
BUSINESS

OVERVIEW

Our Vision

To become a core provider of global AI computing infrastructure and electrical solutions.

Our Mission

To improve energy efficiency and create a better living environment in the intelligent era through efficient use of electricity.

Who We Are

We are a leading industrial technology group built on power electronics with global operations.

Leveraging our long-standing technical expertise in power electronics, we have developed a product architecture comprising core components, software, and system solutions. This architecture is supported by three core technology platforms, namely power conversion technology platform, digital power control technology platform, and system control and communication technology platform. On this foundation, we have established six major business segments, comprising power supplies, new energy transportation, industrial automation, smart home appliances, intelligent equipment, and precision connectivity and magnetic components.

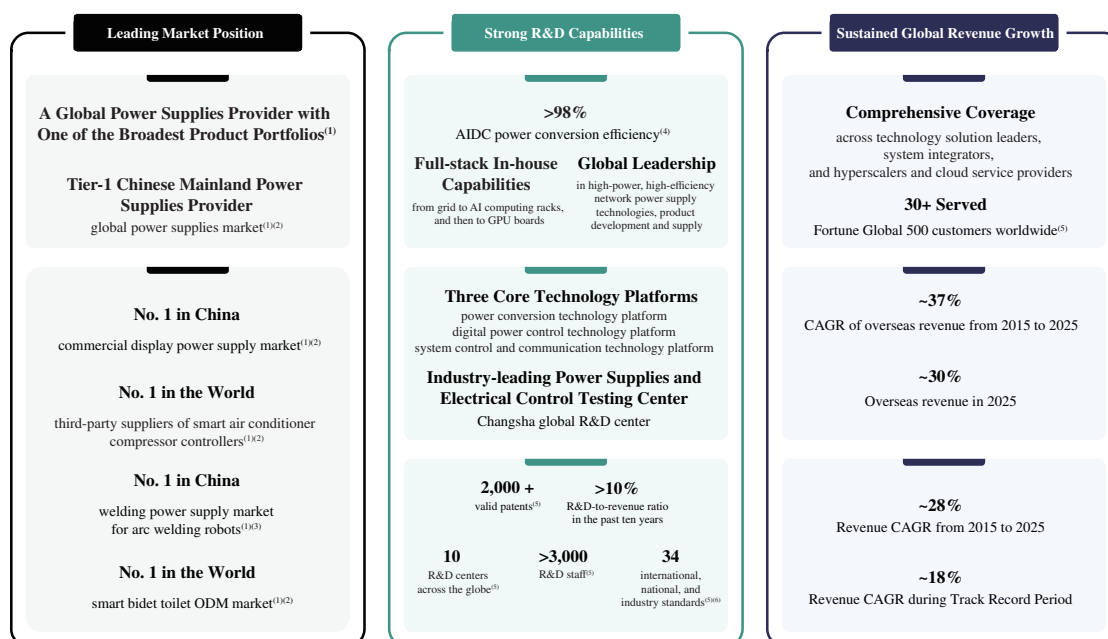
A core enabler of computing infrastructure power supplies and electrical solutions. Leveraging over 20 years of deep technological expertise in the field of power electronics, as well as strong engineering development and system integration capabilities in a complex operating environment, we are an early mover in computing infrastructure and new energy sectors. Our products cover key areas including power supplies for AIDCs and other data centers, core components and systems for integrated energy storage and charging solutions, as well as electric powertrain and energy management systems for NEVs. We are a core provider of hardware and software control solutions within the “generation-grid-load-storage” framework for user-side and microgrid applications.

According to CIC, we are the first company in Chinese Mainland and among a limited number of global players possessing high-power-density (800V HVDC megawatt-level rack power systems) and high-efficiency (power conversion efficiency higher than 98%) power supply technologies, and providing system-level AIDC power supply solutions with full-process overseas manufacturing and supply capabilities. In the AI computing infrastructure sector, we are one of the recommended suppliers of data center power solutions within the ecosystem of a leading global GPU and AI computing infrastructure company. Since 2023, we have achieved a rapid progression in our AI power supply product offerings, transitioning from initial product introduction to concurrent participation in the R&D and testing of next-generation products in the industry. Our forward-looking strategic positioning and long-term accumulation of technology platform capabilities have enabled us to respond rapidly to the evolving requirements of the AI era. We plan to further expand our portfolio of system-level power supplies for high-power-density data centers and are currently developing SST for AIDCs.

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Leading market position. We are a leading provider of power electronics and related control technologies in Chinese Mainland and one of the earliest power supplies manufacturers to establish a presence in emerging sectors. According to CIC, we ranked as a Tier-1 Chinese Mainland provider in the global power supplies market in terms of revenue in 2025, and we are a global power supplies provider with one of the broadest product portfolios across application scenarios. We also held leading positions in several specific markets. According to CIC, in 2025, we ranked first in China’s commercial display power supply market in terms of revenue, with a market share of 62.3%, first among global third-party suppliers of smart air conditioner compressor controllers in terms of revenue, with a market share of 16.0%, first in China’s welding power supply market for arc welding robots in terms of sales volume, with a market share of 30.3%, and first in the global smart bidet toilet ODM market in terms of revenue, with a market share of 8.8%. Capitalizing on the growth opportunities arising from the development of AI and new energy, we have also achieved rapid growth in emerging sectors such as data center power supply, NEVs and energy storage.

The following chart sets out our key performance highlights:



Note:

- (1) According to CIC.
- (2) Calculated by revenue, in 2025.
- (3) Calculated by sales volume, in 2025.
- (4) Power conversion efficiency is calculated under rated input and rated output conditions, at room temperature, excluding fan power consumption, based on peak efficiency.
- (5) As of December 31, 2025.
- (6) Led or participated in the formulation or revision of such standards.

