and impairment	(5,373)	(2,163)	(788)	—	(8,324)
Net carrying amount	<u>24,931</u>	<u>1,308</u>	<u>958</u>	<u>—</u>	<u>27,197</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Plant and machinery <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2025				
At 1 January 2025				
Cost	30,304	3,471	1,746	35,521
Accumulated depreciation and impairment	(5,373)	(2,163)	(788)	(8,324)
Net carrying amount	<u>24,931</u>	<u>1,308</u>	<u>958</u>	<u>27,197</u>
At 1 January 2025, net of accumulated depreciation and impairment	24,931	1,308	958	27,197
Additions	1,489	315	1	1,805
Transfer from inventories	9,744	—	—	9,744
Depreciation provided during the year	(5,092)	(703)	(582)	(6,377)
Disposals	(135)	—	—	(135)
At 31 December 2025, net of accumulated depreciation and impairment	<u>30,937</u>	<u>920</u>	<u>377</u>	<u>32,234</u>
At 31 December 2025				
Cost	41,400	3,786	1,747	46,933
Accumulated depreciation and impairment	(10,463)	(2,866)	(1,370)	(14,699)
Net carrying amount	<u>30,937</u>	<u>920</u>	<u>377</u>	<u>32,234</u>

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of properties and leasehold land. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of properties generally have lease terms between 2 and 10 years.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

	Properties <i>RMB'000</i>	Leasehold land <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	45,774	—	45,774
Additions	4,567	—	4,567
Depreciation charge	(15,580)	—	(15,580)
Early termination	(716)	—	(716)
Lease modification	90,416	—	90,416
At 31 December 2023	<u>124,461</u>	<u>—</u>	<u>124,461</u>
At 1 January 2024	124,461	—	124,461
Additions	2,864	—	2,864
Depreciation charge	(15,792)	—	(15,792)
Exchange realignment	3	—	3
At 31 December 2024	<u>111,536</u>	<u>—</u>	<u>111,536</u>
At 1 January 2025	111,536	—	111,536
Additions	4,092	30,575	34,667
Depreciation charge	(16,308)	(357)	(16,665)
Exchange realignment	42	—	42
Lease modification	(1,456)	—	(1,456)
At 31 December 2025	<u>97,906</u>	<u>30,218</u>	<u>128,124</u>

As at 31 December 2025, the Group’s leasehold land with a net carrying amount of RMB30,218,000 have been pledged as security for other payables owed to a supplier. (note 28).

APPENDIX I

ACCOUNTANTS’ REPORT

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at 1 January	47,593	129,880	121,563
Additions	4,567	2,864	4,092
Accretion of interest recognised during the year	4,958	6,127	5,594
Lease payment	(16,894)	(17,308)	(18,021)
Exchange realignment	—	—	45
Lease modification	90,416	—	(1,456)
Early termination	(760)	—	—
Carrying amount at 31 December	129,880	121,563	111,817
Analysed into:			
Current portion	10,578	12,984	12,507
Non-current portion	119,302	108,579	99,310
Total	129,880	121,563	111,817

The maturity analysis of lease liabilities is disclosed in note 41 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Lease payments in respect of short-term leases	124	412	327
Interest on lease liabilities	4,958	6,127	5,594
Depreciation charge of right-of-use assets	15,580	15,792	16,665
Gains on early termination of leases	(44)	—	—
Total amount recognised in profit or loss	20,618	22,331	22,586

(d) The total cash outflows for leases are disclosed in note 35(c) and note 41 to the Historical Financial Information.

The Company as a lessee

The Company has lease contracts for various items of properties. Leases of properties generally have lease terms between 2 and 3 years.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

Properties	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At 1 January	3,873	4,419	3,497
Additions	2,841	1,828	3,830
Depreciation charge	(2,295)	(2,750)	(2,761)
At 31 December	4,419	3,497	4,566

APPENDIX I

ACCOUNTANTS’ REPORT

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at 1 January	4,002	4,653	3,769
Additions	2,841	1,828	3,830
Accretion of interest recognised during the year	258	219	114
Lease payment	(2,448)	(2,931)	(3,054)
Carrying amount at 31 December	4,653	3,769	4,659
Analysed into:			
Current portion	2,345	2,843	1,942
Non-current portion	2,308	926	2,717
Total	4,653	3,769	4,659

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Lease payments in respect of short-term leases	29	98	77
Interest on lease liabilities	258	219	114
Depreciation charge of right-of-use assets	2,295	2,750	2,761
Total	2,582	3,067	2,952

15. INTANGIBLE ASSETS

The Group

Software

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At 1 January			
Cost	5,403	6,954	7,334
Accumulated amortisation and impairment	(3,782)	(4,290)	(5,160)
Net carrying amount	1,621	2,664	2,174
At 1 January, net of accumulated amortisation and impairment	1,621	2,664	2,174
Additions	1,551	380	1,223
Amortisation provided during the year	(508)	(870)	(1,093)
At 31 December, net of accumulated amortisation and impairment	2,664	2,174	2,304
At 31 December			
Cost	6,954	7,334	8,557
Accumulated amortisation and impairment	(4,290)	(5,160)	(6,253)
Net carrying amount	2,664	2,174	2,304

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

Software	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At 1 January			
Cost	5,403	6,954	7,368
Accumulated amortisation and impairment	(3,782)	(4,290)	(5,164)
Net carrying amount	1,621	2,664	2,204
At 1 January, net of accumulated amortisation and impairment	1,621	2,664	2,204
Additions	1,551	415	1,137
Amortisation provided during the year	(508)	(875)	(1,094)
At 31 December, net of accumulated amortisation and impairment	2,664	2,204	2,247
At 31 December			
Cost	6,954	7,368	8,506
Accumulated amortisation and impairment	(4,290)	(5,164)	(6,259)
Net carrying amount	2,664	2,204	2,247

16. INVESTMENTS IN SUBSIDIARIES

The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Unlisted shares, at cost			
Dongguan Cubenergy Technology Co., Ltd. (“東莞庫博能源科技有限公司”)	1,000	1,000	1,000
Dongguan Liye New Energy Co., Ltd. (“東莞利業新能源有限公司”)	10,000	10,000	10,000
Suzhou Cubenergy Lihe Energy Technology Co., Ltd. (“蘇州庫博力合能源科技有限公司”)*	6,300	—	—
Sichuan Qingrong Cubenergy Technology Co., Ltd. (“四川清蓉庫博能源科技有限公司”)	3,617	5,226	11,636
Shenzhen Cubenergy New Energy Co., Ltd. (“深圳庫博新能源有限公司”)	10,000	10,000	10,000
Cubenergy (Hong Kong) Limited (“香港庫博能源有限公司”)	718	718	718
Changzhou Cubenergy Liye New Energy Co., Ltd. (“常州庫博利業新能源有限公司”)	—	10,150	44,450
Less: provision for impairment	(2,600)	(1,000)	(1,000)
Total	29,035	36,094	76,804

The management has performed impairment testing for investment in subsidiaries which has impairment indicators as at each of the Relevant Periods. The recoverable amount of these subsidiaries was determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management. The Company has recognised an impairment loss on investment in subsidiaries amounted to RMB2,600,000, RMB1,000,000 and RMB1,000,000 as at 31 December 2023, 2024 and 2025, respectively.

* This subsidiary was deregistered on 24 June 2024.

APPENDIX I

ACCOUNTANTS’ REPORT

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Current portion			
Bills receivable, at fair value	3,005	—	—
Non-current portion			
Unlisted equity investments, at fair value	—	2,700	2,701
Total	3,005	2,700	2,701

The above bills receivable were classified as financial assets at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cash flows and selling.

The above unlisted equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

18. DEFERRED TAX

The Group

Deferred tax assets

	Provision for impairment of trade and other receivables RMB'000	Provision for impairment of inventories RMB'000	Provision for impairment of contract assets RMB'000	Tax losses RMB'000	Lease liabilities RMB'000	Provision for product warranties RMB'000	Unrealised profit from intercompany transactions RMB'000	Deferred government grants RMB'000	Total RMB'000
At 1 January 2023	906	509	61	1,733	11,299	1,245	32	—	15,785
Deferred tax credited/ (charged) to profit or loss during the year	151	651	163	(1,598)	20,354	340	7,268	140	27,469
Gross deferred tax assets at 31 December 2023	1,057	1,160	224	135	31,653	1,585	7,300	140	43,254
Deferred tax credited/ (charged) to profit or loss during the year	960	674	127	130	(1,936)	186	10,375	—	10,516
Gross deferred tax assets at 31 December 2024	2,017	1,834	351	265	29,717	1,771	17,675	140	53,770
Deferred tax credited/ (charged) to profit or loss during the year	738	(365)	7	559	(2,424)	460	(4,930)	139	(5,816)
Gross deferred tax assets at 31 December 2025	2,755	1,469	358	824	27,293	2,231	12,745	279	47,954

Deferred tax liabilities

	Right-of-use assets RMB'000	Total RMB'000
At 1 January 2023	11,056	11,056
Deferred tax charged to profit or loss during the year	19,670	19,670
Gross deferred tax liabilities at 31 December 2023	30,726	30,726
Deferred tax credited to profit or loss during the year	(3,074)	(3,074)
Gross deferred tax liabilities at 31 December 2024	27,652	27,652
Deferred tax credited to profit or loss during the year	(3,399)	(3,399)
Gross deferred tax liabilities at 31 December 2025	24,253	24,253

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax assets have not been recognised in respect of the following items:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	2,930	1,483	2,959
Deductible temporary differences	—	—	761

The Group has accumulated tax losses in Chinese mainland of RMB2,930,000, RMB1,480,000 and RMB1,486,000 in aggregate as at 31 December 2023, 2024 and 2025, respectively, which are available to offset against future taxable profits of the companies in which the losses were incurred within the next one to five years.

The Group also has accumulated tax losses in Hong Kong, the United States of nil, RMB3,000 and RMB1,473,000 in aggregate as at 31 December 2023, 2024 and 2025, respectively, that can be carried forward indefinitely to offset against future taxable profits of the companies in which losses were incurred.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	12,528	26,118	23,701

The Company

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Provision for impairment of trade and other receivables RMB'000	Provision for impairment of inventories RMB'000	Provision for impairment of contract assets RMB'000	Lease liabilities RMB'000	Provision for product warranties RMB'000	Deferred government grants RMB'000	Total RMB'000
At 1 January 2023	902	509	61	600	1,245	1,245	4,562
Deferred tax credited/ (charged) to profit or loss during the year	143	145	163	98	322	(1,105)	(234)
Gross deferred tax assets at 31 December 2023	1,045	654	224	698	1,567	140	4,328
Deferred tax credited/ (charged) to profit or loss during the year	952	1,136	127	(133)	(120)	—	1,962
Gross deferred tax assets at 31 December 2024	1,997	1,790	351	565	1,447	140	6,290
Deferred tax credited/ (charged) to profit or loss during the year	360	(1,254)	7	134	156	139	(458)
Gross deferred tax assets at 31 December 2025	2,357	536	358	699	1,603	279	5,832

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax liabilities

	Right-of-use assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	581	581
Deferred tax charged to profit or loss during the year	<u>82</u>	<u>82</u>
Gross deferred tax liabilities at 31 December 2023	663	663
Deferred tax credited to profit or loss during the year	<u>(138)</u>	<u>(138)</u>
Gross deferred tax liabilities at 31 December 2024	525	525
Deferred tax charged to profit or loss during the year	<u>160</u>	<u>160</u>
Gross deferred tax liabilities at 31 December 2025	<u><u>685</u></u>	<u><u>685</u></u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	2023	31 December 2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the statement of financial position	<u><u>3,665</u></u>	<u><u>5,765</u></u>	<u><u>5,147</u></u>

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	2023	31 December 2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current			
Prepayments for property, plant and equipment	3,689	3,633	3,018
Prepayments for leasehold land	—	9,981	—
Long-term lease deposits	5,441	5,251	5,602
Less: Impairment of long-term lease deposits	<u>(48)</u>	<u>(44)</u>	<u>(47)</u>
Total	<u><u>9,082</u></u>	<u><u>18,821</u></u>	<u><u>8,573</u></u>
Current			
Prepayments	46,105	68,307	30,431
Value-added tax (“VAT”) recoverable and other tax refundable	23,022	29,762	53,498
Deposits*	3,542	1,843	2,242
Other receivables*	<u>1,082</u>	<u>611</u>	<u>2,002</u>
	73,751	100,523	88,173
Less: Impairment of other receivables**	<u>(34)</u>	<u>(18)</u>	<u>(34)</u>
Total	<u><u>73,717</u></u>	<u><u>100,505</u></u>	<u><u>88,139</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current			
Prepayments for property, plant and equipment	1,729	53	28
Long-term lease deposits	605	402	758
Less: Impairment of Long-term lease deposits	(5)	(3)	(6)
Total	2,329	452	780
Current			
Prepayments	4,962	9,366	87,064
VAT recoverable and other tax refundable	13,692	8,753	27,888
Deposits*	3,479	1,692	1,576
Other receivables*	31,665	1,006	3,707
	53,798	20,817	120,235
Less: Impairment of other receivables**	(34)	(17)	(18)
Total	53,764	20,800	120,217

* Deposits and other receivables are unsecured, non-interest-bearing and repayable on demand.

** The financial assets included in the above balances relating to receivables were categorised as stage 1 at the end of each reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts it for forward-looking macroeconomic data. As at 31 December 2023, 2024 and 2025, the Group estimated the expected credit losses for other receivables to be RMB82,000, RMB62,000 and RMB81,000, respectively.

The movements in the loss allowance for impairment of prepayments, other receivables and other assets are as follows:

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	227	82	62
(Reversal of impairment)/impairment losses, net	176	(20)	56
Amount written off as uncollectible	(321)	—	(37)
At end of year	82	62	81

The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	217	39	20
(Reversal of impairment)/impairment losses, net	(88)	(19)	41
Amount written off as uncollectible	(90)	—	(37)
At end of year	39	20	24

20. PREPAID INCOME TAX

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepaid income tax	15	—	2,178

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepaid income tax	—	—	2,178

21. INVENTORIES

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finished goods	138,981	126,212	234,256
Raw materials	50,060	85,448	106,305
Work in progress	36,812	52,660	59,779
Total	225,853	264,320	400,340

The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finished goods	152,135	45,903	185,815
Raw materials	10,245	6,716	9,751
Work in progress	1,554	888	910
Total	163,934	53,507	196,476

22. TRADE AND BILLS RECEIVABLES

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bills receivable	45	2,416	8,270
Trade receivables	38,519	141,685	168,095
Subtotal	38,564	144,101	176,365
Less: Impairment of trade receivables	(6,944)	(13,354)	(18,474)
Net carrying amount	31,620	130,747	157,891
Analysed into:			
Current portion	31,620	130,747	151,793
Non-current portion	—	—	6,098

The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bills receivable	45	2,416	8,270
Trade receivables:			
Due from subsidiaries	137,739	255,313	264,396
Third parties	38,457	140,600	113,075
Subtotal	176,241	398,329	385,741
Less: Impairment of trade receivables	(6,941)	(13,291)	(15,690)
Net carrying amount	169,300	385,038	370,051
Analysed into:			
Current portion	169,300	385,038	370,051

APPENDIX I

ACCOUNTANTS’ REPORT

The Group’s trade terms with its certain customers are on credit, and the credit period is generally within 60 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. As at 31 December 2023, 2024 and 2025, the Group had a concentration of credit risk as 73%, 76% and 53% of trade receivables were attributable to the Group’s five largest customers, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Company’s trade receivables are amounts due from subsidiaries of RMB137,739,000, RMB255,313,000 and RMB264,396,000 as at 31 December 2023, 2024 and 2025, respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade and bills receivables as at the end of the Relevant Periods, based on revenue recognition date and net of loss allowance, is as follows:

The Group

	31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	15,350	117,932	118,126
1 to 2 years	11,851	4,438	31,056
2 years to 3 years	3,878	8,306	2,673
3 years to 4 years	524	71	6,036
4 years to 5 years	17	—	—
Subtotal	31,620	130,747	157,891

The Company

	31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	153,030	372,223	330,286
1 to 2 years	11,851	4,438	31,056
2 years to 3 years	3,878	8,306	2,673
3 years to 4 years	524	71	6,036
4 years to 5 years	17	—	—
Subtotal	169,300	385,038	370,051

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

The Group

	31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade receivables:			
At beginning of year	5,814	6,944	13,354
Impairment losses, net (note 6)	1,175	6,446	5,578
Amount written off as uncollectible	(45)	(36)	(419)
Exchange realignment	—	—	(39)
At end of year	6,944	13,354	18,474

The Company

	31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade receivables:			
At beginning of year	5,797	6,941	13,291
Impairment losses, net (note 6)	1,189	6,386	2,818
Amount written off as uncollectible	(45)	(36)	(419)
At end of year	6,941	13,291	15,690

APPENDIX I

ACCOUNTANTS’ REPORT

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. For bills receivable, the Group assesses the expected credit loss rate to be extremely low based on historical loss rates and forward-looking macroeconomic data, and no provision is made. The Company estimated that the expected loss rate for its trade receivables due from subsidiaries was minimal.

Set out below is the information about the credit risk exposure on the Group’s and the Company’s trade receivables using a provision matrix:

The Group

2023

	Gross carrying amount <i>RMB’000</i>	Expected credit loss rate	Expected credit loss <i>RMB’000</i>
Trade and bills receivables aged:			
Within 1 year	16,121	4.78%	770
1 to 2 years	14,267	16.94%	2,417
2 to 3 years	5,079	23.65%	1,201
3 to 4 years	2,987	82.46%	2,463
4 to 5 years	110	84.55%	93
	38,564	18.01%	6,944

2024

	Gross carrying amount <i>RMB’000</i>	Expected credit loss rate	Expected credit loss <i>RMB’000</i>
Trade and bills receivables aged:			
Within 1 year	125,122	5.75%	7,190
1 to 2 years	5,605	20.84%	1,168
2 to 3 years	11,275	26.33%	2,969
3 to 4 years	352	79.55%	280
4 to 5 years	1,482	100.00%	1,482
Over 5 years	265	100.00%	265
	144,101	9.27%	13,354

2025

	Gross carrying amount <i>RMB’000</i>	Expected credit loss rate	Expected credit loss <i>RMB’000</i>
Long term receivables	6,423	5.06%	325
Trade and bills receivables aged:			
Within 1 year	117,557	4.70%	5,530
1 to 2 years	38,068	18.42%	7,012
2 to 3 years	3,521	24.06%	847
3 to 4 years	10,456	42.27%	4,420
Over 5 years	340	100.00%	340
	176,365	10.47%	18,474

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

2023

	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Expected credit loss <i>RMB'000</i>
Due from subsidiaries	137,739	—	—
Other trade receivables aged:			
Within 1 year	16,059	4.78%	767
1 to 2 years	14,267	16.94%	2,417
2 to 3 years	5,079	23.65%	1,201
3 to 4 years	2,987	82.46%	2,463
4 to 5 years	110	84.55%	93
	<u>176,241</u>	<u>3.94%</u>	<u>6,941</u>

2024

	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Expected credit loss <i>RMB'000</i>
Due from subsidiaries	255,313	—	—
Other trade receivables aged:			
Within 1 year	124,037	5.75%	7,127
1 to 2 years	5,605	20.84%	1,168
2 to 3 years	11,275	26.33%	2,969
3 to 4 years	352	79.55%	280
4 to 5 years	1,482	100.00%	1,482
Over 5 years	265	100.00%	265
	<u>398,329</u>	<u>3.34%</u>	<u>13,291</u>

2025

	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Expected credit loss <i>RMB'000</i>
Due from subsidiaries	264,396	—	—
Other trade receivables aged:			
Within 1 year	68,960	4.45%	3,071
1 to 2 years	38,068	18.42%	7,012
2 to 3 years	3,521	24.06%	847
3 to 4 years	10,456	42.27%	4,420
Over 5 years	340	100.00%	340
	<u>385,741</u>	<u>4.07%</u>	<u>15,690</u>

APPENDIX I

ACCOUNTANTS’ REPORT

23. CONTRACT ASSETS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current contract assets arising from:			
Warranty retention receivables of product sales	3,942	5,943	1,079
Less: Impairment of current contract assets	(424)	(637)	(277)
	<u>3,518</u>	<u>5,306</u>	<u>802</u>
Non-current contract assets arising from:			
Warranty retention receivables of product sales	5,788	8,295	7,207
Less: Impairment of non-current contract assets	(1,068)	(1,702)	(2,112)
	<u>4,720</u>	<u>6,593</u>	<u>5,095</u>

Contract assets are initially recognised for the revenue earned from product sales as the receipt of consideration is conditional on successful completion of the warranty conditions. Upon expiration of the warranty period, the amounts recognised as contract assets are reclassified to trade receivables.

The warranty service period for the Company generally covers a period from 1 to 5 years. Warranty periods of 1 year or less are classified as the current portion and warranty periods exceeding 1 year are classified as the non-current portion.

The fluctuation in contract assets from 2023 to 2025 mirrored the pattern of revenue generated in Chinese mainland, specifically reflecting a period of growth followed by a decline.

The movements in the impairment of contract assets are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current contract assets:			
At beginning of year	200	424	637
Impairment/(reversal of impairment) losses, net	224	213	(360)
At end of year	<u>424</u>	<u>637</u>	<u>277</u>
Non-current contract assets:			
At beginning of year	291	1,068	1,702
Impairment losses, net	777	634	410
At end of year	<u>1,068</u>	<u>1,702</u>	<u>2,112</u>

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Structured deposits*	—	—	1,271
Wealth management products*	—	312	—
Total	<u>—</u>	<u>312</u>	<u>1,271</u>

* Wealth management products and structured deposits were issued by certified financial institutions in Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

APPENDIX I

ACCOUNTANTS’ REPORT

25. CASH AND CASH EQUIVALENTS, RESTRICTED BANK DEPOSITS AND CERTIFICATES OF DEPOSIT

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	79,595	48,226	131,966
Non-pledged time deposits with original maturity of less than three months when acquired	9,505	44,837	16,546
Certificates of deposit	95,702	140,245	174,466
Restricted bank deposits	83,118	49,604	80,795
Less:			
Certificates of deposit	(95,702)	(140,245)	(174,466)
Restricted bank deposits	(83,118)	(49,604)	(80,795)
Cash and cash equivalents	89,100	93,063	148,512
Denominated in			
RMB	73,688	22,863	113,734
EUR	14,369	173	31,526
USD	1,037	70,014	3,188
Others	6	13	64
Total	89,100	93,063	148,512
Certificates of deposit	95,702	140,245	174,466
Analysed into:			
Current	—	—	123,205
Non-current	95,702	140,245	51,261
Denominated in			
RMB	95,702	140,245	174,466
Restricted bank deposits	83,118	49,604	80,795
Analysed into:			
Current	83,050	49,536	80,795
Non-current	68	68	—
Denominated in			
RMB	83,118	49,604	80,795

The RMB is not freely convertible into other currencies, however, under Chinese mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances and restricted bank deposits are deposited with creditworthy banks with no recent history of default.

As at 31 December 2023, 2024 and 2025, the Group’s restricted bank deposits of RMB83,118,000, RMB49,604,000 and RMB60,795,000 were deposited to secure the issuance of bank acceptance bills and the performance of contracts. As at 31 December 2025, the Group’s restricted bank deposits of RMB20,000,000 were restricted due to funds not being transferred to the wealth management account.

Certificates of deposit were classified as financial assets measured at amortised cost as they are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. Certificates of deposit were denominated in RMB with expected yield rates ranging from 1.55% to 3.30% per annum. As at 31 December 2025, the Group’s certificates of deposit of RMB30,000,000 were pledged to banks to secure the issuance of bank guarantees.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	71,262	45,818	111,638
Certificates of deposit	95,702	140,245	174,466
Restricted bank deposits	83,118	49,604	80,795
Less:			
Certificates of deposit	(95,702)	(140,245)	(174,466)
Restricted bank deposits	(83,118)	(49,604)	(80,795)
Cash and cash equivalents	71,262	45,818	111,638
Denominated in			
RMB	70,395	22,410	111,597
USD	863	23,406	32
Others	4	2	9
Total	71,262	45,818	111,638
Certificates of deposit	95,702	140,245	174,466
Analysed into:			
Current	—	—	123,205
Non-current	95,702	140,245	51,261
Denominated in			
RMB	95,702	140,245	174,466
Restricted bank deposits	83,118	49,604	80,795
Analysed into:			
Current	83,050	49,536	80,795
Non-current	68	68	—
Denominated in			
RMB	83,118	49,604	80,795

26. TRADE AND BILLS PAYABLES

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	23,957	29,558	92,822
Bills payable	137,367	125,459	225,780
Total	161,324	155,017	318,602

The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bills payable	137,367	171,448	261,946
Trade payables due to subsidiaries	10,464	1,044	32,510
Trade payables due to third parties	9,232	11,859	36,245
Total	157,063	184,351	330,701

The trade payables are non-interest-bearing and are normally settled on 180-day terms.

APPENDIX I

ACCOUNTANTS’ REPORT

An ageing analysis of the trade and bills payables at the end of the Relevant Periods, based on the date of goods or services received from the suppliers, is as follows:

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	161,179	154,825	318,252
Over 1 year	145	192	350
Total	161,324	155,017	318,602

The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	156,927	184,263	330,448
Over 1 year	136	88	253
Total	157,063	184,351	330,701

27. CONTRACT LIABILITIES

The Group

	1 January	31 December		
	2023	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Advances from customers				
Services and goods	41,928	125,635	170,835	251,649
Analysed for reporting purposes as:				
Current liabilities	41,928	125,635	170,835	246,739
Non-current liabilities	—	—	—	4,910
Total	41,928	125,635	170,835	251,649

The Company

	1 January	31 December		
	2023	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Advances from customers				
Services and goods	41,928	99,012	9,112	187,316
Analysed for reporting purposes as:				
Current liabilities	41,928	99,012	9,112	182,406
Non-current liabilities	—	—	—	4,910
Total	41,928	99,012	9,112	187,316

The increase in contract liabilities in 2024 and 2025 was mainly due to the increase in short-term advances received from customers in relation to the sales of goods and provision of services at the end of the year.

APPENDIX I

ACCOUNTANTS’ REPORT

28. OTHER PAYABLES AND ACCRUALS

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll payable	14,217	7,227	15,688
Other tax payable	4,009	3,068	10,575
Other payables	1,029	1,420	49,270
Total	19,255	11,715	75,533
Analysed into:			
Current portion	19,255	11,715	35,789
Non-current portion	—	—	39,744
	19,255	11,715	75,533

As at 31 December 2025, Certain leasehold lands of the Group have been pledged as security for other payables owed to a supplier. The maximum amount secured by such pledge is RMB95,000,000. (note 14).

The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Due to subsidiaries	41,245	14,356	20,700
Payroll payable	11,361	5,813	12,961
Other tax payable	3,950	2,995	10,400
Other payables	666	999	898
Total	57,222	24,163	44,959

Other payables are non-interest-bearing and have no fixed terms of settlement.

29. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

	31 December 2023			31 December 2024			31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current									
Bank loans — secured and guaranteed	2.81–3.85	2024	49,037	—	—	—	2.65	2026	10,107
Bank loans — unsecured	—	—	—	1.00–1.25	2025	45,482	1.46	2026	9,954
Total			49,037			45,482			20,061
Dominated in RMB			49,037			45,482			20,061
Analysed into:									
Bank loans repayable:									
Within one year			49,037			45,482			20,061
Total			49,037			45,482			20,061

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	31 December 2023			31 December 2024			31 December 2025		
	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>
Current									
Bank loans — secured and guaranteed	2.81–3.85	2024	49,037	—	—	—	2.65	2026	10,107
Total			49,037			—			10,107
Dominated in RMB			49,037			—			10,107
Analysed into:									
Bank loans repayable: Within one year			49,037			—			10,107
Total			49,037			—			10,107

All bank borrowings were denominated in RMB as at 31 December 2023, 2024 and 2025.

As at 31 December 2023, 2024 and 2025, certain related parties of the Group provided guarantees for the bank borrowings of the Group (note 38).

30. PROVISION

The Group

	Warranties <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	8,299	8,299
Additional provision	6,676	6,676
Amounts utilised during the year	(4,408)	(4,408)
At 31 December 2023	10,567	10,567
Portion classified as current liabilities	4,903	4,903
Non-current portion	5,664	5,664
At 1 January 2024	10,567	10,567
Additional provision	7,336	7,336
Amounts utilised during the year	(6,117)	(6,117)
At 31 December 2024	11,786	11,786
Portion classified as current liabilities	6,117	6,117
Non-current portion	5,669	5,669
At 1 January 2025	11,786	11,786
Additional provision	10,512	10,512
Amounts utilised during the year	(7,426)	(7,426)
At 31 December 2025	14,872	14,872
Portion classified as current liabilities	8,363	8,363
Non-current portion	6,509	6,509

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Warranties	Total
	<i>RMB’000</i>	<i>RMB’000</i>
At 1 January 2023	8,299	8,299
Additional provision	6,676	6,676
Amounts utilised during the year	<u>(4,532)</u>	<u>(4,532)</u>
At 31 December 2023	10,443	10,443
Portion classified as current liabilities	<u>4,903</u>	<u>4,903</u>
Non-current portion	<u><u>5,540</u></u>	<u><u>5,540</u></u>
At 1 January 2024	10,443	10,443
Additional provision	7,152	7,152
Amounts utilised during the year	<u>(7,952)</u>	<u>(7,952)</u>
At 31 December 2024	9,643	9,643
Portion classified as current liabilities	<u>5,964</u>	<u>5,964</u>
Non-current portion	<u><u>3,679</u></u>	<u><u>3,679</u></u>
At 1 January 2025	9,643	9,643
Additional provision	8,309	8,309
Amounts utilised during the year	<u>(7,265)</u>	<u>(7,265)</u>
At 31 December 2025	10,687	10,687
Portion classified as current liabilities	<u>7,616</u>	<u>7,616</u>
Non-current portion	<u><u>3,071</u></u>	<u><u>3,071</u></u>

The Group provides one to five-year warranties to its customers on certain of its industrial products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

31. DEFERRED INCOME

The Group and the Company

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Non-current Government grants*	<u>930</u>	<u>930</u>	<u>—</u>
Current Government grants*	<u>—</u>	<u>—</u>	<u>1,860</u>
	<u><u>930</u></u>	<u><u>930</u></u>	<u><u>1,860</u></u>

* The Group’s deferred government grants represent government grants received for projects. Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

APPENDIX I

ACCOUNTANTS’ REPORT

32. SHARE CAPITAL/PAID-IN CAPITAL

The Group and the Company

A summary of movements in the share capital is as follows:

	31 December		
	2023	2024	2025
	Number of shares	Number of shares	Number of shares
Registered, issued and fully paid:			
Ordinary shares with nominal value of RMB1.00 each	57,395,000	61,412,688	61,412,688

A summary of movements in the Company’s share capital is as follows:

	Number of shares in issue	Share capital RMB’000
As at 1 January 2023	—	—
Conversion into a joint stock company	57,395,000	57,395
As at 31 December 2023 and at 1 January 2024	57,395,000	57,395
Capital contribution by shareholders*	4,017,688	4,018
As at 1 January 2025, at 31 December 2024 and 2025	61,412,688	61,413
Paid in Capital		
		RMB’000
As at 1 January 2023		57,395
Conversion into a joint stock company		(57,395)
As at 31 December 2023 and 2024 and 2025		—

* During the year ended 31 December 2024, the Company received capital contribution of RMB136,235,000 from four investors, net of issuance expenses. The capital contribution increased the share capital and capital reserve by RMB4,018,000 and RMB132,217,000, respectively.

In May 2023, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including the paid-in capital, capital reserves and accumulated losses, were converted into 57,395,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company’s capital reserve.

On 8 June 2026, the shareholders approved a resolution for, among others, the share subdivision, whereby each of the shares with a nominal value of RMB1.00 shall be sub-divided into 5 shares with a nominal value of RMB0.20 each, and such share subdivision was completed as of 9 June 2026, upon which the registered capital of the Company shall be divided into 307,063,440 shares (298,454,190 shares after deducting the 1,721,850 shares of the Company held by the Changjiang Green Development Investment Fund Partnership (Limited Partnership) repurchased by the Company which has been set out in note 42) with a nominal value of RMB0.20 per share.

In order to effect the Pre-[REDACTED] Investments, the Company completed four rounds of capital increases and one round of share transfer. Details of Pre-[REDACTED] Investments are described in the section headed “History, Reorganization and Corporate Structure” of the document.

In August 2018, the Company issued 1,597,222 ordinary shares to certain investors for a total net cash proceed of approximately RMB50,000,000. In June 2022, the Company issued 7,395,000 ordinary shares to certain shareholders for a total net cash proceed of approximately RMB147,900,000. Pursuant to the shareholders agreement entered into between the Company and its shareholders on 22 April 2022, the investors in these two rounds of capital increase were granted by the Company with special rights (“Special Rights”) which included redemption rights.

There was no exercise of Special Rights granted by the Company throughout the Relevant Periods.

On 21 March 2023, the Company and the investors subsequently entered into supplemental agreements, agreeing that redemption rights granted by the Company to the investors, have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present these two rounds of capital increase as equity throughout the Relevant Periods.

APPENDIX I

ACCOUNTANTS’ REPORT

Paid in Capital

Had the Special Rights granted by the Company to the investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements, the finance costs associated with the redemption financial liabilities, the net profit for the year, basic earning per share would have been:

	2023
	<i>RMB’000</i>
Financial costs associated with the redemption financial liabilities	3,518
Total net profit	8,813
Basic earnings per share	0.03

33. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

Capital reserve

The capital reserve represents the difference between the par value of the shares issued and the consideration received.

Share-based payment reserve

The share-based payment reserve represents the share-based compensation reserve arising from equity-settled share awards, details of which are set out in note 34 to the Historical Financial Information.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with functional currencies other than RMB. The reserve is dealt with in accordance with the accounting policies set out in note 2.2 to the Historical Financial Information.

Fair value reserve

The fair value reserve represents fair value changes of equity investments designated at fair value through other comprehensive income.

Statutory surplus reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of their statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of their registered capital. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies, subject to approval from the relevant PRC authorities. The statutory surplus reserve is not available for dividend distribution to shareholders of such companies.