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Our Development History

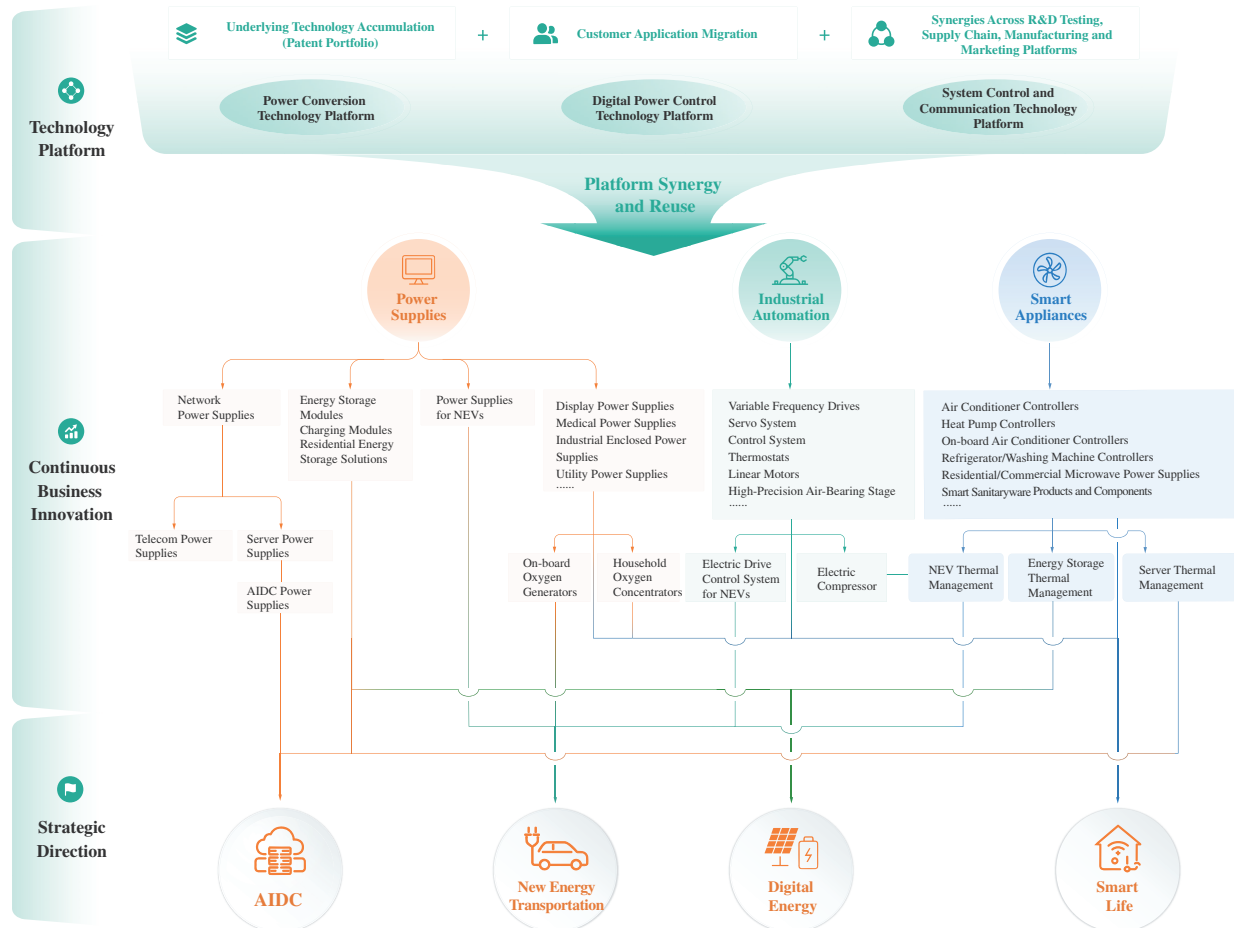
Since our establishment in 2003, we have consistently focused on the development and advancement of power electronics and related control technologies. In our early years, we capitalized on the transition from conventional televisions to flat-panel televisions and entered the market through flat-panel display power supplies. Building on this foundation, we gradually established our three core technology platforms and developed comprehensive supply chain, manufacturing and customer service capabilities. We subsequently extended these capabilities to other application fields, including other power supply products (such as network power supplies and medical power supplies), smart home appliances, new energy transportation, industrial automation, and intelligent equipment.

In 2017, we were listed on the Shenzhen Stock Exchange and entered the energy storage and charging sector in the same year. Since 2019, we have further advanced our global expansion strategy by continuously strengthening our R&D, manufacturing, supply chain and service networks both in China and overseas, while deepening our cooperation with leading global customers across our business segments. Leveraging more than two decades of continuous investment in our technology platforms and our forward-looking industry insights, we entered the AIDC sector in 2023, and have gained recognition from leading customers in the industry, and have continued to strengthen our market position in this sector. Since 2024, we have commenced operations at our Changsha global R&D center and completed the establishment of new facilities in Rayong, Thailand and Hangzhou, China, further enhancing our global delivery capabilities.

Our development has not been driven by the linear expansion of a single product line. Instead, we have consistently centered our growth on our core technological capabilities in power conversion, digital power control, and system control and communication technologies. Through the combination of foundational technologies and their migration across application scenarios, we had continuously developed new products and businesses. For example, the power conversion technologies initially developed for display power supplies have been progressively applied to medical power supplies, industrial enclosed power supplies, energy storage systems, communication and server power supplies, and data center power supplies. Throughout this process, we have continuously advanced toward higher-frequency and higher-efficiency solutions while integrating capabilities from our other technology platforms to address the requirements of different application scenarios. This has enabled simultaneous technological and product upgrades and increasingly demonstrated the scalability and cross-sector applicability of our technology platforms.

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The diagram below illustrates how we have leveraged our technological expertise and core capabilities to continuously develop new products and expand our product portfolio:



Our Market Opportunities

Explosive growth in AI computing infrastructure driving strong demand for high-power, high-efficiency power solutions. The commercialization of large-scale AI models worldwide has accelerated the deployment of supercomputing centers and AI server clusters at scale, driving continuous increases in computing density and power consumption. While traditional data centers typically operate at approximately 10 to 20 kilowatts per rack, AI computing clusters have driven single-rack power requirements to several hundred kilowatts, creating strong demand for power systems with high-power-density, ultra-high efficiency, exceptional reliability, and support for redundant power supply configurations. The global data center power supplies market grew from RMB27.1 billion in 2020 to RMB134.0 billion in 2025, representing a CAGR of 37.7%. The market is expected to further expand to RMB429.5 billion by 2030, representing a CAGR of 26.2%. Among this, power supply solutions for AIDCs, as the advanced and high-end segment of the data center power supplies industry, are expected to reach a global market size of RMB301.1 billion by 2030, representing a CAGR of 40.5%.

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Meanwhile, industry technology is rapidly evolving toward 800V HVDC architectures, liquid cooling technologies, EDPP compensation, and silicon carbide wide-bandgap semiconductor applications. Compared with commonly used 48V architectures or traditional uninterruptible power supply solutions, 800V HVDC architectures can reduce resistive losses by approximately 97%, lower space requirements by approximately 30%, and increase system efficiency to over 95%. As a key global supplier of AIDC power supply solutions, we are well-positioned to benefit from the rapid growth of this industry.

Accelerating global energy transition expands opportunities in new energy development, energy storage and charging markets. The global energy landscape is undergoing a transition toward decarbonization, distributed generation and intelligent energy management. The growing adoption of NEVs has driven the accelerated deployment of public charging infrastructure, fast-charging stations and integrated photovoltaic-storage-charging facilities. These trends continue to support increasing demand for core products and components such as power conversion systems for energy storage, charging modules, high-voltage fast-charging power supplies, energy management systems and related technologies. According to CIC, the global market size for energy storage and charging power supplies industry exceeded RMB100 billion in 2025 and is expected to grow at a CAGR of 25.8% from 2025 to 2030. Our new energy storage and charging solutions and high-voltage fast-charging businesses are well-positioned to benefit from these industry trends. Leveraging our established technological capabilities and competitive strengths, we will continue to expand our product portfolio and steadily increase our market presence in these rapidly growing markets.

Steady growth in demand for industrial and digital terminal power supplies forms a high-quality and expanding core business base. Industrial control, laser, medical, display and office automation applications remain key components of the global power supplies market. With the upgrading of communication networks and industrial control systems, the growing adoption of medical and healthcare equipment, the iteration of commercial display and office automation devices, and the advancement of smart city development worldwide, end customers are placing increasingly higher requirements on the reliability, stability, safety certifications, energy efficiency and customization capabilities of power supplies, thereby driving sustained long-term demand across industrial and digital terminal power supplies segments. According to CIC, the market size of global industrial power supplies industry was RMB114.3 billion in 2025, and is expected to grow to RMB199.1 billion by 2030, representing a CAGR of 11.7%. The global commercial display power supplies market was RMB1.4 billion in 2025 and is expected to reach RMB1.7 billion by 2030, representing a CAGR of 3.7%. We believe that our broad power supplies product portfolio provides a stable revenue base and strong customer foundation, while also enabling technological, supply chain and customer synergies with our data center power supplies, energy storage and charging, and new energy businesses.

Electrification and intelligence upgrades in NEVs continue to drive growth in on-board power electronics demand. The global NEV industry has entered a stage of market-oriented, large-scale, and intelligent development. With the continued increase in the penetration of NEVs, vehicle architectures are evolving toward 800V platforms, silicon carbide power devices, integrated electric drive systems, electric thermal management, intelligent chassis systems, hydraulic suspension systems, and domain control architectures. As a result, the per-vehicle value of on-board power supplies, motor controllers, power electronics integration modules, key thermal management components, and high-reliability connectivity components continues to increase.

According to CIC, global NEV sales reached 23.7 million units in 2025, with a penetration rate of 23.0%, and are expected to increase to 53.5 million units in 2030, with a penetration rate of 41.9%. The market size of global major new energy transportation products is expected to grow from RMB658.3 billion in 2025 to RMB1,577.1 billion in 2030, representing a CAGR of 19.1%. Of this, the market size of China’s major new energy transportation products reached RMB335.4 billion in 2025 and is expected to grow to RMB824.4 billion by 2030, representing a CAGR of 19.7%.

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The technological evolution of the NEV industry is also driving a shift among suppliers from the provision of individual components toward system-level solutions. Automotive OEMs are placing higher requirements on suppliers in areas such as high-voltage safety, power density, thermal management, functional safety, software control, reliability validation and mass production delivery. Suppliers with core expertise in power electronics, system integration capabilities and diversified product portfolios are well-positioned to capture greater supply chain opportunities.

Upgrades in industrial automation and intelligent equipment drive long-term stable demand.

According to CIC, the market size of global industrial automation products (comprising control and drive products) is expected to grow from RMB292.8 billion in 2025 to RMB393.2 billion in 2030, representing a CAGR of 6.1%, while the market in China is expected to grow from RMB105.2 billion in 2025 to RMB153.6 billion in 2030, representing a CAGR of approximately 7.9%. The market size of global intelligent digital welding machines industry reached RMB48.7 billion in 2025 and is expected to grow to RMB66.8 billion by 2030, representing a CAGR of 6.5%, while the market in China is expected to increase from RMB14.1 billion in 2025 to RMB23.6 billion in 2030, representing a CAGR of 10.8%. The global intelligent oil production equipment market is expected to expand from RMB99.4 billion in 2025 to RMB127.8 billion in 2030, representing a CAGR of approximately 5.1%, while the market in China is expected to grow from RMB9.8 billion in 2025 to RMB13.8 billion in 2030, representing a CAGR of 7.1%. The ongoing intelligent transformation of manufacturing and the digitalization of the oil and gas industry are expected to generate sustained incremental demand over the long term.

Evolution of smart home application scenarios drives continued demand for home appliance consumption and replacement cycles. The global smart home industry is evolving from single-product intelligence toward whole-home connectivity, energy efficiency and low-carbon development, higher-quality living, and wider adoption of IoT and AI technologies. This transformation is driving higher requirements for smart home appliances and other end-user products in terms of integration of electronic control systems, algorithm capabilities, energy efficiency performance, and system-level solution capabilities. According to CIC, the global smart bidet toilet ODM market is expected to increase from RMB7.7 billion in 2025 to RMB10.0 billion in 2030, representing a CAGR of approximately 5.5%, while the market in China is expected to grow from RMB4.7 billion in 2025 to RMB6.9 billion in 2030, representing a CAGR of approximately 7.8%. The global smart air conditioner compressor controller market is expected to grow from RMB64.2 billion in 2025 to RMB83.4 billion in 2030, representing a CAGR of 5.4%, while the market in China is expected to increase from RMB45.7 billion in 2025 to RMB58.6 billion in 2030, representing a CAGR of 5.1%.