The Company

The amounts of the Company’s reserves and the movements therein for the Relevant Periods are presented as follows:

Year ended 31 December 2023

	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Retained profits	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At 1 January 2023	226,593	14,100	1,596	(36,306)	205,983
Profit for the year	—	—	—	43,239	43,239
Total comprehensive income for the year	—	—	—	43,239	43,239
Share-based payment expenses	—	20,139	—	—	20,139
Conversion of limited liability company into a joint stock company	(4,506)	—	(1,596)	6,102	—
Cancellation of restricted shares	9,091	(9,091)	—	—	—
Transfer from retained profits	—	—	4,324	(4,324)	—
At 31 December 2023	<u>231,178</u>	<u>25,148</u>	<u>4,324</u>	<u>8,711</u>	<u>269,361</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Year ended 31 December 2024

	Share capital RMB'000	Share-based payment reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	231,178	25,148	4,324	8,711	269,361
Profit for the year	—	—	—	77,000	77,000
Total comprehensive income for the year	—	—	—	77,000	77,000
Share-based payment expenses	—	10,393	—	—	10,393
Capital contribution by shareholders	132,217	—	—	—	132,217
Transfer from retained profits	—	—	7,700	(7,700)	—
At 31 December 2024	<u>363,395</u>	<u>35,541</u>	<u>12,024</u>	<u>78,011</u>	<u>488,971</u>

The Company

Year ended 31 December 2025

	Share capital RMB'000	Share-based payment reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2025	363,395	35,541	12,024	—	78,011	488,971
Profit for the year	—	—	—	—	30,068	30,068
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	1	—	1
Total comprehensive income for the year	—	—	—	1	30,068	30,069
Share-based payment expenses	—	15,455	—	—	—	15,455
Cancellation of restricted shares	390	(390)	—	—	—	—
Transfer from retained profits	—	—	3,007	—	(3,007)	—
At 31 December 2025	<u>363,785</u>	<u>50,606</u>	<u>15,031</u>	<u>1</u>	<u>105,072</u>	<u>534,495</u>

34. SHARE-BASED PAYMENTS

The Group approved and adopted the share award scheme (the “Share Award Scheme”) for certain employees of the Group (“Share Incentive Participants”) in order to recognise the contributions of the Share Incentive Participants to the growth and development of the Group and to incentivise them to further promote the development of the Group.

In order to implement the Share Award Scheme, Shenzhen Cubenergy Investment Center (Limited Partnership) (“Cubenergy Investment”) was established and designated as share incentive platform to hold the shares specially awarded to the eligible participants as the ultimate beneficial owners. The Group has no control over the share incentive platform.

On 8 November 2018, 174,097 shares of Cubenergy Investment were granted to a total of 5 eligible employees at a subscription price of RMB1 per registered capital of the Company (indirectly holding 174,097 registered capital of the Company (664,635 shares after conversion into a joint stock company and a proportional increase in shares)). On 8 January 2019, 130,972 shares of Cubenergy Investment were granted to one eligible employee at a subscription price of RMB5.98 per registered capital of the Company (indirectly holding 130,972 registered capital of the Company (500,000 shares after conversion into a joint stock company and a proportional increase in shares)). On 12 December 2019, 144,069 shares of Cubenergy Investment were granted to a total of 9 eligible employees at a subscription price of RMB6.87 per registered capital of the Company (indirectly holding 144,069 registered capital of the Company (550,000 shares after conversion into a joint stock company and a proportional increase in shares)). The vesting of the shares granted is subject to the service condition.

APPENDIX I

ACCOUNTANTS’ REPORT

On 29 December 2020, 785,833 shares of Cubenergy Investment were granted to a total of 3 eligible employees at a subscription price of RMB6.87 per registered capital of the Company (indirectly holding 785,833 registered capital of the Company (3,000,000 shares after conversion into a joint stock company and a proportional increase in shares)). On 16 December 2021, 111,326 shares of Cubenergy Investment were granted to four eligible employees at a subscription price of RMB1.80 per registered capital of the Company (indirectly holding 425,000 registered capital of the Company (425,000 shares after conversion into a joint stock company)). On 20 April 2023, 4,977 shares of Cubenergy Investment were granted to one eligible employees at a subscription price of RMB1.80 per registered capital of the Company (indirectly holding 19,000 registered capital of the Company (19,000 shares after conversion into a joint stock company)). On 28 July 2023, 529,458 shares of Cubenergy Investment were granted to a total of 42 eligible employees at a subscription price of RMB5.23 per share of the Company (indirectly holding 2,021,262 shares of the Company). The vesting of the shares granted is subject to the service condition and the [REDACTED] condition. The [REDACTED] condition is satisfied when the ordinary shares of the Company are successfully [REDACTED] on a recognised stock exchange.

The following table summarises the Company’s Employee Incentive Plan and Share Award Scheme activities during the Relevant Periods:

	<i>Number of restricted shares</i>
At 1 January 2023	897,160
Granted during the year	534,435
Cancelled during the year	<u>(214,966)</u>
At 31 December 2023 and 1 January 2024	<u>1,216,629</u>
Forfeited during the year	<u>(12,027)</u>
At 31 December 2024 and 1 January 2025	<u>1,204,602</u>
Forfeited during the year	(23,053)
Cancelled during the year	<u>(4,510)</u>
At 31 December 2025	<u>1,177,039</u>

The fair value of the restricted shares (“RSUs”) granted on 12 December 2019 and 29 December 2020 were estimated by using market approach, taking into account the terms and conditions upon which the RSUs were granted. The following table lists the key inputs to the fair value model used:

	Grant date 12 December 2019	Grant date 29 December 2020
Price-to-sales ratio	7.35	7.49
Discounts for lack of marketability (%)	32.03%	35.51%

The fair value the RSUs granted on 16 December 2021 were estimated by using taking into account the terms and conditions upon which the RSUs were granted. The following table lists the key inputs to the fair value model used:

	Grant date 16 December 2021
Weighted average cost of capital	14.0000
Discounts for lack of marketability (%)	15.0000

The fair values of the RSUs granted in other rounds were estimated as at the grant dates by reference to recent transaction prices.

No other feature of the RSUs granted was incorporated into the measurement of fair value.

The aforesaid transactions have been accounted for as equity-settled share-based payment transactions. During the years ended 31 December 2023, 2024 and 2025, the Group recognised share award expenses of RMB20,139,000, RMB10,393,000 and RMB15,455,000 respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

35. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB4,567,000, RMB2,864,000, and RMB4,092,000, respectively, in respect of lease arrangements for factory and office premises.

(b) Changes in liabilities arising from financing activities

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statement of cash flows as cash flows from financing activities.

	Interest bearing bank borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2023	6,167	47,593	53,760
New leases	—	4,567	4,567
Changes from financing cash flows	42,598	(16,894)	25,704
Lease modification	—	90,416	90,416
Early termination of leases	—	(760)	(760)
Accretion of interest	272	4,958	5,230
At 31 December 2023 and 1 January 2024	49,037	129,880	178,917
New leases	—	2,864	2,864
Changes from financing cash flows	(3,688)	(17,308)	(20,996)
Accretion of interest	133	6,127	6,260
At 31 December 2024 and 1 January 2025	45,482	121,563	167,045
New leases	—	4,092	4,092
Exchange realignment	—	45	45
Lease modification	—	(1,456)	(1,456)
Changes from financing cash flows	(26,654)	(18,021)	(44,675)
Accretion of interest	1,233	5,594	6,827
At 31 December 2025	20,061	111,817	131,878

(c) Total cash outflows for leases

The total cash outflows for leases included in the statements of cash flows are as follows:

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within operating activities	124	412	327
Within financing activities	16,894	17,308	18,021
Total	17,018	17,720	18,348

36. PLEDGE OF ASSETS

Details of the Group’s restricted bank deposits are included in note 25 to the Historical Financial Information. Details of the Group’s other payables to a supplier secured by leasehold land are included in notes 14 and 28 to the Historical Financial Information.

37. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods.

	31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Contracted, but not provided for items of property, plant and equipment	3,241	5,833	89,098

APPENDIX I

ACCOUNTANTS’ REPORT

38. RELATED PARTY TRANSACTIONS

The directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the Relevant Periods.

(a) Names of the related parties and relationships with the Group:

<u>Name</u>	<u>Relationships</u>
Mr. Men Kun	Chairman and Executive Director
Mr. Wu Junyang	Executive Director
Mr. Xu Bin	Executive Director

(b) Guarantees from related parties:

	<u>Guarantee amount</u>	<u>Guarantee start date</u>	<u>Guarantee expiration date</u>
	<i>RMB'000</i>		
Mr. Men Kun, Mr. Wu Junyang, Mr. Xu Bin	48,000	2023/11/21	2024/11/21
Mr. Men Kun, Mr. Wu Junyang, Mr. Xu Bin	20,000	2023/3/29	2024/3/29
Mr. Men Kun, Mr. Wu Junyang, Mr. Xu Bin	10,100	2025/5/8	2026/5/8
Mr. Men Kun, Mr. Wu Junyang, Mr. Xu Bin	20,000	2025/5/22	2026/5/22
Mr. Men Kun, Mr. Wu Junyang, Mr. Xu Bin	18,000	2025/5/14	2025/6/13
Mr. Men Kun, Mr. Wu Junyang, Mr. Xu Bin	9,700	2025/5/29	2026/5/27

Mr. Men Kun, Mr. Wu Junyang and Mr. Xu Bin have provided guarantees in respect of certain bank loans granted to the Group, as disclosed in note 29 to the financial statements.

These guarantees provided by related parties are expected to be released upon [REDACTED].

(c) Compensation of key management personnel of the Group:

	<u>Year ended 31 December</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and other benefits	4,641	5,327	4,803
Performance related bonuses	1,088	—	517
Share-based payment expenses	9,485	2,015	4,673
Pension scheme contributions	154	202	225
	<u>15,368</u>	<u>7,544</u>	<u>10,218</u>

Further details of directors’, supervisors’ and the chief executive’s remuneration are included in note 8 to the Historical Financial Information.

39. FINANCIAL INSTRUMENTS BY CATEGORY

Derecognised bills receivable

At 31 December 2023, 2024 and 2025, the Group, endorsed certain bills receivable accepted by banks in Chinese mainland to certain of its suppliers or discounted certain bills receivable to banks in the Chinese mainland (collectively, “Derecognised Bills”) with carrying amounts in aggregated of RMB82,273,000, RMB138,886,000 and RMB225,245,000, respectively. The Derecognised Bills had a maturity of one to six months at the end of the reporting period.

In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the “Continuing Involvement”). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated bills receivables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the Relevant Periods, the Group has recognised a loss of nil, RMB1,000 and RMB90,000, respectively on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the reporting period and cumulatively. The endorsement has been made evenly throughout the reporting period.

APPENDIX I

ACCOUNTANTS’ REPORT

Transferred financial assets that are not derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Chinese mainland (the “Endorsed Bills”) to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB45,000, RMB2,398,000 and RMB8,270,000, respectively. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

The carrying amounts of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
Financial assets at fair value:			
Financial assets at FVTPL	—	312	1,271
Financial assets at FVTOCI	3,005	2,700	2,701
Financial assets at amortised cost:			
Trade and bills receivables	31,620	130,747	157,891
Financial assets included in prepayments, deposits, other receivables and other assets	9,983	7,643	9,765
Restricted bank deposits	83,118	49,604	80,795
Certificates of deposit	95,702	140,245	174,466
Cash and cash equivalents	89,100	93,063	148,512
Total	312,528	424,314	575,401
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and bills payables	161,324	155,017	318,602
Financial liabilities included in other payables and accruals	1,029	1,420	49,270
Lease liabilities	129,880	121,563	111,817
Interest-bearing bank borrowings	49,037	45,482	20,061
Total	341,270	323,482	499,750

For the details of Pre-[REDACTED] Investments, please refer to Note 32 to this report.

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 31 December 2023, 2024 and 2025, the fair values of the Group’s financial assets or liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of cash and cash equivalents, certificates of deposit, restricted bank deposits, trade and bills receivables, trade and bills payables, interest-bearing bank borrowings, lease liabilities, financial assets included in prepayments, other receivables and other assets, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group’s finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the directors of the Company once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of certificates of deposit, restricted bank deposits, trade and bills receivables and financial assets included in prepayments, other receivables and other assets, contract assets, financial liabilities included in other payables and accruals and lease liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group’s own non-performance risk for interest-bearing bank loans as at 31 December 2023, 2024 and 2025 were assessed to be insignificant.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group invests in unlisted investments, which represent wealth management products issued by multiple certified financial institutions in Chinese mainland. Fair value of the unlisted investments was determined by the quoted price of the net asset value by financial institutions as at the end of each of the Relevant Periods.

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using net asset value approach at 31 December 2025. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at 31 December 2025. And the fair value of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a precedent transaction valuation, which is close to the cost price at 31 December 2024.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value:

At 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at FVTOCI				
— Bills receivable, at fair value	—	3,005	—	3,005

At 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at FVTPL				
— Wealth management products	—	312	—	312
Financial assets at FVTOCI				
— Unlisted equity investments, at fair value	—	—	2,700	2,700
	—	312	2,700	3,012

At 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at FVTPL				
— Structured deposits	—	1,271	—	1,271
Financial assets at FVTOCI				
— Unlisted equity investments, at fair value	—	—	2,701	2,701
	—	1,271	2,701	3,972

APPENDIX I

ACCOUNTANTS’ REPORT

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise interest-bearing bank borrowings, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities which arise directly from its operations.

The main risks arising from the Group’s financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group’s financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group’s profit after tax

	Increase/ (decrease) in foreign exchange rate %	Increase/ (decrease) in profit after tax RMB’000
Year ended 31 December 2023		
If the RMB weakens against the USD	5	(259)
If the RMB strengthens against the USD	(5)	259
If the RMB weakens against the EUR	5	(1,352)
If the RMB strengthens against the EUR	(5)	1,352
Year ended 31 December 2024		
If the RMB weakens against the USD	5	(4,213)
If the RMB strengthens against the USD	(5)	4,213
If the RMB weakens against the EUR	5	(46)
If the RMB strengthens against the EUR	(5)	46
Year ended 31 December 2025		
If the RMB weakens against the USD	5	(941)
If the RMB strengthens against the USD	(5)	941
If the RMB weakens against the EUR	5	(6,321)
If the RMB strengthens against the EUR	(5)	6,321

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant. The credit risk of the Group’s other financial assets, which comprise cash and cash equivalents, restricted bank deposits, financial assets included in prepayments, deposits, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

APPENDIX I

ACCOUNTANTS’ REPORT

At 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	—	—	—	38,519	38,519
Bills receivable	—	—	—	45	45
Contract assets	—	—	—	9,730	9,730
Financial assets included in prepayments, other receivables and other assets**	10,065	—	—	—	10,065
Certificates of deposit	95,702	—	—	—	95,702
Restricted bank deposits	83,118	—	—	—	83,118
Cash and cash equivalents	89,100	—	—	—	89,100
Total	277,985	—	—	48,294	326,279

At 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	—	—	—	141,685	141,685
Bills receivable	—	—	—	2,416	2,416
Contract assets	—	—	—	14,238	14,238
Financial assets included in prepayments, other receivables and other assets**	7,705	—	—	—	7,705
Certificates of deposit	140,245	—	—	—	140,245
Restricted bank deposits	49,604	—	—	—	49,604
Cash and cash equivalents	93,063	—	—	—	93,063
Total	290,617	—	—	158,339	448,956

At 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	—	—	—	168,095	168,095
Bills receivable	—	—	—	8,270	8,270
Contract assets	—	—	—	8,286	8,286
Financial assets included in prepayments, other receivables and other assets**	9,847	—	—	—	9,847
Certificates of deposit	174,466	—	—	—	174,466
Restricted bank deposits	80,795	—	—	—	80,795
Cash and cash equivalents	148,512	—	—	—	148,512
Total	413,620	—	—	184,651	598,271

* For trade receivables and contract assets at the end of each reporting period, the Group applies the simplified approach for impairment. Information based on the provision matrix is disclosed in note 22 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities.

The maturity profile of the Group’s financial liabilities as at the end of each of the Relevant Periods., based on the contractual undiscounted payments, is as follows:

At 31 December 2023

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills payables	161,324	—	—	161,324
Financial liabilities included in other payables and accruals	1,029	—	—	1,029
Lease liabilities	16,624	66,791	79,109	162,524
Interest-bearing bank borrowings	50,268	—	—	50,268
Total	229,245	66,791	79,109	375,145

At 31 December 2024

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills payables	155,017	—	—	155,017
Financial liabilities included in other payables and accruals	1,420	—	—	1,420
Lease liabilities	18,533	85,018	44,586	148,137
Interest-bearing bank borrowings	45,667	—	—	45,667
Total	220,637	85,018	44,586	350,241

At 31 December 2025

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and bills payables	318,602	—	—	318,602
Financial liabilities included in other payables and accruals	9,526	17,664	22,080	49,270
Lease liabilities	17,591	89,378	26,137	133,106
Interest-bearing bank borrowings	20,156	—	—	20,156
Total	365,875	107,042	48,217	521,134

Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares, make borrowings or sell assets to reduce debt. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

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APPENDIX I

ACCOUNTANTS’ REPORT

The asset-liability ratios as at the end of each of the Relevant Periods were as follows:

	31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total assets	793,191	995,660	1,340,332
Total liabilities	497,962	520,619	795,999
Asset-liability ratio*	63%	52%	59%

* The asset-liability ratio is calculated by dividing total liabilities by total assets.

42. EVENTS AFTER THE REPORTING PERIOD

On 10 February 2026, the Group approved a resolution that the Company shall act as the redemption entity to acquire the 1,721,850 shares of the Company held by the Changjiang Green Development Investment Fund Partnership (Limited Partnership). On 4 June 2026, the Company entered into a share repurchase agreement with Changjiang Green Development Investment Fund Partnership (Limited Partnership), pursuant to which the Company agreed to acquire these shares with an amount of RMB68,400,000.

On 22 April 2026, the Group approved an equity incentive plan. Pursuant to the incentive plan, 83,032 shares of Cubenergy Investment (indirectly holding 316,983 shares of the Company) were granted to 13 qualified employees at a subscription price of RMB7.54 per share of the Company and 268,709 shares of Cubenergy Investment (indirectly holding 1,025,824 shares of the Company) were granted to Shenzhen Cubenergy Qihang Investment Center (Limited Partnership), another share incentive platform established in 2026. On the same day, the shares granted to Shenzhen Cubenergy Qihang Investment Center (Limited Partnership) from the Cubenergy Investment have been awarded to 24 qualified employees at a subscription price of RMB7.54 per share of the Company.

On 8 June 2026, the shareholders approved a resolution for, among others, the share subdivision, whereby each of the shares with a nominal value of RMB1.00 shall be sub-divided into 5 shares with a nominal value of RMB0.20 each, and such share subdivision was completed as of 9 June 2026, upon which the registered capital of the Company shall be divided into 298,454,190 shares (after deducting the 1,721,850 shares of the Company held by the Changjiang Green Development Investment Fund Partnership (Limited Partnership) repurchased by the Company) with a nominal value of RMB0.20 per share.

43. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 31 December 2025.

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APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

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APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix contains a summary of the principal provisions of the Company’s Articles of Association. The major objective of this Appendix is to provide potential [REDACTED] with an overview of the Company’s Articles of Association, and therefore it may not contain all the information that may be important to potential [REDACTED].

SHARES AND REGISTERED CAPITAL

Shares of the Company shall take the form of share certificates.

The shares of the Company shall be issued in accordance with the principles of openness, fairness and justice. Each share of the same class shall carry the same rights.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the Shares it/he/she subscribes issued in the same offering.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase and Reduction of Shares

Based on its operation and development needs, in accordance with the relevant laws and regulations, and subject to the separate resolutions of the general meeting, the Company may increase its capital by any of the following ways:

- (i) public issuance of shares;
- (ii) non-public issuance of shares;
- (iii) distribution of bonus shares to existing Shareholders;
- (iv) conversion of capital reserve into share capital;
- (v) other means permitted by laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed.

The Company may reduce its registered capital. The reduction of registered capital shall comply with the procedures stipulated in the Company Law and other relevant regulations as well as the Articles of Association.

Repurchase of Shares

The company shall not purchase its shares. However, the following circumstances are excluded:

- (i) reduction of the Company’s registered capital;
- (ii) mergers with another company holding shares of the Company;
- (iii) use of shares for employee shareholding scheme or equity incentives;
- (iv) Shareholders who object to resolutions of the general meeting on merger or division of the Company requesting the Company to purchase their shares;
- (v) use of shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (vi) where it is necessary for the Company to preserve its value and Shareholders’ interest.

Where the Company purchases its shares under the circumstances set forth in items (i) and (ii) above, the purchase shall be resolved at a general meeting. Where the Company purchases its shares under the circumstances set forth in items (iii), (v) and (vi) above, a resolution thereon may,

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

pursuant to the securities regulatory rules of the place where the shares of the Company are listed, be resolved at a Board meeting that is attended by more than two-thirds of the Directors according to the provisions of the Articles of Association.

After purchasing the company’s shares, the company shall fulfill its information disclosure obligations in accordance with the Securities Law, the regulations of the stock exchange where the company’s stocks are listed, and other securities regulatory rules.

With respect to domestic listed shares, upon the purchase of its shares by the Company pursuant to the above provisions, under the circumstance set forth in item (i), such shares shall be cancelled within 10 days from the day of purchase; under the circumstances set forth in items (ii) and (iv), such shares shall be transferred or cancelled within six months; under the circumstances set forth in items (iii), (v) and (vi), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years.

The Company may purchase its own shares by the centralized trading or by any other means recognized by the laws, administrative regulations, the CSRC and the stock exchange(s) of the place where the shares of the Company are listed.

Transfer of Shares

Shares of the Company that were issued prior to a public issue shall not be transferred within one year from the date on which shares of the Company are listed and traded on stock exchange.

Directors and senior management of the Company shall report to the Company their holdings of shares of the Company and the changes thereof. During their term of office determined at the time of taking office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company held by them. The above personnel shall not transfer the shares of the Company held by them within 6 months after the expiry of their term of office. If laws, administrative regulations or the securities regulatory authority where the company’s shares are listed have other provisions on matters related to the restrictions on the transfer, such provisions shall prevail.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The Company shall establish a register of members with the evidence provided by the securities registration authority. The register of members shall be sufficient evidence of the holding of the shares of the Company by the Shareholders. Shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

- (i) to receive dividends and other distributions in proportion to the shares they hold;
- (ii) to request, convene, hold, attend or appoint a proxy to attend general meetings and exercise the corresponding voting rights in accordance with laws;
- (iii) to supervise, present suggestions on or make inquiries about the operations of the Company;
- (iv) to transfer, gift or pledge the shares it holds in accordance with laws, administrative regulations, securities regulatory rules of the place where the company’s shares are listed and regulations of the Articles of Association;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (v) to inspect and copy the Articles of Association, register of members, minutes of general meetings, resolutions of Board meetings, resolutions of financial reports; Shareholders who meet the statutory requirements may inspect the Company’s accounting books and accounting vouchers;
- (vi) in the event of termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion with the number of shares held by them;
- (vii) to require the Company to purchase their shares in the event of an objection to the resolutions of the general meeting on merger or division of the Company;
- (viii) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and regulations of the Articles of Association.

If any resolution of a general meeting or the Board is in violation of the laws or administrative regulations, Shareholders shall have the right to request the People’s court to invalidate the said resolution. If the convening procedures and voting method of the general meetings or Board meetings are in violation of the laws, administrative regulations or the Articles of Association or if the contents of any resolution are in breach of the Articles of Association, Shareholders shall have the right to request the People’s court to revoke such resolution within 60 days from the date on which the resolution is approved. However, unless there are only minor defects in the convening procedures or voting methods of the general meeting or the Board, which have no material impact on the resolution.

Shareholders of the Company shall assume the following obligations:

- (i) to abide by the laws, administrative regulations and the Articles of Association;
- (ii) to pay capital contribution as per the shares subscribed for and the method of subscription;
- (iii) not to return Shares unless prescribed otherwise in laws and regulations;
- (iv) not to abuse Shareholders’ rights to impair the interests of the Company or other shareholders; not to abuse the independent status of the juridical person or Shareholders’ limited liabilities to impair the interests of the creditors of the Company;
- (v) to assume other obligations prescribed by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Shareholders of the Company who abuse their Shareholders’ rights and thereby cause loss on the Company or other Shareholders shall be liable for loss compensation according to the laws. Where Shareholders of the Company abuse the Company’s position as an independent juridical person and the limited liabilities of Shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such Shareholders shall be jointly and severally liable for the debts owed by the Company.

General Provisions for General Meeting

The general meeting of the Company is composed of all shareholders. The general meeting is the organ of authority of the Company and shall exercise the following duties and powers in accordance with laws:

- (i) to elect and replace Directors and to determine matters relating to the remuneration of the Directors;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (ii) to consider and approve the reports of the Board;
- (iii) to consider and approve the profit distribution plan and loss recovery plans of the Company;
- (iv) to resolve on the increase or reduction of the registered capital of the Company;
- (v) to resolve on the issue of corporate bonds;
- (vi) to resolve on the merger, division, dissolution, liquidation or change in corporate form of the Company;
- (vii) to amend the Articles of Association;
- (viii) to resolve on the appointment and dismissal of accounting firms by the Company;
- (ix) to consider and approve the guarantee issues specified in the Articles of Association;
- (x) to consider matters relating to the purchase and sale of material assets by the Company within one year, where such assets are valued at more than 30% of the Company’s most recent audited total assets;
- (xi) to consider and approve matters relating to changes in the use of proceeds;
- (xii) to consider share incentive scheme and employee shareholding scheme;
- (xiii) to consider other matters to be resolved by the general meeting as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and regulations of the Articles of Association.

The general meeting may authorize the Board to make resolutions on the issuance of corporate bonds.

The following provision of external guarantees by the Company is subject to the consideration and approval of the general meeting:

- (i) any guarantee after the total amount of the external guarantees provided by the Company and its holding subsidiaries exceeding 50% of the latest audited net assets;
- (ii) any guarantee after the total amount of the external guarantees provided by the Company exceeding 30% of the latest audited total assets;
- (iii) the amount of the guarantees provided by the Company within one year exceeding 30% of the latest audited total assets;
- (iv) any guarantee to be provided to a recipient of such security whose asset to liability ratio is over 70%;
- (v) any single guarantee with an amount exceeding 10% of the latest audited net assets;
- (vi) any guarantee provided to Shareholders, de facto controllers, and their related parties(Excluding the Company and its holding subsidiaries);
- (vii) any guarantees required by relevant laws and administrative regulations, securities regulatory rules of the place where the shares of the Company are listed.

The general meetings are classified into annual general meetings and extraordinary general meetings. The annual general meetings shall be convened once a year within six months from the end of the previous fiscal year.

APPENDIX III**SUMMARY OF THE ARTICLES OF ASSOCIATION**

The Company shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

- (i) when the number of directors falls short of the statutory number specified in the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (ii) when the uncovered loss of the Company reaches one-third of its total paid-up share capital;
- (iii) upon written request(s) by shareholder(s) individually or collectively holding 10% or above of the shares of the Company;
- (iv) when the Board deems it necessary;
- (v) when the Audit Committee proposes such a meeting be held;
- (vi) other circumstances required by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

If the extraordinary general meeting is convened in response to the securities regulatory rules of the place where the company’s shares are listed, the actual date of the extraordinary general meeting may be adjusted according to the approval progress of the stock exchange(s) of the place where the shares of the Company are listed.

Summoning of General Meetings

The Board shall convene the general meeting on time within the specified period. Subject to the consent of more than half of the independent non-executive directors, the independent non-executive directors have the right to propose to the Board to convene an extraordinary general meeting. With regard to the proposal made by the independent non-executive directors for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, provide a written response indicating whether it agree or disagree to convene the extraordinary general meeting within 10 days upon receipt of the proposal. Where the Board agrees to convene the general meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the Board is made. Where the Board does not agree to convene the extraordinary general meeting, it shall provide reasons and make an announcement.

The Audit Committee proposes to the Board to convene an extraordinary general meeting, such proposal shall be made in writing to the Board. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

Where the Board agrees to convene the general meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the Board is made. Any change to the original proposal in the notice shall be subject to the approval of the Audit Committee.

Where the Board does not agree to convene the extraordinary general meeting or fails to reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the general meeting, and the Audit Committee may convene and preside over the meeting by itself.

Shareholders who individually or jointly hold more than 10% of the Company’s shares are entitled to request the Board to convene an extraordinary general meeting and such requisition shall be made in writing to the Board. The Board shall, in accordance with laws, administrative

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

regulations, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, give a written reply on whether or not it agrees to convene the extraordinary general meeting within 10 days upon receipt of the requisition.

Where the Board agrees to convene the general meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the Board is made. Any change to the original requisition in the notice shall be subject to the approval of relevant shareholders.

Where the Board does not agree to convene the extraordinary general meeting or fails to reply within 10 days after receipt of the requisition, shareholders who individually or jointly hold more than 10% of the Company’s shares propose the Audit Committee to convene the extraordinary general meeting, such requisition shall be made in writing to the Audit Committee.

Where the Audit Committee agrees to convene the general meeting, a notice of convening such meeting shall be issued within 5 days after receipt of the requisition. Any change to the original requisition in the notice shall be subject to the approval of relevant shareholders.

If the Audit Committee fails to issue the notice of the meeting within the specified period, it shall be deemed that the Audit Committee does not convene and preside over the general meeting. Shareholders who individually or jointly hold more than 10% of the Company’s shares for more than 90 consecutive days may convene and preside over the general meeting by themselves.

If the general meeting is convened by the Audit Committee or shareholders on their own, it shall notify the Board in writing. Before the announcement of the resolution of the general meeting, the shareholding of shareholders who convene the meeting shall not be less than 10%.

Where the Audit Committee or the shareholders convene a general meeting on their own, the necessary expenses incurred thereof shall be borne by the Company. The Board and the board secretary will cooperate. The Board will provide the register of members as of the record date for equity.

Proposal and Notice of General Meetings

When the Company convenes a general meeting, the Board, the Audit Committee and shareholders who individually or jointly hold more than 1% of the Company’s shares shall be entitled to put forward proposals to the Company.

Shareholders who individually or jointly hold more than 1% of the Company’s shares may submit provisional proposals in writing to the convener 10 days prior to the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposals to announce the contents of the provisional proposal and submit the provisional proposals to the general meeting for consideration, however, except for the provisional proposals that violates the requirements of the laws, administrative regulations or the Articles of Association, or are not within the terms of reference of the general meeting.

Except as provided in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the general meeting or not complying with the Articles of Association shall not be voted on or resolved at the general meeting.

The convener shall notify all shareholders at least 21 days prior to the convention of an annual general meeting (excluding the day of the notice, but including the day of the meeting), or at least 15 days prior to the convention of an extraordinary general meeting (excluding the day of the notice, but including the day of the meeting). Where the laws, administrative regulations or listing rules of the place where the Company’s shares are listed provide otherwise, such rules shall prevail. The Company shall not include the date of convention of meeting into the calculation of starting time.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

Notice of the general meeting shall contain:

- (i) the date, venue and duration of the meeting;
- (ii) matters and proposals submitted for consideration at the meeting;
- (iii) a clear statement that: each shareholder is entitled to attend the general meeting in person, or appoint one or more proxies who need not be shareholders of the Company, to attend and vote on his/its behalf;
- (iv) the date of record for the determination of shareholders who are entitled to attend the general meeting;
- (v) name and telephone number of permanent contact person;
- (vi) time and procedures for electronic communications or by other means.
- (vii) other requirements as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, and these Articles of Association.

Convening of General Meetings

All shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the general meeting and exercise their voting rights in accordance with the relevant laws, regulations, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association, unless individual shareholders are required to abstain voting from individual matter as stipulated by the securities regulatory rules of the place where the shares of the Company are listed.

Shareholders may attend a general meeting in person, or may appoint a proxy to attend and vote on his/her behalf.

An individual shareholder that attends the meeting in person shall produce his or her own identity card or other valid documents or proof evidencing his or her identity. If he or she appoints a proxy to attend the meeting on his or her behalf, the proxy shall produce his or her own valid proof of identity and the power of attorney issued by the shareholder.

Shareholder who is a corporation shall attend and vote at a meeting by its legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he or she shall produce his or her own identity card and a valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall present his or her own identity card and the power of attorney issued by the legal representative of the shareholder as a corporation, except for shareholder who is a recognized clearing house and its nominees as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or the securities regulatory rules of the place where the shares of the Company are listed. If such corporate shareholder has appointed a proxy to attend the meeting in accordance with the provisions of the Articles of Association, it shall be deemed to be present in person.

If the shareholder is a recognized clearing house or its nominees, it may authorize one or more persons it deems fit to act as its representative at any general meeting or any meeting of creditors; however, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may exercise rights on behalf of the recognized clearing house (or its nominees) (no shareholding voucher, notarized authorization and/or further evidence of the duly authorization is required), as if such person is an individual shareholder of the Company.

The power of attorney issued by a shareholder to appoint a proxy to attend any general meeting shall contain the following:

- (i) name of the shareholder, and the number and class of shares;
- (ii) name of the proxy;

APPENDIX III**SUMMARY OF THE ARTICLES OF ASSOCIATION**

- (iii) instructions for voting for, against or abstaining from voting on each matter to be considered on the agenda of general meeting;
- (iv) the date of issuance and term of validity of the power of attorney;
- (v) the signature (or seal) of the shareholder. In the case of a corporate shareholder, the seal of the juridical person shall be affixed.

If the power of attorney is signed by other personnel authorized by consignor, the power of attorney for authorized signature or other authorization documents should be certified by a notary. The power of attorney or other authorization documents upon notarized shall, together with the power of attorney for voting, be placed at the domicile of the Company or such other location as specified in the notice of the meeting.

If the consignor is a legal person, its legal representative or any person authorized by resolutions of the Board or other decision-making institutions shall attend the general meeting on behalf of the consignor.

A general meeting shall be presided over by chairman of the Board. Where the chairman of the Board is unable or fails to perform his/her duties, the meeting shall be presided over by a Director jointly elected by more than half of the Directors. A general meeting convened by the Audit Committee shall be presided over by the chairman of the Audit Committee. Where the chairman of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by an Audit Committee member jointly elected by more than half of the Audit Committee members. A general meeting convened by Shareholders shall be presided over by the convener(s) or a representative elected by convener(s). Where the host of the meeting violates the rules of procedure and makes it impossible to continue the meeting, with the consent of more than half of the shareholders present at the meeting with voting rights, the general meeting may elect a person to serve as the host of the meeting and continue the meeting.