Third-party professional ODM providers offering one-stop R&D, manufacturing and services for electrical drive and control components and system solutions have become the mainstream choice for branded manufacturers to respond to market changes, keep pace with technological innovation, and improve response efficiency. Against this backdrop, our industrial-grade technological capabilities have enabled us to fully benefit from the industry upgrading.

Our Business Portfolio

We have established a diversified business portfolio centered on power electronics technologies, spanning six major business segments. This integrated structure forms a dual-engine growth model comprising emerging growth drivers and a stable foundational base, enabling us to achieve resilient growth across business cycles, sustained profitability, and strong risk resilience.

BUSINESS

Power Supplies

Our power supplies business primarily comprises network power products (including communications and data center power supplies), core components for energy storage and charging station applications, display power supplies (including commercial display power supplies and LED power supplies), as well as medical power supplies, utility power supplies, and industrial enclosed power supplies.

As a core power supply solutions provider for global AI computing infrastructure, we have successfully entered the high-performance server and data center power supplies segment, leveraging our forward-looking strategic layout and deep technological accumulation in high-power-density power supply technologies. Our power supply solutions have been recognized by a leading global company in GPU and AI computing infrastructure, and our product portfolio covers key equipment and system-level products, including AC EDPP compensators, 800V HVDC systems, 660kW rack-level power systems, and power shelves, enabling full-chain self-developed product coverage from grid connection to computing terminals. This strategic transformation has not only boosted our content value per system, but also positioned us as a key participant in building the digital world. We have commenced mass production and delivery to major overseas customers, and have also collaborated with leading overseas ASIC customers on product development.

In the new energy sector, our energy storage and charging business continued to develop steadily in 2025, with successful customer expansion and the commencement of mass production supply of core components for applications such as portable energy storage and residential energy storage.

We believe that data center power supplies, telecom power supplies, and energy storage and charging power supplies share significant technological synergies in areas such as high-efficiency power conversion, high-voltage architectures, system monitoring, and reliability assurance. We expect this business segment to become an important growth driver for us in the future.

New Energy Transportation

Our business in the new energy transportation sector serves both the NEV and the public transportation markets. For NEVs, our primary products include all-in-one electric control systems and integrated power supply solutions. We have also expanded into on-board compressors, integrated thermal management modules, active hydraulic suspension systems, and distributed electric drive systems, and have introduced new products such as on-board oxygen generators and chassis domain controllers, thereby extending our technologies to the light electric vehicle sector. We have established three major product portfolios covering automotive power management, thermal management, and electric powertrain, enabling us to provide a comprehensive range of components and system solutions while continuously increasing the value of our products per vehicle. We have adopted a “diversified customer base, full-product portfolio” strategy in the NEV sector. Supported by continued customer expansion, technological synergies and an expanded product portfolio, our business has continued to grow.

For public transportation, we supply electrical components, including electric air-conditioning compressors and controllers, for high-speed rail, urban rail transit, and metro systems. This business has maintained stable growth, supported by both the expansion of rail transit operating mileage and the replacement and upgrading of existing equipment.

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Industrial Automation

Our core product portfolio primarily includes PLCs, thermostats, servo and variable frequency drives, linear motors, and high-precision air-bearing stage. These products address critical automation control and power drive requirements across a wide range of industries and applications, including consumer electronics, semiconductor equipment, lithium batteries, logistics, textiles, machine tools, electro-hydraulic systems, construction machinery, and renewable energy.

We pursue a product strategy centered on standardized platform-based products, complemented by customized solutions. We continuously optimize and upgrade our core product offerings and have launched a range of next-generation general industrial automation products, including the MU400 series compact PLCs, MQT thermostats, MV820 series variable frequency drives, the M5 general-purpose servo systems, and the high-precision air-bearing stage. Through ongoing technological upgrades and product innovation, we continue to strengthen our competitive position and support the expansion of our industrial automation business.

Smart Home Appliances

Our smart home appliances product portfolio comprises HVAC drive and control solutions, smart sanitaryware products and components, and other smart home products.

Our HVAC drive and control solutions include residential and commercial air conditioner drive and control solutions, as well as heat pump drive and control solutions. Leveraging our industrial-grade technological expertise, we provide one-stop electrical control solutions and continue to upgrade our offerings from individual products to modular and system-level solutions.

Our smart sanitaryware products and components include smart bidet toilets and smart sanitaryware components, such as main control boards, heaters and distributing valves. We provide one-stop solutions covering the entire industry value chain, serving both well-known e-commerce private-label brands as well as domestic and international sanitaryware brands.

For other smart home products, our offering includes digital residential and commercial microwave power supplies, washing machine and dryer drive and control solutions, and one-stop refrigerator drive and control solutions.

Intelligent Equipment

Our intelligent equipment business primarily comprises intelligent digital welding machines and intelligent oil production equipment. We have commenced volume deliveries of our newly launched laser welding machines, while demand for our intelligent oil production equipment has benefited from the rapid growth of intelligent solutions in the oil and gas industry. Leveraging our energy-efficient equipment developed in-house, we help customers enhance operational efficiency, reduce costs, and achieve industrial upgrading. We have established a tiered business portfolio and expect to benefit from the significant growth opportunities as the digitalization of oil production continues to advance.

BUSINESS

Precision Connectivity and Magnetic Components

Our precision connectivity and magnetic components business comprises a broad range of products, including shaped electromagnetic wires, coaxial cables, ultra-fine flat wires, flexible flat cables, and flexible printed circuit products. As core upstream components in the power electronics value chain, these products are widely used in communications, consumer electronics, automotive electronics, and energy storage and charging applications. We have completed the integration of our businesses spanning precision wire products and precision connectivity solutions, enabling us to optimize the internal supply of magnetic components while supplying connectivity components to external customers. We are also actively expanding our presence among leading customers in the new energy and 3C sectors, with a number of related projects gradually entering the delivery stage. These products have significantly strengthened our ability to provide industry-leading customers with integrated solutions spanning power supplies, electronic control systems, and auxiliary parts.