Voting of General Meetings

Resolutions of the general meeting include ordinary resolutions and special resolutions. An ordinary resolution at a general meeting shall be passed by one half or above of the voting rights held by shareholders attending and entitled to vote at the general meeting. A special resolution at a general meeting shall be passed by two-thirds or above of the voting rights held by shareholders attending and entitled to vote at the general meeting.

The following matters shall be resolved by an ordinary resolution at a general meeting:

- (i) work reports of the Board;
- (ii) plans formulated by the Board for the distribution of profits and for making up losses;
- (iii) appointment and removal of the members of the Board, their remunerations and methods of payment;
- (iv) matters other than those required by the laws and administrative regulations and the securities regulatory rules of the place(s) where the shares of the Company are listed or by the Articles of Association to be adopted by special resolution.

The following matters shall be resolved by a special resolution at a general meeting:

- (i) the increase or reduction of share capital of the Company;
- (ii) the split, spin-off, merger, dissolution and liquidation (including voluntary winding-up) or the change in the form of the Company;
- (iii) the amendment of the Articles of Association and its annexes;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (iv) the purchase and sale of material assets or amount of guarantee provided by the Company within one year valued at more than 30% of the audited total assets of the Company as at the most recent period;
- (v) the share incentive scheme;
- (vi) any other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and any other matters considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution.

Shareholders have the right to exercise their voting rights based on the number of voting shares they represent. Each share is entitled to one vote, except for shareholders of class shares. When voting, shareholders (including their proxies) who hold two or more voting rights are not required to cast all their voting rights uniformly for, against a proposal, or to abstain from voting.

The shares held by the Company have no voting rights, and that part of the shareholding shall not be counted as the total number of shares with voting rights held by shareholders attending the meeting. If a shareholder purchases voting shares of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised for a period of thirty-six months after the purchase and shall not be counted as part of the total number of voting shares present at the general meeting. Where under applicable laws, regulations and the SEHK Listing Rules, any shareholder is required to abstain from voting on a resolution or is restricted to voting only in favor of (or against) a resolution, any votes cast by such shareholder or its proxy in breach of such requirement or restriction shall be disregarded.

When a connected transaction is considered at a general meeting, the connected shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted the total number of valid voting shares. Resolutions of the general meeting shall fully explain the voting of non-connected shareholders.

BOARD OF DIRECTORS

Directors

Directors may include executive directors, non-executive directors and independent non-executive directors. A non-executive director means a director who does not hold any operational or managerial positions in the Company. An independent non-executive director means a person who satisfies the requirements set out in Section 3 of Chapter 5 of these Articles of Association. Directors of the Company shall be natural persons. They shall possess the qualifications required by laws, administrative regulations, rules and securities regulatory rules of the place where the company's shares are listed. A person may not serve as a Director of the Company in case of any of the following circumstances:

- (i) the person is without civil conduct capacity or with limited civil conduct capacity;
- (ii) the person who has committed an offence of corruption, bribery, conversion of property, misappropriation of property or sabotage of the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation, or if suspension of the sentence is announced, it has not been two years since completion of probation;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (iii) the person who is a former director, factory director or manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;
- (iv) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of such revocation of the business license;
- (v) the person is listed as a dishonest judgement debtor who is liable for a relatively large amount of debts that are overdue;
- (vi) the person subject to securities market entry restrictions imposed by the CSRC, with the restriction period not yet expired;
- (vii) the person is publicly deemed by a stock exchange as unsuitable to serve as a director and senior management of a listed company;
- (viii) other contents stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the shares of the Company are listed.

Directors shall be elected or replaced at the general meeting and may be dismissed by the general meeting prior to the expiry of the term of their office. However, such removal from office does not affect the director's claim for damages under any contract. A Director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of their terms.

The term of office of a Director shall commence on the date of assuming office and end on the expiry of the term of the current Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Director, such Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations, departmental rules, the listing rules of the place where the shares of the Company are listed and the Articles of Association until the newly elected Director assumes the office.

Senior management officers may serve concurrently as Directors, provided that the total number of such Directors who concurrently serve as senior management officers and the employee representatives shall not exceed a half of the total number of the Directors of the Company.

Directors may resign prior to the expiration of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. The resignation takes effect from the date the Company receives the resignation letter. In the event that the resignation of any Director results in the number of members of the Board falling below the statutory minimum requirement, the resigned Directors shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules the listing rules of the place where the shares of the Company are listed and the Articles of Association until the newly elected Director assumes the office.

When the resignation of a Director takes effect or the term of office expires, all transfer procedures shall be completed to the Board, and the fidelity obligations of the director to the Company and the Shareholders shall not be automatically discharged after the end of the term of office, but shall remain valid for three years after the resignation of the director takes effect or the term of office expires; when a director's resignation takes effect or his term of office expires, the confidential obligations of the director to the Company's commercial secrets shall remain valid until the secrets become public known. The Directors' responsibilities in the performance of their duties during their term of office shall not be relieved or terminated by reason of their departure from office.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

The Board

The Company has established a Board which shall be accountable to the general meetings. The Board shall consist of nine Directors. The Company shall have one chairman. The chairman shall be elected by more than half of all the Directors.

The Board shall exercise the following powers:

- (i) to convene general meetings and report its work to the general meetings;
- (ii) to implement the resolutions of the general meetings;
- (iii) to formulate business operation plans and investment plans of the Company;
- (iv) to formulate the profit distribution plans and plans for recovery of losses of the Company;
- (v) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (vi) to draft plans for major acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change in the form of the Company;
- (vii) to determine, extent authorized by the general meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions, and external donations of the Company;
- (viii) to determine the internal management structure of the Company;
- (ix) to determine the appointment or dismissal of the manager of the Company or secretary to the Board or other senior management and decide on their remuneration, rewards and penalties; and based on the nomination of the manager, to determine the appointment or dismissal of the senior management including vice manager(s) and financial controller of the Company and determine their remuneration, rewards and penalties;
- (x) to formulate the basic management system of the Company;
- (xi) to formulate proposals for any amendment of the Articles of Association;
- (xii) to propose to the general meeting for appointment or replacement of the accounting firms which provide audit services to the Company;
- (xiii) to listen to work reports of the manager of the Company and review his/her work;
- (xiv) other duties as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The chairman of the Board shall exercise the following duties and powers:

- (i) to convene and preside over Board meetings, and to preside over general meetings;
- (ii) to supervise and examine the implementation of resolutions of Board;
- (iii) other duties and powers granted by the Board.

The Board shall hold at least two meetings per year, which shall be convened by the chairman and all directors shall be notified in writing 10 days before the meeting (excluding the day on which the meeting is held).

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

Shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors, or the Audit Committee members, more than half of the independent non-executive directors may propose to convene an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days from the receipt of the proposal.

The quorum of a Board meeting shall consist of more than one half of all Directors. A resolution of the Board shall be passed by more than half of all Directors. When voting on the resolutions of the Board, each Director shall have one vote.

Where a Director has any connected relationship with the enterprise involved in the matter to be decided at the meeting, he/she shall promptly submit a written report to the Board. Directors with connected relationship shall not exercise his/her voting rights on the resolution, nor shall he/she exercise his/her voting rights on behalf of other Directors. Such a Board meeting may be held only if more than one half of the Directors without a connected relationship are present, and the resolutions made at such a Board meeting shall require adoption by more than one half of the Directors without a connected relationship. If the number of non-connected Directors in presence is less than 3 persons, the matter shall be submitted to the general meeting for consideration.

Directors shall attend Board meetings in person. If any Director is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another Director to attend the meeting on his/her behalf. The power of attorney shall include the name of the proxy, the subject, scope of authorization and validity period, which shall be signed or officially sealed by the appointing Director. A Director appointed as the representative of another Director to attend the meeting shall exercise the rights within the scope of authorization. Where a Director does not attend a Board meeting and does not appoint a proxy to attend the meeting on his behalf, he/she shall be deemed to have waived his/her voting right at the meeting.

Independent non-executive Directors

Independent non-executive directors shall maintain their independence. The following individuals shall not act as independent non-executive directors:

- (i) Persons employed by the Company or its subsidiaries, as well as their spouses, parents, children, and close social relations;
- (ii) Natural person shareholders who directly or indirectly hold more than 1% of the company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;
- (iii) Persons working for shareholders who directly or indirectly hold more than 5% of the company's issued shares or for the top five shareholders of the company, as well as their spouses, parents, and children;
- (iv) Persons working for affiliated enterprises of the company's controlling shareholder or actual controller, as well as their spouses, parents, and children;
- (v) Persons who have significant business dealings with the company, its controlling shareholder, actual controller, or their respective affiliated enterprises, or who work for entities with such significant business dealings or their controlling shareholders or actual controllers;
- (vi) Persons who provide financial, legal, consulting, sponsorship, or other services to the company, its controlling shareholder, actual controller, or their respective affiliated enterprises, including but not limited to all members of the project team of intermediary institutions providing such services, reviewers at all levels, signatories on reports, partners, directors, senior management personnel, and principal responsible persons;

APPENDIX III**SUMMARY OF THE ARTICLES OF ASSOCIATION**

- (vii) Persons who, in the past 12 months, have fallen under any of the circumstances listed in items (i) to (vi) above;
- (viii) Other individuals deemed non-independent under laws, administrative regulations, CSRC rules, stock exchange rules and the Articles of Association.

Independent non-executive directors shall conduct an annual self-assessment of their independence and submit the results to the Board. The Board shall evaluate the independence of incumbent Independent non-executive directors annually and issue a special assessment opinion.

Independent non-executive directors shall exercise the following special powers:

- (i) independently engage intermediary agencies to conduct audits, consultations, or verifications on specific matters of the Company;
- (ii) propose to the Board the convening of an extraordinary general meeting of shareholders;
- (iii) propose the convening of a Board meeting;
- (iv) lawfully solicit shareholder rights from shareholders;
- (v) express independent opinions on matters that may harm the interests of the Company or minority shareholders;
- (vi) other powers stipulated by laws, administrative regulations, CSRC rules and the Articles of Association.

The exercise of the powers listed in items (i) to (iii) above shall be subject to the consent of more than half of all Independent non-executive directors.

The following matters shall be submitted to the Board for deliberation only after being approved by more than half of all Independent non-executive directors:

- (i) review of related-party transactions that require board approval;
- (ii) proposals for changes to or waivers of commitments made by the Company or relevant parties;
- (iii) decisions and measures made by the Board of the listed company being acquired in response to the acquisition;
- (iv) other matters stipulated by laws, administrative regulations, CSRC rules and the Articles of Association.

The Company establishes a mechanism for special meeting attended solely by Independent non-executive directors. Related party transactions should be pre-approved by the special meeting of Independent non-executive directors before being submitted to the Board for consideration.

The Company shall hold special meetings of Independent non-executive directors on a regular or ad hoc basis. Matters listed in items (i) to (iii) of the paragraph 1 of Article 133 and Article 134 of the Articles of Association shall be considered at a special meeting of Independent non-executive directors.

The special meetings of Independent non-executive directors shall be convened and presided over by an independent director jointly elected by a majority of the Independent non-executive directors; in the event that the convener fails to or is unable to perform his/her duties, two or more Independent non-executive directors may convene and elect a representative to preside over the meeting on their own.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

Minutes of the special meetings of Independent non-executive directors shall be prepared as required, with the inclusion of the opinions of the Independent non-executive directors, who shall sign to confirm the minutes of the meetings.

Special Committees of the Board

The Board of the Company has established an Audit Committee, which shall exercise the functions and powers of the board of supervisors as prescribed by the Company Law.

The Audit Committee consists of three members, who are not senior management members of the Company and all are independent non-executive directors, and the convenors are accounting professionals among the independent non-executive directors.

The Audit Committee is responsible for reviewing the Company’s financial information, supervising and evaluating the internal and external audit work and internal control. Any of the following matters shall be subject to the affirmative votes of more than half of all the members of the Audit Committee before the Board makes a resolution:

- (i) disclosing the financial and accounting reports, and financial statements and internal control evaluation report of periodic reports;
- (ii) hiring or removing the accounting firm that undertakes the audit engagements of the Company;
- (iii) appointing or removing the financial controller;
- (iv) making changes to accounting policies or accounting estimates, or make corrections for material accounting errors for reasons other than changes in accounting standards; and
- (v) any other matters authorized by the laws, administrative regulations, CSRC rules, other securities regulatory rules and the Articles of Association.

The Audit Committee shall hold a regular meeting at least once a quarter. An extraordinary meeting may be convened upon the proposal of two or more members or when the convener deems necessary. A meeting of the audit committee may only be held when more than two thirds of the members attended. Resolutions adopted at the Audit Committee meeting must be approved by more than half of all members of the Audit Committee. Resolutions of the Audit Committee shall be passed on a “one person one vote” basis.

The Board of the Company has established other special committees such as the Nomination Committee, the Remuneration and Appraisal Committee, etc., which perform their duties in accordance with the Articles and the authorization of the Board. The proposals of the special committees shall be submitted to the Board for review and decision making. The working procedures of the special committees shall be formulated by the Board. Among them, Independent non-executive directors in the Nomination Committee and the Remuneration and Appraisal Committee shall be in majority.

SENIOR MANAGEMENT

The Company shall have one general manager, who shall be appointed or dismissed by the Board. The company may, as required, appoint one chief financial officer, one company secretary and several deputy general managers, whose appointment and removal shall be determined by the board.

The circumstances of disqualification for Directors and director resignation management system prescribed in the Articles of Association shall also be applicable to senior management.

The general manager shall serve for a term of 3 years and may serve consecutive terms if re-appointed.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

The general manager shall report to the Board and exercise the following duties and powers:

- (i) to take charge of the production, operation and management of the Company, organize the implementation of the Board, and report to the Board;
- (ii) to organize the implementation annual business plans and investment plans of the Company;
- (iii) to draft the plans for establishment of the internal management organization of the Company;
- (iv) to draft the basic management system of the Company;
- (v) to formulate the rules and regulations of the Company;
- (vi) to propose to the Board the appointment or dismissal of the Company’s deputy general manager and financial controller;
- (vii) to determine the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be determined by the Board;
- (viii) other duties and powers as may be conferred by the Articles of Association or by the Board.

The senior management of the Company shall perform their duties faithfully, and safeguard the best interests of the Company and all Shareholders. If the senior management of the Company fails to perform their duties faithfully or violates their fiduciary duties, causing damage to the interests of the Company and public Shareholders, they shall be liable for compensation in accordance with the laws.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and requirements of relevant PRC authorities.

The Company shall prepare its annual financial report within four months from the end of each fiscal year. The company’s annual and semi-annual financial accounting reports are prepared in accordance with relevant laws, administrative regulations and departmental rules.

The Company shall not keep accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Profit distribution

When distributing after-tax profits of the year, the Company shall set aside 10% of its after-tax profits for the Company’s statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company’s registered capital, the Company needs not make any further allocations to that fund. Where the Company’s statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year’s profits shall be first applied to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision. Subject to a resolution passed at a general meeting, after allocation has been made to the Company’s statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

Except for those not distributed in proportion as prescribed in the Articles of Association, the remaining after-tax profit, after recovery of losses and appropriation of statutory reserve funds, shall be distributed to Shareholders in proportion to their shareholdings. Where the general meeting distributes its profits to the shareholders in breach of the Company Law, Shareholders must refund

APPENDIX III**SUMMARY OF THE ARTICLES OF ASSOCIATION**

to the Company the profits distributed in violation of the provisions. Where damages are caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The reserve fund of the Company shall be used for making up for the loss, expansion of the operation or increase of capital of the Company. When the Company uses its reserve fund for making up for the loss, it shall first utilize the discretionary reserve fund and the statutory reserve fund. If the losses cannot be fully covered thereafter, the capital reserve fund may be used in accordance with applicable regulations. When the statutory reserve fund is capitalized, the retained portion of the fund shall not be less than 25% of the registered capital of the Company before the capitalization.

After the shareholders adopt a profit distribution resolution at the general meeting, or after the Board formulates a specific plan in accordance with the conditions and upper limit of the interim dividend for the next year that approved by the annual general meeting of shareholders, the Board must finish distributing the dividends (or shares) within two months.

Internal audit

The Company shall implement an internal audit system and clarify the leadership system, duties and authorities, staffing, financial support, application of audit results, and accountability.

The internal audit institution of the Company shall conduct supervision and inspection on the Company's business activities, risk management, internal control, financial information and other matters.

The audit institution shall be accountable to the Board.

Appointment of an Accounting Firm

The Company shall appoint an accounting firm in compliance with the Securities Law and the securities regulatory rules of the place where the shares of the Company are listed to conduct accounting statements audit, net assets verification and other related consulting services for a term of one year, which may be renewed.

The appointment and dismissal of the Company's accounting firm shall be decided by the general meeting. The Board shall not appoint the accounting firm until it is decided by the general meeting.

The Company shall undertake to provide its accounting firm with true and complete accounting vouchers, accounting books, financial reports and other accounting information, and shall not reject, conceal or misstate any information.