Our Financial Performance

In recent years, we have achieved steady growth in revenue. Our revenue amounted to RMB6,754.2 million, RMB8,172.5 million and RMB9,402.8 million in 2023, 2024 and 2025, respectively, representing a CAGR of approximately 18.0% from 2023 to 2025. Revenue generated from overseas markets amounted to RMB1,902.2 million, RMB2,645.0 million and RMB2,733.3 million in 2023, 2024 and 2025, respectively, representing a CAGR of 19.9% from 2023 to 2025. Such growth was primarily driven by the expansion of our core businesses, including power supplies, new energy transportation, industrial automation, and smart home appliances, as well as the continued expansion of our overseas markets. In particular, our revenue increased by 15.1% year-on-year in 2025, maintaining a steady growth trajectory.

OUR STRENGTHS

Clear Strategic Positioning and Long-Term Investment Driving Sustainable Growth

One of our key competitive strengths lies in the ability of our core management team to anticipate the long-term development trends of the power electronics industry and the expansion of its application boundaries, and to continuously translate such insights into technological innovation, product incubation, business development, platform building, and large-scale delivery capabilities. This capability is built upon the management team’s deep understanding of the power electronics industry and has been developed through more than two decades of continuous accumulation through both organic growth and strategic expansion.

On the one hand, we keep expanding into new product categories and application scenarios based on our existing products and technologies. On the other hand, we address gaps in technology, supply chain, and manufacturing capabilities through strategic partnerships, investments and acquisitions, and talent integration, while creating synergies with our existing platforms. Given that power electronics products typically require years of technological development, validation, and market cultivation before achieving commercial scale, we have consistently adopted a long-term approach, guided by industry trends and supported by forward-looking planning and disciplined execution.

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Throughout our development history, this approach let us capture major industry opportunities, including the transition from conventional televisions to flat-panel televisions, the adoption of variable-frequency technologies in home appliances, the rapid growth of new energy and energy storage markets, and the emergence of digital infrastructure for the AI era. For example, in the smart home appliances sector, as early as around 2010, we identified emerging signs that new smart bathroom products were beginning to penetrate the Chinese market from more mature markets such as Japan, driven by growing consumer demand for comfort, health and wellness, energy efficiency, environmental sustainability, and intelligent functionality. Based on these market insights, we initially entered the market through core control components, where we possessed established competitive strengths, and constantly invested in the R&D of key modules for smart bathroom products. Between 2014 and 2015, we further expanded into the smart sanitaryware and components market through the acquisition of a controlling interest in Zhejiang IKAHE, a smart toilet manufacturer. Following years of product refinement, iterative development of core modules, and integration of upstream and downstream resources, we have established capabilities spanning the entire smart sanitaryware value chain and ranked first in the global smart bidet toilet ODM market in 2025 in terms of revenue, according to CIC.

The power electronics industry is a highly dynamic sector where competitive positioning is determined by the pace of continuous technological iteration, continuous customer validation, and continuous product upgrading. We believe that such forward-looking strategic insight, long-term oriented investment, and robust organizational capabilities are fundamental to distinguishing us from single-segment companies and traditional manufacturing enterprises. Leveraging the above capabilities, we are able to quickly identify opportunities arising from new industry cycles and mobilize our technology platforms to rapidly complete development and productization. As a result, we have formed a sustainable long-term development model in which mature businesses provide operational resilience, while emerging businesses continuously generate new growth curves.

Platform-Based Technology System and Vertical Integration Across the Value Chain Forming Core Technological Barriers

We are anchored on three core technology platforms, namely the power conversion technology platform, the digital power control technology platform, and the system control and communication technology platform. We adhere to an R&D strategy centered on a “fundamental technology platform + cross-domain application and extension” approach. By enabling a high degree of reuse of foundational technology modules and customized development for downstream application scenarios, we achieve efficient cross-domain technology transfer and iterative innovation, while continuously enhancing R&D efficiency and product delivery speed. We are able to rapidly adapt to customers’ diversified needs through flexible, high-quality, and efficient solutions, and provide value-added solutions to global customers, thereby supporting their business growth.

Taking the evolution of our power supplies business as an example, since 2003, we have initially focused on TV and display power supplies, and have continuously accumulated core capabilities in high-frequency switching topologies, magnetic component design, power density optimization, reliability verification, and large-scale manufacturing. As application scenarios and technical requirements kept evolving, we progressively extended these capabilities into medical power supplies, industrial power supplies, LED power supplies, communications power supplies, and server power supplies. Accordingly, our application scenarios have expanded from consumer applications to industrial applications with significantly higher requirements in safety certification, long-term operational stability, delivery consistency, and responsiveness.

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Since 2010, we have strategically developed our network power business to directly serve leading overseas customers. We have served leading enterprises in the international telecom equipment industry and have also collaborated with internationally leading enterprises in the server and network power supplies segment. Through these engagements, we have accumulated extensive experience in product development, certification, testing and validation, and mass production delivery.

With the rapid increase in demand for high power, high efficiency, high-power-density, and high reliability power supply systems in data centers, we have further leveraged and extended our technologies and customer experience from the communications and server power supplies sectors into AIDC and other data center power supplies segments. In addition, by integrating our continuous R&D accumulation in high-voltage applications in the NEV and energy storage and charging businesses, we are able to comprehensively address the technological requirements of data centers and accelerate product commercialization.

We have established a vertically integrated technology system spanning upstream core chip applications, in-house design and development of magnetic components and power modules, as well as downstream system-level integration and thermal management optimization. Leveraging ultra-high-power-density design capabilities, we enable highly efficient energy conversion, and based on high-performance DSP/FPGA platforms, we implement fully digital and fine-grained control, continuously enhancing energy efficiency, power density, and operational stability. Through shared underlying technology resources, in-house development of key components, and system-level optimization, we effectively control material costs, enhance supply chain security, and have formed a difficult-to-replicate comprehensive platform barrier. In addition, we have established our presence in emerging areas and products, including micro energy storage systems, SST, on-board oxygen generators and household oxygen concentrators, active hydraulic suspension systems, distributed power systems, and robotic components, thereby creating significant potential for long-term sustainable growth.

Deep Business Integration and Collaboration with Leading Global Customers

Leveraging our strong platform capabilities, we have established a global high-end customer base spanning data center computing infrastructure, industrial automation, and NEVs, and have formed long-term and stable strategic partnerships with industry-leading enterprises, including global technology companies, top construction machinery manufacturers, and internationally renowned automotive OEMs. From a product perspective, such close collaboration enhances product adaptability. Collaborative development with leading industry customers also helps ensure our continued technological leadership. For example, in the AI computing power supply sector, we are collaborating with domestic and international customers on product development for advanced GPU system and ASIC.

We adopt a collaborative development model and participate deeply in our customers’ product planning, technology specification, and end-to-end development processes, enabling us to evolve from a traditional component supplier into a core technology partner to our customers. Leveraging our industry-leading technology platforms, rich engineering talent, high-quality and reliable delivery capabilities, and efficient and responsive customer support mechanisms, we have earned the long-term recognition and trust of leading global customers. Through close collaboration, we have developed deep customer relationships with high switching costs, thereby establishing durable market barriers and providing a solid foundation for the sustained and stable growth of our business.

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In the course of serving leading global customers, we continuously accumulate demand insights across different application scenarios, product generations, and regional markets. Through coordination mechanisms between our business units and shared resource platforms, customer feedback is rapidly communicated to key functions, including R&D, field application engineering, supply chain management, manufacturing, and quality management, creating a virtuous cycle of demand identification, solution development, rapid response, reliable delivery, and enhanced customer value. Through this mechanism, we are able to gain earlier visibility into our customers’ strategic product roadmaps and technology directions, enabling us to proactively invest in forward-looking R&D and product iteration. Such deep collaboration not only enhances our ability to respond to new technologies, new platforms, and emerging application scenarios, but also enables us to capture market opportunities more quickly, thereby fostering long-term, mutually beneficial relationships with our customers and creating a value ecosystem characterized by reciprocal growth and empowerment.

A Highly Competitive, Diversified, and Transferable Product Portfolio

We have continuously expanded our business portfolio around power electronics and related control technologies and have established six major business segments, namely power supplies, new energy transportation, industrial automation, smart home appliances, intelligent equipment, and precision connectivity and magnetic components. Our products are widely used across a broad range of applications, including AIDCs, new energy, new energy transportation, residential and commercial displays, variable-frequency home appliances, smart sanitaryware, medical devices, communication equipment, and industrial automation. Leveraging our diversified business portfolio, we are able to strengthen our operational foundation and generate stable cash flows through our established businesses, while also capturing growth opportunities arising from emerging sectors such as AI computing infrastructure, digital energy, industrial automation upgrades, and NEVs.

Our diversified product portfolio possesses the ability to achieve both cross-application migration and continuous expansion across different end markets. On the one hand, we are able to progressively upgrade and extend existing products along our customers’ application value chain. For example, our power supplies have evolved from display power supplies to medical power supplies, communications power supplies, and subsequently AIDC power supplies. On the other hand, we are able to transfer the product development capabilities, validation standards, modular design expertise, supply chain resources, and large-scale delivery experience accumulated in high-specification and high-reliability applications to broader and larger-scale markets.

Taking our smart home appliances business as an example, we identified the growing trend toward variable frequency air conditioners around 2013. Leveraging our existing power supply technologies, industrial control technologies and customer resources in the consumer sector, we migrated variable-frequency control technologies originally applied in industrial scenarios to consumer-grade air-conditioner control solutions, and developed solutions that were industry-leading at the time with competitive advantages in both performance and cost. The relevant products were launched in 2016, and achieved large-scale sales in global markets rapidly. We subsequently extended these capabilities to a broader range of other smart home appliances products, and smart home appliances has since become one of our principal business segments.

We consistently adhere to an operating philosophy of “multi-pillar growth and balanced risk,” and pursue a coordinated multi-business and multi-segment strategy. This approach effectively reduces our reliance on any single product line, industry, or customer cycle, while continuously strengthening our overall operational resilience and risk resistance capability, thereby supporting our long-term, stable, and sustainable development.

Persistent Focus on R&D and Technological Innovation Building a World-Class Global R&D Network

We consistently regard our R&D capabilities as a core driver of long-term growth and sustainable competitiveness. Since our establishment, we have adhered to a power electronics and related control technology foundation, and have continuously invested in high-intensity R&D centered on three core technology platforms, namely the power conversion technology platform, the digital power control technology platform, and the system control and communication technology platform. Through cross-segment technology reuse and cross-application extension, we continuously expand product boundaries, enhance product performance, and shorten new product development cycles.

BUSINESS

As of December 31, 2025, we have accumulated more than 2,000 valid granted patents, including over 380 invention patents; we had over 3,000 R&D staff, with more than 1,000 engineers and technical staff dedicated to AIDC power supply-related technologies; in addition, we have led or participated in the formulation or revision of four international standards, 24 national standards and six industry standards. We have also established ten R&D centers in locations including Changsha, Shenzhen, Xi'an, and Wuhan in China, and Bielefeld in Germany as of December 31, 2025, forming a global R&D network covering fundamental technology pre-research, product development, testing and validation, and industrialization deployment.

We also continuously expand our R&D testing platforms and experimental validation capabilities to improve R&D efficiency and product reliability. We operate standardized, specialized, automated, and intelligent testing platforms equipped with industry-leading laboratory equipment. These testing platforms have significantly enhanced our R&D testing capacity, product validation efficiency, and core technological innovation capabilities, and provide critical support for product introduction and large-scale delivery in high-barrier application scenarios such as computing infrastructure, digital energy, and high-end industrial applications. Our laboratory testing capabilities and management system have been recognized by authoritative institutions and accredited for certifications including CNAS, TÜV, UL-WTDP, and UL-CTF, with test results mutually recognized globally.

We have maintained a high level of R&D investment for many years. In 2025, our research and development expenses increased by 14.1% year-on-year, reaching RMB1,122.3 million, accounting for 11.9% of our revenue. This level is significantly higher than that of other domestic competitors and is at an internationally leading level. Over the past ten years, our cumulative R&D investment has amounted to approximately RMB5.3 billion, representing a CAGR of 28%. We believe that our sustained high-intensity R&D investment, global R&D center layout, advanced testing and validation platforms, and extensive patent portfolio enable us to maintain technological agility and product innovation capabilities across rapidly evolving application scenarios. From an industry technology evolution perspective, the power electronics sector is characterized by high technological barriers and significant downstream application differentiation. We will continue focusing on four key business directions, namely AIDCs, new energy transportation, digital energy, and smart life, while accelerating technological iteration and proactively investing in forward-looking R&D.