The audit fee payable to the accounting firm shall be decided by the general meeting.

When the Company intends to dismiss or not to reappoint an accounting firm, it shall give 30 days prior notice to the accounting firm. When a general meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to represent its opinions. Where the accounting firm resigns, it shall state to the general meeting whether the Company has improper circumstances.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity. One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is merger by establishment of a new entity, and the parties to the merger shall be dissolved.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days after the date of the Company’s resolution on merger and shall make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days after the date of the Company’s resolution on merger. Creditors may demand the Company to repay debts or provide corresponding security within 30 days upon receipt of such notice or 45 days from the date of announcement in case of receiving no such notice.

Upon the merger, claims and debts of each of the merged parties shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

When the Company is divided, its assets shall be split accordingly. In the event of a division of the Company, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company’s resolution on division and shall make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days after the date of the Company’s resolution on division.

The Company shall prepare a balance sheet and an inventory of assets when it intends to reduce its registered capital. The Company shall notify the creditors within 10 days upon resolution on reduction of registered capital by the general meeting and make announcement thereof in the newspapers or the National Enterprise Credit Information Publicity System within 30 days.

When the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the shareholders’ capital contribution or shareholding, unless otherwise stipulated by the laws or the Articles of Association.

When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the registration authority of the Company in accordance with the laws. When the Company is dissolved, the Company shall cancel its registration in accordance with the laws. When a new company is established, its establishment shall be registered in accordance with the laws.

In case of increase or reduction of registered capital of the Company, the Company shall legally complete the formalities for change registration with the registration authority of the Company.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of any of the following events:

- (i) the term of its operations as is stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (ii) a resolution on dissolution is passed by general meeting;
- (iii) dissolution is required due to the merger or division of the Company;
- (iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (v) the Company suffers significant hardships in operation and management that cannot be resolved through other means, and its continuation may cause substantial loss in Shareholders’ interests, Shareholders representing 10% or above of the total voting rights of the Company may plead the people’s court to dissolve the Company.

If the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

With regard to the occurrence of the situation described in sub-paragraph (i), (ii) above and has not yet distributed its property to shareholders, the Company may continue to exist by amending the Articles of Association or by resolution of the general meeting. Any amendments to the Articles of Association or any resolution of the shareholders’ meeting made pursuant to the preceding paragraph shall be subject to the approval of Shareholders representing two-thirds or above of the voting rights present at the general meetings.

Where the Company is dissolved pursuant to sub-paragraph (i), (ii), (iv) or (v) above, it shall be liquidated. Directors are the obligors for liquidation of the Company and shall establish a liquidation group to carry out liquidation within fifteen days from the date when the cause for dissolution occurs. The liquidation group shall be composed of directors, except as otherwise provided in the Articles of Association or as resolved by the general meeting to elect others. If the liquidation obligor fails to perform the liquidation obligation in a timely manner and causes losses to the company or creditors, it shall bear the liability for compensation.

The liquidation committee shall notify creditors within 10 days from the date of its establishment, and publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receiving the notice, or within 45 days from the date of announcement in case they have not received the notice.

Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors’ claims.

The liquidation committee shall not pay off any debts to any creditors during period of credit declaration.

After checking the assets of the Company and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan for the confirmation by general meeting or the people’s court. The remaining properties of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs, taxes and debts of the Company, shall be distributed to the shareholders in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to liquidation. The assets of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding article.

If the liquidation committee, after checking the assets of the Company and preparing a balance sheet and property list, finds that the assets of the Company are insufficient to pay off its debts, it shall immediately file an application to the people’s court for bankruptcy. After the Company is declared bankrupt by the people’s court, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people’s court.

Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the general meeting or the people’s court for confirmation, and submit the report to the company registration authority to apply for de-registration of the Company.

Where the Company is declared bankruptcy in accordance with law, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

- (i) after amendments are made to the Company Law or other relevant laws, administrative regulations, and regulatory rules at the place where the shares of the Company are listed, any term contained in the Articles of Association become inconsistent with the said amendments;
- (ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;
- (iii) the general meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the general meeting require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolution of the general meetings on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT OUR GROUP

Incorporation of Our Company

Our Company was established as a limited liability company on October 17, 2014 and was converted into a joint stock company with limited liability on May 9, 2023 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company was RMB59,690,838.

Our Company was registered in Hong Kong under Part 16 of the Companies Ordinance as a non-Hong Kong company on [•] and our principal place of business in Hong Kong is at 46/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. In compliance with the requirements of the Companies Ordinance, Mr. Tse Yu Yeung (謝愉陽), one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process and any notice required to be served on our Company in Hong Kong.

Changes in the Share Capital of Our Company

Save as disclosed in the section headed “History, Development and Corporate Structure”, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

Change in the Share Capital or Registered Capital of Our Subsidiaries

On March 12, 2026, Cubenergy UK Co., Ltd. was incorporated in England and Wales with a share capital of GBP1,000.

Except as disclosed above, there had been no alterations in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document.

Resolutions of Our Shareholders Passed on June 8, 2026

At a general meeting of our Company held on June 8, 2026, our Shareholders adopted, among other things, the following resolutions:

- (a) each of our Unlisted Shares with a nominal value of RMB1.00 each was sub-divided into five Unlisted Shares with a nominal value of RMB0.20 each;
- (b) the [REDACTED] by our Company of H Shares with a nominal value of RMB0.20 each and such H Shares be [REDACTED] on the Stock Exchange;
- (c) the number of H Shares to be [REDACTED] shall be no more than [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED], and the grant of the [REDACTED] in respect of no more than [REDACTED]% of the number of H Shares [REDACTED] pursuant to the [REDACTED];
- (d) Upon completion of the [REDACTED], [REDACTED] Unlisted Shares held by existing Shareholders will be converted into H Shares on a one-for-one basis;
- (e) authorization of the Board or its authorized individuals to handle all matters relating to, among other things, the [REDACTED], the [REDACTED] and [REDACTED] of H Shares on the Stock Exchange; and
- (f) subject to the completion of the [REDACTED], the conditional adoption of the revised Articles of Association, which shall become effective on the [REDACTED], and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

Reasons for Repurchase

Our Board considered that the repurchase of the Shares would be beneficial to and in the best interests of our Company and our Shareholders as a whole. It can strengthen investors’ confidence in our Company and promote a positive effect on maintaining our Company’s reputation in the capital market. Such repurchases will only be made when our Board believes that such repurchases will benefit our Company and our Shareholder as a whole.

Exercise of the General Mandate to Repurchase Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase Shares at annual general meetings, our Board will be granted general mandate to repurchase Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of (i) the conclusion of the next annual general meeting of our Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or (ii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of our Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to our Board, as applicable. The exercise in full of the general mandate to repurchase H Shares would result in a maximum of 10% of the H Shares in [REDACTED] as of the [REDACTED] being repurchased by our Company during the relevant period.

Source of Funds

In repurchasing our Shares, our Company intends to apply funds from our Company’s internal resources legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules, and regulations of the PRC. Our Company is empowered by the Articles of Association to repurchase its Shares. Any Shares to be repurchased will be cancelled or kept as treasury shares if allowed by the Articles of Association and applicable laws and regulations. Any repurchases by our Company may only be made out of either the funds of our Company that would otherwise be available for dividend or distribution or out of the proceeds of a new [REDACTED] of shares made for such purpose. Our Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Suspension of Repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of 30 days immediately preceding the earlier of (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company’s results for any year, half-year, quarterly, or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Close Associates and Core Connected Persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company. No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved. A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, supervisor, chief executive, or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

Status of Repurchased Shares

In accordance with the Articles of Association, the Listing Rules and any other applicable laws and regulations, following a repurchase of the H Shares, our Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

Takeover Implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

General

To the best knowledge of our Directors, neither the explanatory statement contained herein nor the proposed share repurchase has unusual features.

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business of our Group) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

- (a) the Shanghai Assets and Equity Exchange Contract (上海市產權交易合同) dated June 4, 2026 and entered into by Changjiang Green Development Investment Fund Partnership (Limited Partnership) (長江綠色發展投資基金合夥企業(有限合夥)) as vendor and our Company as purchaser, pursuant to which Changjiang Green Development Investment Fund Partnership (Limited Partnership) agreed to transfer its 1,721,850 Shares to our Company for a consideration of RMB68,400,000; and

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

(b) the [REDACTED].

Intellectual Property Rights of Our Group

The following sets out certain information about our intellectual property rights which we consider to be material in relation to our business.

Trademarks

As of the Latest Practicable Date, our Group was the registered proprietor of the following trademarks which, in the opinion of our Directors, are considered to be material to our business:

No.	Trademark	Registration number	Class	Name of registered proprietor	Place of Registration	Date of registration	Expiry date
1	 库博能源 CUBEENERGY TECHNOLOGY	17689055	Class 42	Our Company	PRC	October 7, 2016	October 6, 2026
2	PowerCombo	22810578	Class 4	Our Company	PRC	February 21, 2018	February 20, 2028
3	微瓦	25987446	Class 42	Our Company	PRC	August 14, 2018	August 13, 2028
4	CubeCore	31717197	Class 37	Our Company	PRC	May 14, 2019	May 13, 2029
5	CubeCore	31711416	Class 42	Our Company	PRC	May 14, 2019	May 13, 2029
6	POWERCOMBO	37924054	Class 4	Our Company	PRC	February 7, 2020	February 6, 2030
7	FlexCombo	41203967	Class 9	Our Company	PRC	May 21, 2020	May 20, 2030
8	库博能源	68096645	Class 9	Our Company	PRC	May 7, 2023	May 6, 2033
9	CUBEENERGY	68092488	Class 4	Our Company	PRC	August 28, 2023	August 27, 2033
10	 CUBEENERGY	7,635,667	Class 42	Our Company	United States	December 31, 2024	December 30, 2034
11	 CUBEENERGY	7,635,666	Class 9	Our Company	United States	December 31, 2024	December 30, 2034
12	 CUBEENERGY	UK00003932363	Class 9/ Class 42	Our Company	United Kingdom	November 7, 2023	November 7, 2033
13	FlexCombo	019112550	Class 9/ Class 42	Our Company	EU	May 21, 2025	November 28, 2034
14	 CUBEENERGY	018899562	Class 9/ Class 42	Our Company	EU	September 5, 2025	July 11, 2033

As of the Latest Practicable Date, our Group had applied for the registration of the following trademarks which, in the opinion of our Directors, are considered to be material to our business:

No.	Trademark	Application number	Class	Name of applicant	Place of application	Application date
1	 CUBEENERGY	307202817	Class 9/ Class 42	Our Company	Hong Kong	March 2, 2026
2	 库博能源 CUBEENERGY TECHNOLOGY	307202826	Class 9/ Class 42	Our Company	Hong Kong	March 2, 2026

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Patents

As of the Latest Practicable Date, our Group had registered the following patents in the PRC which, in the opinion of our Directors, are material to our business:

No.	Patent	Type	Patent Number	Registered Owner	Place of Registration	Date of Registration	Expiry Date
1	Power Network Analysis System and Method (電力網絡分析系統及方法)	Invention	CN201510549434.1	Our Company	PRC	September 12, 2017	August 30, 2035
2	A Method for Automatic Control of Chiller Load Based on Power Demand Forecasting (一種基於電力需量預測的冷機負荷自動控制方法)	Invention	CN201610543905.2	Our Company	PRC	July 28, 2020	July 10, 2036
3	A HSMM-based Control Method for Energy Storage System (一種基於HSMM的儲能系統控制方法)	Invention	CN201610640839.0	Our Company	PRC	August 14, 2018	August 6, 2036
4	A Method and Device for Temperature Signal Simulation in DCS Product Commissioning (一種用於DCS產品調試中的溫度信號仿真方法和裝置)	Invention	CN201710496826.5	Our Company	PRC	June 5, 2020	June 26, 2037
5	A Method and Device for Power Production Configuration Based on User Model Self-learning (一種基於用戶模型自學習的電力生產配置方法和裝置)	Invention	CN201810233239.1	Our Company	PRC	September 3, 2021	March 20, 2038
6	A SoC Calculation Method Based on Cloud Feedback (一種基於雲端反饋的荷電狀態SoC計算方法)	Invention	CN201810239684.9	Our Company	PRC	July 24, 2020	March 21, 2038
7	A Method and Device for Automatic Regeneration Control of Rotary Dehumidifier Based on Temperature and Humidity Control (一種基於溫濕度控制的轉輪除濕機再生自動控制方法和裝置)	Invention	CN201810591001.6	Our Company	PRC	June 8, 2021	June 8, 2038
8	A Device for Response Time Testing of SCADA System (一種用於SCADA系統響應時間測試的裝置)	Invention	CN201810620854.8	Our Company	PRC	February 11, 2022	June 14, 2038
9	A Demand Side Response (DSR) Processing Method (一種需求側的響應處理方法)	Invention	CN201810682438.0	Our Company	PRC	May 4, 2021	June 26, 2038
10	A DCS System and Allocation Method for IO Hard-wiring Distribution via Software Configuration (一種基於軟件組態實現IO硬接線分配的DCS及分配方法)	Invention	CN201810726404.7	Our Company	PRC	January 5, 2021	July 3, 2038

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Type	Patent Number	Registered Owner	Place of Registration	Date of Registration	Expiry Date
11	An Automatic Grid Connection/Islanding Control Method for Energy Storage Battery Cluster Based on DC Bus Voltage Difference Protection (基於直流母線壓差保護的儲能電池簇自動並離網控制方法)	Invention	CN201811171033.7	Our Company	PRC	July 27, 2021	October 2, 2038
12	A Wet Curtain Cooling System for Container-based Energy Storage System (一種集裝箱儲能系統的水簾牆式散熱器)	Invention	CN201910016154.2	Our Company	PRC	October 20, 2020	January 7, 2039
13	A Remotely Monitorable Home Intelligent Power Distribution Safety System (一種可遠程監控的家用智能配電安全系統)	Invention	CN201910755612.4	Our Company	PRC	May 8, 2020	August 14, 2039
14	An Intelligent Rooftop Distributed Photovoltaic Power Generation and Energy Storage System (一種分佈式屋頂光伏發電智能儲能系統)	Invention	CN201910803650.2	Our Company	PRC	May 1, 2020	August 27, 2039
15	A Remote Monitoring System for Renewable Energy (一種新能源的遠程監控系統)	Invention	CN201910803721.9	Our Company	PRC	July 31, 2020	August 27, 2039
16	An Edge Computing Control Gateway for Smart Microgrid (一種智能微電網的邊緣計算控制網關)	Invention	CN202010507503.3	Our Company	PRC	March 5, 2021	June 4, 2040
17	A Photovoltaic-storage-charging Integrated Power Station Operation Method and System Based on Energy Storage Lifetime and Frequency Regulation Performance (基於儲能壽命和調頻性能的光儲充聯合運行方法及系統)	Invention	CN202010554483.5	Our Company	PRC	February 19, 2021	June 16, 2040
18	A Method and System for Energy Storage Operation Monitoring Based on Machine Learning (一種基於機器學習的儲能運營監控方法及系統)	Invention	CN202010553872.6	Our Company	PRC	December 18, 2020	June 16, 2040
19	An Automated Test Method for Energy Storage CMU (一種用於儲能CMU的自動化測試方法)	Invention	CN202010700481.2	Our Company	PRC	August 17, 2021	July 19, 2040
20	An Intelligent Photovoltaic Power Generation and Energy Storage System (一種光伏發電智能儲能系統)	Invention	CN202010697521.2	Our Company	PRC	March 23, 2021	July 19, 2040

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Patent	Type	Patent Number	Registered Owner	Place of Registration	Date of Registration	Expiry Date
21	A Battery-based Energy Storage Power Supply Device with Automatic Control Function Based on Massive Battery Data (一種基於海量電池數據的具有自動控制功能的電池儲能供電裝置)	Invention	CN202011463490.0	Our Company	PRC	April 1, 2022	December 8, 2040
22	A Software-defined and Process-based Configuration Method for Energy Storage Dispatch Gateway (一種基於軟件定義與流程的儲能調度網關配置方法)	Invention	CN202110165206.X	Our Company	PRC	October 20, 2023	February 5, 2041
23	A Parameter Tuning Method for Energy Storage System and the Energy Storage System (儲能系統的參數整定方法和儲能系統)	Invention	CN202111624695.7	Our Company	PRC	October 14, 2022	December 27, 2041
24	Thermal Management Device for Energy Storage System, Its Control Method, and the Energy Storage System (儲能系統熱管理裝置及其控制方法和儲能系統)	Invention	CN202111622902.5	Our Company	PRC	November 8, 2022	December 27, 2041
25	An Automatic Switching Control Method for Operation Scenarios of a Photovoltaic-Storage-Diesel Microgrid System (一種基於光儲柴微網系統的運行場景的自動切換控制方法)	Invention	CN202210516618.8	Our Company	PRC	December 5, 2023	May 11, 2042
26	A Hybrid Energy Storage System Based on Multi-source Energy Storage and Control (一種基於多元儲能 and 控制的混合儲能系統)	Invention	CN202211275047.X	Our Company	PRC	May 30, 2023	October 17, 2042
27	A Grid-connected Control Method for Microgrid Energy Storage Converter (一種微電網儲能變流器的並網控制方法)	Invention	CN202211322205.2	Our Company	PRC	April 7, 2023	October 26, 2042
28	An Automatic Full-load Operation Test Method for String-type Energy Storage System (一種組串式儲能系統滿載運行自動測試方法)	Invention	CN202310143709.6	Our Company	PRC	October 27, 2023	February 9, 2043
29	A Cloud-based Energy Storage Management System and Method (一種基於雲計算的儲能管理系統及方法)	Invention	CN202310236047.7	Our Company	PRC	May 7, 2024	March 12, 2043
30	Energy Dispatch Management Method, Device, Equipment, and Storage Medium (能量調度管理方法、裝置、設備及存儲介質)	Invention	CN202311353436.4	Our Company	PRC	February 6, 2024	October 18, 2043