Global Supply Chain and Manufacturing Layout Supporting an Efficient Delivery System

We have established a globalized supply chain network supporting cross-regional delivery. As power electronics technologies are fundamentally hardware-based, and given the simultaneous operation of multiple business segments, diverse product forms, and geographically distributed customer demands, we have developed end-to-end coordination and efficiency across the entire value chain, from raw material procurement, supplier qualification, production planning, and material allocation to quality control and mass production delivery. This enables us to maintain industry-leading risk resilience, rapid response capability, and large-scale delivery execution. In addition, we have established a diversified global sourcing system and implemented domestic substitution strategies for key materials. During periods of industry-wide material shortages and raw material price volatility, we have consistently maintained supply chain stability and a high level of delivery fulfillment.

At the manufacturing level, we have established a multi-base production footprint covering key regions within China and overseas. As of December 31, 2025, we operated six major manufacturing bases in Zhuzhou, Taizhou, Hangzhou, Heyuan, and Yiwu in China, and Rayong in Thailand, and were supported by 18 global representative offices, forming an integrated global operating network spanning R&D, supply chain, manufacturing, sales, and services. This network not only let us support global customers in close proximity, but also allows our business units to flexibly allocate production and supply chain resources based on customer location, product certification requirements, cost structure, and delivery timelines. It also effectively mitigates business risks arising from changes in the global trade landscape, geopolitical uncertainties, tariffs, and regional trade frictions.

BUSINESS

At production level, we continuously advance our smart and flexible manufacturing capabilities to address the diverse product types, customized requirements, stringent certification standards, and differentiated delivery cycles across various application sectors. Our highly automated and flexible production lines support rapid changeovers for multi-product, small-batch, and customized production, while maintaining product quality, manufacturing efficiency, and delivery consistency at scale. Such smart and flexible manufacturing capabilities are particularly critical for products with high requirements for reliability and delivery stability, including AIDC power supplies, core components for NEVs, industrial automation systems, and intelligent equipment.

In 2025, our revenue generated from overseas markets accounted for approximately 30% of our total revenue. Our globally coordinated production capacity and regionally localized delivery capabilities have become a key competitive moat, enabling us to smooth cyclical fluctuations in any single market and hedge against business risks, thereby providing a solid foundation for our sustained and stable growth.

Experienced and Visionary Management Team Driving Sustained Value Creation Amid Industry Transformation

Our core management and technological teams originate from leading companies such as Huawei Electric and Emerson, and possess deep industry experience, strong professional alignment, and extensive global exposure. Our chairman of the Board and general manager, Dr. Tong, is a widely recognized expert in the power electronics sector. He holds a doctoral degree in electrical engineering from Nanjing University of Aeronautics and Astronautics, and conducted post-doctoral research in electrical engineering at Zhejiang University. Dr. Tong previously served as vice president of Shenzhen Huawei Electric Technology Co., Ltd. and as vice president of Emerson Network Power Co., Ltd. Since the early stages of our establishment and development, he has set a clear strategic direction centered on technological innovation. Over the years, he has provided consistent leadership in technological innovation, platform development, forward-looking strategic planning, and global operations.

Under the leadership of our management team, we have evolved from our early display power supplies business into our six major business segments. We have continuously evolved from providing component-level products to modules, systems, and ultimately integrated solutions. We consistently adhere to an operating philosophy of “multi-pole growth and balanced risk,” maintaining operational stability through mature businesses while continuously incubating new growth areas such as AI computing infrastructure, digital energy, NEVs, and industrial automation. This strategic evolution reflects our management team’s forward-looking assessment of the general applicability of power electronics technologies, changes in downstream application scenarios, and the restructuring trends of global industrial value chains.

As our scale continues to expand, guided by a management philosophy of “leadership, openness, collaboration, and innovation,” we have established an effective matrix-based operating system combining business groups and platform centers, with the aim of enhancing decision-making efficiency and cross-segment coordination across the Company. Each business group serves as a focused operating unit with end-to-end responsibility for product development, customer service, market expansion, and financial performance within its respective domain. In parallel, platform functions, including the marketing management center, supply chain management center, global manufacturing center, product engineering center, testing and certification center, structural design center, information technology center, and infrastructure development department, provide integrated support and shared resources to all business groups.

BUSINESS

This organizational structure enables us to maintain flexibility at the business unit level while achieving efficient resource sharing and scaling effects at the company level. It also supports new business incubation, integration of investee and controlled companies, and cross-segment collaboration. We believe that our experienced management team with a long-term strategic vision, together with a highly efficient, scalable, and collaborative organizational system, forms a critical foundation for our platform-based development, global expansion, and sustained multi-business growth.

OUR STRATEGIES

We are standing at a turning point for the deepening application of power electronics technologies. The global transition toward sustainable energy, the rapid advancement of AI computing power, and the wave of intelligent connectivity are collectively driving “re-electrification,” creating an unprecedented opportunity for power electronics technologies. Backed by China’s comprehensive industrial base, vast pool of engineering talent, and cutting-edge innovation practices, we are well-positioned to utilize the country’s competitive industrial environment and supply chain ecosystem to support our global expansion. In addition, we have built a team with deep expertise in core power electronics technologies and extensive experience working closely with leading global customers across multiple industries, committed to translating customer insights to value creation. We firmly believe that we are embracing a historic development opportunity. With clear strategic planning and strong execution capabilities, we are committed to evolving from a leading player in China to a global leader.

Build Symbiotic Relationships Leveraging Our Platform

We are a technology enabler of leading players across their respective industries. We recognize that such players, in building their core competitiveness, are often not satisfied with generic, standardized solutions. Instead, they are committed to driving innovation and seek deep collaboration with technology partners that possess strong expertise in power electronics, to jointly develop more differentiated and advanced customized solutions. This is where our differentiated capabilities create value for our customers.