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Patent	Type	Patent Number	Registered Owner	Place of Registration	Date of Registration	Expiry Date
31	An Automatic Capacity Checking Method for Active Balancing Energy Storage System (一種主動均衡儲能系統的自動核容方法)	Invention	CN202311590213.X	Our Company	PRC	July 19, 2024	November 26, 2043
32	A Clamping Device and Hoist Clamping Control Method (一種抱緊裝置、吊具抱緊控制方法)	Invention	CN202410732551.0	Our Company	PRC	January 21, 2025	June 6, 2044
33	Management Method, Device, Equipment, and Storage Medium for Distributed Energy Storage Systems (分佈式儲能系統的管理方法、裝置、設備及存儲介質)	Invention	CN202410763801.7	Our Company	PRC	September 13, 2024	June 13, 2044
34	System and Method for Energy Efficiency Evaluation of Power Station Based on Photovoltaic-storage-charging Integrated Power Station Management (基於光儲充管理的電站能效評估系統及方法)	Invention	CN202410823609.2	Our Company	PRC	November 8, 2024	June 24, 2044
35	Modular Energy Storage Control Method Based on Hybrid On-Grid/Off-Grid Design of Photovoltaic-storage-charging Integrated Power Station (基於光儲充系統並離網設計的模塊化儲能控制方法)	Invention	CN202410881352.6	Our Company	PRC	September 30, 2024	July 2, 2044
36	Modeling and Early Warning Method for Distribution Network Load Profile Based on Photovoltaic-storage-charging Integrated Power Station System (基於光儲充系統的配電網負荷曲線建模及預警方法)	Invention	CN202410882332.0	Our Company	PRC	August 30, 2024	July 2, 2044
37	A PLC-based Coordinated Control Method and System for Energy Storage Demand Forecasting (一種基於PLC的儲能需求預測協調控制方法及系統)	Invention	CN202411038694.8	Our Company	PRC	November 22, 2024	July 30, 2044
38	A PLC-based Multi-scenario Adaptive Environmental Control Method for Energy Storage (一種基於PLC的儲能多場景自適應環境控制方法)	Invention	CN202411125064.4	Our Company	PRC	October 25, 2024	August 15, 2044

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Type	Patent Number	Registered Owner	Place of Registration	Date of Registration	Expiry Date
39	A Coordination Control Method for PV-Energy Storage System in Non-typical Photovoltaic Application Scenario (一種非典型光伏應用場景的光儲系統協調控制方法)	Invention	CN202411132938.9	Our Company	PRC	October 25, 2024	August 18, 2044
40	An Electric Vehicle Charging/Discharging Dispatching Method and Device (一種電動汽車充放電調度方法及裝置)	Invention	CN202411237577.4	Our Company	PRC	January 10, 2025	September 4, 2044
41	A Temperature Control Method and Device for Energy Storage System (一種儲能系統的溫度控制方法及裝置)	Invention	CN202411296146.5	Our Company	PRC	November 22, 2024	September 17, 2044
42	An Ordered Charging Method and Device for Electric Vehicles (一種充電汽車的有序充電方法及裝置)	Invention	CN202411329754.1	Our Company	PRC	August 26, 2025	September 23, 2044
43	An Automated Operation Test Method and System Based on Energy Storage Unit (一種基於儲能單元的自動化運行測試方法及系統)	Invention	CN202411559443.4	Our Company	PRC	February 25, 2025	November 3, 2044
44	An Adaptive Optimal Base Speed Finding Method for Variable-speed Air-cooled Energy Storage System (一種可調速風冷儲能系統的自適應最佳基礎轉速查找方法)	Invention	CN202510103784.9	Our Company	PRC	May 16, 2025	January 22, 2045
45	An Industrial Robot for Lithium-ion Battery Module Assembly (一種用於鋰電池電池模組組裝的工業機器人)	Invention	CN202510866223.4	Our Company	PRC	March 17, 2026	June 25, 2045
46	A Distributed Cooperative Control Method and System for Microgrid Using Distributed Energy (一種用於分佈式能源的微電網動態協調控制方法及系統)	Invention	CN202511106574.1	Our Company	PRC	October 3, 2025	August 7, 2045
47	A Battery Lifetime Prediction Method and System Based on Multi-time Scale (基於多時間尺度的電池儲能壽命預測方法及系統)	Invention	CN202511222896.2	Our Company	PRC	November 14, 2025	August 28, 2045
48	A Health Assessment and Optimization Method and System for Energy Storage System Based on Data Analysis (一種基於數據分析的儲能系統健康評估與優化方法及系統)	Invention	CN202511359569.1	Our Company	PRC	December 12, 2025	September 22, 2045

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Type	Patent Number	Registered Owner	Place of Registration	Date of Registration	Expiry Date
49	Thermal Management Device for Energy Storage System, Method for Controlling the Thermal Management Device for Energy Storage System, and Energy Storage System	Invention	US 11,670,812 B1	Our Company	United States	June 6, 2023	November 15, 2042
50	Parameter Tuning Method of Energy Storage System and the Energy Storage System	Invention	US 11,804,621 B2	Our Company	United States	October 31, 2023	November 11, 2042
51	A Controller for Dynamic Reactive Power Compensation Device (一種動態無功補償裝置控制裝置)	Utility Model	CN201620953446.0	Our Company	PRC	February 8, 2017	August 27, 2026
52	A Static Reactive Power Compensation Control Device (一種靜態無功補償控制裝置)	Utility Model	CN201620953143.9	Our Company	PRC	February 8, 2017	August 27, 2026
53	A Wind Turbine Variable Frequency Speed Control Device (一種風機變頻調速裝置)	Utility Model	CN201620967271.9	Our Company	PRC	February 8, 2017	August 28, 2026
54	An Energy Storage Device in Photovoltaic (PV) Power System (一種光伏發電系統中的儲能裝置)	Utility Model	CN201620980270.8	Our Company	PRC	March 1, 2017	August 29, 2026
55	A Battery Energy Storage Device for Microgrid System (一種用於微電網系統的電池儲能裝置)	Utility Model	CN201620979980.9	Our Company	PRC	March 1, 2017	August 29, 2026
56	An Isolated RS485 Transceiver Circuit (一種隔離RS485收發電路)	Utility Model	CN201621097392.9	Our Company	PRC	March 22, 2017	October 1, 2026
57	An Independent Microgrid Energy Storage System (一種獨立微電網儲能系統)	Utility Model	CN201720240587.2	Our Company	PRC	September 29, 2017	March 13, 2027
58	A Chain-type Energy Storage System Based on Common Busbar (一種基於公共母線的鏈式儲能系統)	Utility Model	CN201720290963.9	Our Company	PRC	October 10, 2017	March 22, 2027
59	A Distributed Photovoltaic Generation System with Photovoltaic Micro-inverter (一種光伏微逆變器分佈式發電系統)	Utility Model	CN201720299671.1	Our Company	PRC	November 24, 2017	March 24, 2027
60	A Single-phase PV Grid-connected System (一種單相光伏並網系統)	Utility Model	CN201720298557.7	Our Company	PRC	October 10, 2017	March 24, 2027
61	A Protected Energy Storage Device (一種保護式儲能裝置)	Utility Model	CN201920042122.5	Our Company	PRC	July 5, 2019	January 9, 2029
62	A New Energy Battery Pack (一種新能源電池組)	Utility Model	CN201920042073.5	Our Company	PRC	June 5, 2019	January 9, 2029
63	A Battery Response Circuit (一種電池響應電路)	Utility Model	CN201920042201.6	Our Company	PRC	June 17, 2019	January 9, 2029
64	A Protection Device for Energy Storage Converter (一種儲能變流器防護裝置)	Utility Model	CN201920042202.0	Our Company	PRC	June 17, 2019	January 9, 2029

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Type	Patent Number	Registered Owner	Place of Registration	Date of Registration	Expiry Date
65	An Energy Storage Converter Device for Harmonic Filtering (一種用於濾除諧波的儲能變流裝置)	Utility Model	CN201920040159.4	Our Company	PRC	June 13, 2019	January 9, 2029
66	A Protected Energy Storage Circuit (一種保護式儲能電路)	Utility Model	CN201920042071.6	Our Company	PRC	June 19, 2019	January 9, 2029
67	A High-speed Response Energy Storage Device (一種高速響應的儲能裝置)	Utility Model	CN201920040148.6	Our Company	PRC	July 5, 2019	January 9, 2029
68	An Energy Storage Filter Circuit (一種儲能濾波電路)	Utility Model	CN201920040742.5	Our Company	PRC	June 17, 2019	January 9, 2029
69	An Adjustable Transport Device for Energy Storage Equipment (一種用於儲能設備轉運的可調節裝置)	Utility Model	CN201921444365.8	Our Company	PRC	April 14, 2020	September 1, 2029
70	A Ventilated Energy Storage Device (一種通風透氣型儲能裝置)	Utility Model	CN201921543027.X	Our Company	PRC	March 13, 2020	September 16, 2029
71	A Mobile Energy Storage Equipment (一種移動式儲能設備)	Utility Model	CN201921577395.6	Our Company	PRC	May 15, 2020	September 17, 2029
72	A Control System for Energy Storage Equipment Group (一種儲能設備組控制系統)	Utility Model	CN201921608678.2	Our Company	PRC	April 14, 2020	September 24, 2029
73	A Foldable Energy Storage Device (一種折疊式儲能裝置)	Utility Model	CN201921612493.9	Our Company	PRC	April 7, 2020	September 24, 2029
74	A Seismic-resistant Energy Storage Battery Device (一種抗震儲能電池裝置)	Utility Model	CN201921868032.8	Our Company	PRC	May 8, 2020	October 28, 2029
75	A Fault-detection Enabled Energy Storage Battery Device (一種帶故障檢測的儲能電池裝置)	Utility Model	CN201921916543.2	Our Company	PRC	May 12, 2020	November 5, 2029
76	A Renewable Energy Power Generation Device (一種可再生能源發電裝置)	Utility Model	CN201921987080.9	Our Company	PRC	July 3, 2020	November 14, 2029
77	An Internal Formation Device for Lead-type Battery in Energy Storage (儲能引線型電池內化成裝置)	Utility Model	CN201922036776.X	Our Company	PRC	May 19, 2020	November 21, 2029
78	An Energy Storage Battery Assembly Device (一種儲能電池組裝裝置)	Utility Model	CN201922038194.5	Our Company	PRC	May 19, 2020	November 21, 2029
79	A Supervisory Control and SCADA Device for Power Grid (一種電網監控裝置)	Utility Model	CN201922033984.4	Our Company	PRC	May 29, 2020	November 21, 2029
80	A Heat Dissipation Structure for Improving Efficient Energy Storage of New Energy Batteries (一種提高新能源電池高效儲能的散熱結構)	Utility Model	CN201922044529.4	Our Company	PRC	May 19, 2020	November 24, 2029
81	A Locking Mechanism for Energy Storage Connector (一種儲能連接器鎖緊結構)	Utility Model	CN201922044528.X	Our Company	PRC	May 8, 2020	November 24, 2029

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent	Type	Patent Number	Registered Owner	Place of Registration	Date of Registration	Expiry Date
82	A User-End Energy Management System (一種面向用戶的能源管理系統)	Utility Model	CN201922114701.9	Our Company	PRC	May 19, 2020	November 27, 2029
83	A Home Energy Management System (一種家庭用電管理系統)	Utility Model	CN201922102578.9	Our Company	PRC	August 18, 2020	November 27, 2029
84	A Smart Meter (一種智能電表)	Utility Model	CN201922203017.8	Our Company	PRC	August 18, 2020	December 8, 2029
85	Battery Rack and PACK Maintenance Tooling Equipment (電池架電池PACK維修工裝)	Utility Model	CN202021080047.0	Our Company	PRC	March 23, 2021	June 10, 2030
86	Battery Rack and Layer Board for Battery Rack PACK (電池架及電池架電池PACK層板)	Utility Model	CN202021162716.9	Our Company	PRC	March 23, 2021	June 21, 2030
87	A Power Quality Improvement and Energy-saving System Based on Energy Recovery and Reuse (一種基於能源回收再利用的電能質量改善節能系統)	Utility Model	CN202022979128.0	Our Company	PRC	November 23, 2021	December 8, 2030
88	A Constant Temperature Battery Pack (一種恒溫電池組)	Utility Model	CN202121464322.3	Our Company	PRC	December 3, 2021	June 29, 2031
89	An Outdoor AC Circuit Detection Device (一種戶外交流電路檢測裝置)	Utility Model	CN202121520153.0	Our Company	PRC	December 24, 2021	July 5, 2031
90	A Charging Protection Circuit and Charging Device (一種充電保護電路及充電裝置)	Utility Model	CN202121573337.3	Our Company	PRC	December 3, 2021	July 11, 2031
91	A Battery Charge-discharge Test Equipment for Energy Storage (一種儲能電池充放電測試設備)	Utility Model	CN202322510626.4	Our Company	PRC	June 25, 2024	September 14, 2033
92	A Test Device for Energy Storage Battery Production (一種用於儲能電池生產的測試裝置)	Utility Model	CN202322526532.6	Our Company	PRC	April 30, 2024	September 15, 2033
93	A Lifting Tool to Prevent Module Sagging During Hoisting (一種防止模組吊裝下沉的吊具)	Utility Model	CN202421259613.2	Our Company	PRC	January 14, 2025	June 3, 2034
94	A Self-balancing and Self-stabilizing Load Device for Distribution Network of Photovoltaic-storage-charging Integrated Power Station (用於光儲充系統的配電網負荷自平衡自穩定裝置)	Utility Model	CN202421323669.X	Our Company	PRC	March 25, 2025	June 11, 2034
95	A High-voltage Unit for Liquid-cooling Energy Storage System (一種用於液冷儲能系統的高壓單元)	Utility Model	CN202422339265.6	Our Company	PRC	September 16, 2025	September 24, 2034
96	Energy Storage Battery (儲能電池)	Design	CN202530586599.0	Our Company	PRC	October 31, 2025	September 29, 2040

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Domain Names

As of the Latest Practicable Date, our Group was the registered proprietor of the following domain names which, in the opinion of our Directors, are considered to be material to our business:

No.	Domain Name	Registered Owner	Place of Registration	Date of Registration	Expiry Date
1	cubenergy.com.cn	Our Company	PRC	September 9, 2014	September 9, 2028
2	wewatt.cn	Our Company	PRC	July 6, 2015	July 6, 2028
3	autogrid.cn	Our Company	PRC	June 15, 2016	June 15, 2028
4	cubenergy.com	Our Company	PRC	December 3, 2016	December 3, 2028
5	powercombo.cn	Our Company	PRC	March 1, 2018	March 1, 2029

Software Copyrights

As of the Latest Practicable Date, our Group had registered the following copyrights which are material to our business:

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration	Date of Registration	Expiry Date
1	WeWatt Mobile Application Software V1.0 (WeWatt 移動應用軟件 V1.0)	Our Company	2015SR169997	PRC	September 1, 2015	December 31, 2065
2	WeWatt Power Cloud Platform Software V1.0 (WeWatt 電力雲平台軟件 V1.0)	Our Company	2015SR169825	PRC	September 1, 2015	December 31, 2065
3	Cubox Power Data Terminal Software V1.0 (Cubox 電力數據終端軟件 V1.0)	Our Company	2015SR169816	PRC	September 1, 2015	December 31, 2065
4	WeWatt User-end Monitoring Software V1.0 (WeWatt 用戶端監視軟件 V1.0)	Our Company	2016SR309848	PRC	October 27, 2016	December 31, 2066
5	WeWatt Engineering-end Debugging Software V1.0 (WeWatt 工程端調試軟件 V1.0)	Our Company	2016SR313394	PRC	October 31, 2016	December 31, 2066
6	WeWatt Android Mobile Application Software V1.3 (WeWatt Android 移動應用軟件 V1.3)	Our Company	2016SR313204	PRC	October 31, 2016	December 31, 2066
7	WeWatt Operation Monitoring Software V1.0 (WeWatt 運營監視軟件 V1.0)	Our Company	2016SR316519	PRC	November 2, 2016	December 31, 2066
8	WeWatt Energy Storage System Dispatch and Monitoring Software V1.0 (WeWatt 儲能調度監控軟件 V1.0)	Our Company	2017SR036926	PRC	February 9, 2017	December 31, 2067
9	PowerCombo Energy Storage Embedded Software V1.0 (PowerCombo 儲能嵌入式軟件 V1.0)	Our Company	2017SR044248	PRC	February 15, 2017	December 31, 2067
10	WeWatt Electricity Sales Operation Platform Software V1.0 (WeWatt 售電運營平台軟件 V1.0)	Our Company	2018SR086642	PRC	February 2, 2018	December 31, 2067

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration	Date of Registration	Expiry Date
11	Cubenergy Service Management and Control Software V1.0 (庫博能源服務管控軟件 V1.0)	Our Company	2018SR431275	PRC	June 8, 2018	December 31, 2068
12	Cubenergy Contract Management Software V1.0 (庫博能源合同管理軟件 V1.0)	Our Company	2018SR433269	PRC	June 8, 2018	December 31, 2068
13	PowerCombo Energy Storage Debugging Software V1.0 (PowerCombo 儲能調試軟件 V1.0)	Our Company	2018SR433221	PRC	June 8, 2018	December 31, 2068
14	Cubenergy BMU Debugging Software V1.1 (庫博 BMU 調試軟件 V1.1)	Our Company	2019SR1089489	PRC	October 28, 2019	December 31, 2069
15	PowerCombo String Battery Management Unit Software V1.0 (PowerCombo 簇電池管理單元軟件 V1.0)	Our Company	2019SR1091739	PRC	October 28, 2019	December 31, 2069
16	BMU Acquisition Board Embedded Software V1.0 (BMU 採集板嵌入式軟件 V1.0)	Our Company	2019SR1089016	PRC	October 28, 2019	December 31, 2069
17	Cubenergy User-end Interaction Management Software (Web) V1.0 (庫博能源用戶側交互管理軟件 (Web)V1.0)	Our Company	2019SR1091741	PRC	October 28, 2019	December 31, 2069
18	Cubenergy Building Energy Consumption Monitoring and Control Software (Android) V1.0 (庫博能源樓宇能耗監視控制軟件 (Android)V1.0)	Our Company	2019SR1088464	PRC	October 28, 2019	December 31, 2069
19	Cubenergy User-end Interaction Management Mobile Application Software (Android Version) V1.0 (庫博能源用戶側交互管理移動應用軟件 (Android 版)V1.0)	Our Company	2019SR1088474	PRC	October 28, 2019	December 31, 2069
20	PowerCombo String Battery Management Unit Bootloader Software V1.0 (PowerCombo 簇電池管理單元引導軟件 V1.0)	Our Company	2020SR0026547	PRC	January 7, 2020	December 31, 2069
21	Cubenergy BMU Factory Acceptance Test (FAT) Software V1.0 (庫博 BMU 出廠測試軟件 V1.0)	Our Company	2020SR0026498	PRC	January 7, 2020	December 31, 2069
22	Cubenergy Building Energy Consumption Monitoring and Control Software (Web) V1.3 (庫博能源樓宇能耗監視控制軟件 (Web)V1.3)	Our Company	2020SR0026504	PRC	January 7, 2020	December 31, 2070

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration	Date of Registration	Expiry Date
23	Cubenergy Gateway Software V1.0 (庫博能源網關軟件 V1.0)	Our Company	2020SR0026284	PRC	January 7, 2020	December 31, 2069
24	Cubenergy Gateway Configuration Software V1.0 (庫博能源網關配置軟件 V1.0)	Our Company	2020SR0026492	PRC	January 7, 2020	December 31, 2069
25	Cubenergy Distributed Energy Storage Alarm and Early Warning Software V1.0 (庫博能源分佈式儲能告警預警軟件 V1.0)	Our Company	2022SR0801630	PRC	June 21, 2022	December 31, 2071
26	Cubenergy EMS Permission Management Framework Software V1.0 (庫博能源 EMS 權限管理框架軟件 V1.0)	Our Company	2022SR0801631	PRC	June 21, 2022	December 31, 2072
27	Cubenergy Distributed Energy Storage Operation Monitoring Software V1.0 (庫博能源分佈式儲能運營監控軟件 V1.0)	Our Company	2022SR0801629	PRC	June 21, 2022	December 31, 2071
28	Cubenergy EMS Operation Monitoring Cloud Platform Software V1.0 (庫博能源 EMS 運營監控雲平台軟件 V1.0)	Our Company	2022SR0801626	PRC	June 21, 2022	December 31, 2071
29	PowerCombo Energy Storage Operation Service Software V1.0 (PowerCombo 儲能運營服務軟件 V1.0)	Our Company	2022SR0801627	PRC	June 21, 2022	December 31, 2071
30	WeWatt Energy Storage Dispatch and Monitoring Software V2.0 (WeWatt 儲能調度監控軟件 V2.0)	Our Company	2022SR0801625	PRC	June 21, 2022	December 31, 2071
31	PowerCombo Energy Storage Embedded Software V2.0 (PowerCombo 儲能嵌入式軟件 V2.0)	Our Company	2022SR0801628	PRC	June 21, 2022	December 31, 2071
32	PowerCombo Energy Storage System RTU Control Software V1.0 (PowerCombo 儲能系統 RTU 控制軟件 V1.0)	Our Company	2022SR1558125	PRC	November 22, 2022	December 31, 2072
33	Active Balancing Control Board BMU Embedded Software V1.0 (主動均衡控制板 BMU 嵌入式軟件 V1.0)	Our Company	2022SR1584642	PRC	December 18, 2022	December 31, 2072
34	CMU Battery String Management Embedded Software V1.0 (CMU 電池簇管理嵌入式軟件 V1.0)	Our Company	2023SR0462702	PRC	April 11, 2023	December 31, 2072
35	Insulation Resistance Detection Board Embedded Software V1.0 (絕緣電阻檢測板嵌入式軟件 V1.0)	Our Company	2023SR0472007	PRC	April 14, 2023	December 31, 2072

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration	Date of Registration	Expiry Date
36	Cubenergy Lihe Energy Storage Demand Side (Web) Energy Efficiency Monitoring Software V1.0 (庫博力合儲能需求側 (Web) 能效監視軟件 V1.0)	Our Company	2024SR0367252	PRC	March 8, 2024	December 31, 2069
37	Cubenergy Lihe Distributed Energy Storage (Web) Cloud Monitoring Software V1.0 (庫博力合分佈式儲能 (Web) 雲端監控軟件 V1.0)	Our Company	2024SR0367269	PRC	March 8, 2024	December 31, 2069
38	Cubenergy EMS Operation Monitoring Cloud Platform Software V2.0 (庫博能源 EMS 運營監控雲平台軟件 V2.0)	Our Company	2024SR1951846	PRC	December 2, 2024	December 31, 2074
39	Cubenergy EMS Permission Management Framework Software V2.0 (庫博能源 EMS 權限管理框架軟件 V2.0)	Our Company	2024SR2091767	PRC	December 16, 2024	December 31, 2074
40	Liquid-cooled CMU Battery String Management Embedded Software V1.0 (液冷 CMU 電池簇管理嵌入式軟件 V1.0)	Our Company	2025SR0033110	PRC	January 7, 2025	December 31, 2075
41	Parallel-charging CMU Battery String Management Embedded Software V1.0 (並充 CMU 電池簇管理嵌入式軟件 V1.0)	Our Company	2025SR0033113	PRC	January 7, 2025	December 31, 2075
42	BMU-KB52SA Single Board Test Software V1.0 (BMU-KB52SA 單板測試軟件 V1.0)	Our Company	2025SR0182196	PRC	January 26, 2025	December 31, 2075
43	BMU-KB16SA Single Board Test Software V1.0 (BMU-KB16SA 單板測試軟件 V1.0)	Our Company	2025SR0187502	PRC	January 27, 2025	December 31, 2075
44	Liquid-cooled Parallel-charging Active Balancing Control Board BMU Embedded Software V1.0 (液冷並充主動均衡控制板 BMU 嵌入式軟件 V1.0)	Our Company	2025SR0291158	PRC	February 19, 2025	December 31, 2075
45	Liquid-cooled MOS Matrix Active Balancing Control Board BMU Embedded Software V1.0 (液冷 MOS 矩陣主動均衡控制板 BMU 嵌入式軟件 V1.0)	Our Company	2025SR0516748	PRC	March 25, 2025	December 31, 2075

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration	Date of Registration	Expiry Date
46	Bidirectional Grid-connected Inverter Control Board FPGA Embedded Software V1.0 (雙向並網逆變器 控制板 FPGA 嵌入式 軟件 V1.0)	Our Company	2025SR2274003	PRC	November 25, 2025	December 31, 2075
47	Bidirectional Grid-connected Inverter Main Control Embedded Software V1.0 (雙向並網逆變器 主控嵌入式軟件 V1.0)	Our Company	2025SR2276990	PRC	November 26, 2025	December 31, 2075
48	Bidirectional Grid-connected Inverter Monitoring Embedded Software V1.0 (雙向並網逆變器 監控嵌入式軟件 V1.0)	Our Company	2025SR2276991	PRC	November 26, 2025	December 31, 2075

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Directors

Disclosure of Interests — Interests and short positions of our Directors and the chief executive of our Company in our Shares, underlying Shares and debentures of our Company and its associated corporations

Immediately following completion of the [REDACTED] (assuming the [REDACTED] are not exercised), the interests and short positions of our Directors and our chief executive in the Shares, underlying shares, and debentures of our Company and any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Name	Position	Nature of Interest	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED]	
			Number of Unlisted Shares	Approximately percentage of shareholding in our total share capital	Number of H Shares	Approximately percentage of shareholding in our total share capital
Dr. Men ⁽²⁾⁽³⁾	Chairman and executive Director	Beneficial owner	31,974,115	10.71%	[REDACTED]	[REDACTED]%
		Interest in a controlled corporation	30,897,445	10.35%	[REDACTED]	[REDACTED]%
		Interest of concert parties	142,806,850	47.85%	[REDACTED]	[REDACTED]%
Dr. Wu ⁽²⁾	Executive Director and general manager	Beneficial owner	31,974,115	10.71%	[REDACTED]	[REDACTED]%
		Interest of concert parties	142,806,850	47.85%	[REDACTED]	[REDACTED]%
Mr. Xu ⁽²⁾	Executive Director and deputy general manager	Beneficial owner	31,974,115	10.71%	[REDACTED]	[REDACTED]%
		Interest of concert parties	142,806,850	47.85%	[REDACTED]	[REDACTED]%

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Notes:

- (1) All interests stated are long positions.
- (2) Pursuant to the Concert Party Agreement, Dr. Men, Dr. Wu, and Mr. Xu must consult and try to reach consensus before exercising proposal and voting rights at board or shareholders’ meetings. If consensus cannot be reached, Dr. Wu and Mr. Xu must follow Dr. Men’s opinion, and Mr. Qian and Cubenergy Investment must exercise the relevant director and/or shareholder rights (where applicable) in accordance with the internal decision formed by Dr. Men, Dr. Wu and Mr. Xu. Accordingly, Dr. Men, Dr. Wu, and Mr. Xu are deemed to be interested in the Shares held by their respective concert parties by virtue of the SFO. See “History, Development and Corporate Structure — Establishment and Development of Our Group — Concert Party Agreement” for details.
- (3) As of the Latest Practicable Date, Dr. Men was the general partner of Cubenergy Investment. As such, by virtue of the SFO, Dr. Men is deemed to be interested in the Shares held by Cubenergy Investment.

Particulars of Service Agreements and Letters of Appointment

Each of our Directors [has] entered into a service contract or letter of appointment with our Company. The principal particulars of these service agreements and appointment letters comprise (i) the term of the service; (ii) subject to termination in accordance with their respective term; and (iii) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Except as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Remuneration of Directors

For details of the remuneration of our Directors see “Directors and Senior Management — Remuneration of our Directors and Senior Management” and Note 8 to the Accountants’ Report in Appendix I to this document.

Substantial Shareholders

Interest of substantial shareholders in our Company

Except as disclosed in the section headed “Substantial Shareholders” in this document, our Directors are not aware of any person (other than our Directors or chief executive of our Company) who will, immediately following completion of the [REDACTED], have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Interest of substantial shareholders in other members of our Group

So far as the Directors are aware, the following person (other than our Company, and any subsidiaries of our Group) is entitled to exercise, or control the exercise of, 10% or more of voting power at the general meetings of other members of our Group:

<u>Subsidiary</u>	<u>Substantial Shareholder</u>	<u>Percentage shareholding</u>
Paneco Cubenergy	Paneco Energie	40%

Note:

- (1) Paneco Energie (holding 40% of the equity interests therein) is held by (i) Jégou Hervé Jacques as to 50%, who is a director of Paneco Cubenergy; and (ii) Tieu Sean Sai as to 50%, who is an Independent Third Party.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Agency Fees or [REDACTED] Received

The [REDACTED] will receive an [REDACTED] in connection with the [REDACTED], as detailed in “[REDACTED]” in this document. Save in connection with the [REDACTED], no [REDACTED], discounts, [REDACTED], or other special terms have been granted by our Group to any person (including the Directors, promoters, and experts whose names are listed under “— Other Information — Qualifications of Experts” in this Appendix) in connection with the issue or sale of any capital or security of our Company or any member of our Group within the two years immediately preceding the date of this document.

Within the two years immediately preceding the date of this document, no [REDACTED] has been paid or is payable for [REDACTED], agreeing to [REDACTED], procuring [REDACTED] or agreeing to procure [REDACTED] for any share in or debentures of our Company.

Disclaimers

Except as disclosed in this document:

- (a) none of our Directors or their associates were engaged in any dealings with our Group during the two years preceding the date of this document;
- (b) none of our Directors has any interest or short position in any of the shares, underlying shares, or debentures of our Company or any associated corporations within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any of them is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case once the Shares are [REDACTED];
- (c) none of our Directors nor any of the experts listed under “— Other Information — Qualifications of Experts” in this Appendix has been interested in the promotion of, or has any direct or indirect interest in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (d) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to business of our Group; and
- (e) save in connection with the [REDACTED], none of the parties listed under “— Other Information — Qualifications of Experts” in this Appendix: (i) is interested legally or beneficially in any securities of any member of our Group; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Litigation

Save as disclosed in this document, as of the Latest Practicable Date, we were not aware of any material legal proceedings, claims or disputes currently existing or pending against us, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened against us that may have a material adverse effect on our business, financial position, or results of operations.

Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive an aggregate fee of HK\$4 million from our Company for acting as the Sole Sponsor for the [REDACTED].

Preliminary Expenses

The Company has not incurred any material preliminary expenses.

Promoters

See “History, Development and Corporate Structure — Establishment and Development of our Group — Equity transfers and capital increases prior to our conversion into a joint stock company” for details of our promoters.

Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

Qualifications of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this document:

<u>Name</u>	<u>Qualifications</u>
Guotai Junan Capital Limited	Licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity as defined under the SFO
Zhong Lun Law Firm	Legal advisor as to PRC law
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity under the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan	Industry consultant

None of the experts named above has any of our shareholding interests in any member of our Group or rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities in any member of our Group.

Binding Effect

This document shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Consents of Experts

Each of the experts named in “— Other Information — Qualifications of Experts” above has given and has not withdrawn its respective written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or the references to its names included in this document in the form and context in which it is respectively included.

Miscellaneous

- (a) Except as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of any member of our Group has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of any member of our Group is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no [REDACTED], discounts, [REDACTED], or other special terms have been granted in connection with the issue or sale of any share or loan capital of any member of our Group; and
 - (iv) no [REDACTED] has been paid or is payable for subscribing, agreeing to subscribe, procuring or agreeing to procure subscription for any shares in any member of our Group.
- (b) Our Directors confirm that:
 - (i) there has been no material adverse change in the financial or trading position of our Group since December 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared);
 - (ii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;
 - (iii) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business.
 - (iv) there are no founder, management, or deferred shares nor any debentures in our Company or any of our subsidiaries;
 - (v) all necessary arrangements have been made to enable our Shares to be [REDACTED] for clearing and settlement;
 - (vi) our Company has no outstanding convertible debt securities or debentures;
 - (vii) there is no arrangement under which future dividends are waived or agreed to be waived; and

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (viii) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange other than the Stock Exchange nor is any listing or permission to deal being or proposed to be sought.

APPENDIX V

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND DOCUMENTS ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

- (a) the written consents referred to under “Statutory and General Information — Other Information — Consents of Experts” in Appendix IV to this document; and
- (b) a copy of each of the material contracts referred to in “Statutory and General Information — Further Information about our Business — Summary of Material Contracts” in Appendix IV to this document.

DOCUMENTS ON DISPLAY

The following documents will be available on display on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.cubenergy.com) up to and including the date which is 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report prepared by Ernst & Young, the text of which is set out in Appendix I to this document;
- (c) the report on the unaudited [REDACTED] financial information of our Group prepared by Ernst & Young, the texts of which is set out in Appendix II to this document;
- (d) the audited consolidated financial statements of our Company for the years ended December 31, 2023, 2024 and 2025;
- (e) the legal opinions prepared by Zhong Lun Law Firm, our PRC Legal Advisor, in relation to certain aspects of our Group and our property interests in Chinese Mainland;
- (f) the PRC Company Law, the PRC Securities Law and the Overseas Listing Trial Measures together with their unofficial English translation;
- (g) the Frost & Sullivan Report;
- (h) the written consents referred to in “Statutory and General Information — Other Information — Consents of Experts” in Appendix IV to this document;
- (i) the material contracts referred to in “Statutory and General Information — Further Information about our Business — Summary of Material Contracts” in Appendix IV to this document; and
- (j) the service contracts referred to in “Statutory and General Information — Further Information about Directors and Substantial Shareholders — Directors — Particulars of service agreements and letters of appointment” in Appendix IV to this document.