We concentrate our resources on serving the blue-chip customers in each key industry segment. Rather than relying on standardized off-the-shelf offerings, we focus on addressing the forward-looking needs represented by our customers and providing innovative, differentiated solutions that strongly support their pace of innovation and market leadership. Through long-term and in-depth strategic partnerships with these industry leaders, we enable our customers to lead the development of cutting-edge industry trends, while also unlocking new growth opportunities for ourselves. In doing so, we aim to solidify our position as a “technology enabler” standing behind multiple industries in power electronics.

We remain firmly committed to our role as an “enabler” and to driving joint innovation with our customers. Leveraging our platform-based expertise, we engage in deep technical collaboration with our customers, translating our technological strengths into their product competitiveness. In doing so, we build a symbiotic and sustainable partnership.

BUSINESS

We will continue to strengthen and invest in our integrated and fundamental technology platforms, which represent our core strategic asset, to drive cross-segment internal synergy. These platforms, designed in a non-siloed manner, systematically empower each business segment with our deep technological expertise and engineering capabilities, thereby enabling cross-domain innovation and collaboration while ensuring high efficiency and consistency in overall R&D and operations. As a result, our core technology stack, including power conversion technologies, digital power control technologies, and system control and communication technologies, can be efficiently reused and rapidly transferred across applications. This, in turn, systematically enhances our responsiveness, quality control, and scalable delivery capabilities in empowering diverse application scenarios.

Maintain a Diversified Business Mix for Resilient, Through-the-Cycle Growth

We remain committed to building on our core capabilities in the power electronics industry and pursuing a prudent diversification strategy, instead of chasing short-term market trends. Our strong and resilient technological and engineering foundation serves as the “stabilizer” of our development, enabling us to expand across different economic and industry cycles while maintaining the agility to capture emerging opportunities and achieve sustained and secular growth.

In recent years, our progress in the AI computing infrastructure sector has provided compelling validation of this strategy. Building on our diversified business foundation and leveraging our long-standing technological expertise in high-efficiency and high-power-density power supplies, we have continued to expand strategically toward high-value, high-margin business segments. We have rapidly responded to the surge in demand driven by the growth of AI computing power, successfully entered the market, and become a core supplier in this sector, effectively creating a new growth vector. This fully demonstrates our core capabilities are highly transferable and adaptable. Going forward, we will continue to rely on our diversified strategy, replicate our success across more high-potential areas, and achieve resilient growth through business cycles.

Prioritize Innovative R&D to Bolster Our Leading Technological and Engineering Capabilities

Technological innovation is the foundation for our presence and future growth. We will continue to prioritize R&D as our core driving force, not only addressing current challenges but also actively exploring future technologies, thereby ensuring sustained technological and product leadership.

We will maintain a high level of R&D investment intensity over the long term and focus our resources on forward-looking technologies and engineering capabilities that can lead industry transformation. We are committed to accomplishing: (i) power supply systems and solutions with higher efficiency and higher power density, maximizing energy utilization and setting industry benchmarks; (ii) highly integrated and intelligent industrial control systems; (iii) efficient and reliable temperature control and thermal management solutions; and (iv) highly integrated, modular, and intelligent electromechanical system solutions, thereby building long-term and sustainable technological barriers.

We will further strengthen our R&D and engineering capabilities. Our long-term competitive advantage stems not only from our commitment to cutting-edge technologies, but also from our systems engineering capabilities, which serve as the core driver in commercializing innovative concepts. Our leading solutions are built upon the systematic integration and deep expertise across multiple domains, including material science, process engineering, structural design, and information technology. This cross-disciplinary engineering strength enables us to efficiently and reliably translate innovative technologies into highly dependable and standardized products and solutions. Looking ahead, we will continue to invest in and expand our engineering capabilities to ensure efficient commercialization of technological innovation and to further consolidate our leading market positions.

BUSINESS

We plan to further strengthen our industry-leading testing and validation capabilities. We recognize that rigorous testing is the cornerstone of reliable product delivery. Our testing and validation center in Changsha, Hunan Province, is at the industry forefront in terms of testing coverage, automation level, and response speed. Its leading scale and comprehensive capabilities enable us to ensure product reliability while also empowering our customers in their product development. We will continue to invest in and enhance this center to maintain its industry-leading position. The platform provides comprehensive validation capabilities ranging from component-level to system-level testing, covering extreme environment simulation, full lifecycle reliability testing, and compatibility testing under complex grid and load conditions, ensuring that our products remain stable and reliable even in the most demanding application scenarios.

We plan to build a world-class global R&D talent pipeline. We will fully leverage China’s engineering talent reserves in the power electronics sector and the historic opportunities arising from industry development, while recruiting top-tier technical talent globally. We will continue to optimize our talent development, incentive, and retention systems, with the goal to build a professional, diverse, and globally oriented world-class R&D talent pipeline, thereby generating a sustainable source of innovation to support our long-term growth.

Focus on Power Supply Solutions for AI Infrastructure to Create a Robust Growth Engine

We have observed that the advancement of AI is reshaping global digital infrastructure. With AIDC power supplies as our strategic core, we are committed to becoming a key force driving this transformation.

We will build comprehensive leadership across technologies, products, and solutions. We work closely with leading customers to provide end-to-end power solutions for rapidly growing AI computing demand, covering the entire chain from grid to chip. In the AIDC power sector, we are steadily expanding our capabilities from individual technologies to product families, and ultimately to complete system-level solutions. We will maintain close collaborations with leading global partners in semiconductors, servers, and data centers to jointly shape industry standards and remain aligned with the most advanced technological frontiers.

At the grid level, we will prioritize the development of next-generation SST technologies; at the rack level, we are advancing higher-efficiency 800V HVDC sidecar and power shelves to meet constantly increasing computing power demand; at the board level, we are developing a full range of on-board power supplies compatible with 800V HVDC architectures to fully support customers’ evolving technology roadmaps; and in supporting technologies, we are actively expanding key enabling capabilities, such as energy storage and liquid cooling, to fulfill the rapidly growing power demands of AI computing infrastructure.

We also plan to further optimize our global responsiveness and service capabilities. With the explosive growth of AI infrastructure, the pace of technological and product iteration has become a key bottleneck for industry development. As a result, market and customer expectations for R&D speed, service responsiveness, manufacturing capacity, and supply chain stability have reached unprecedented levels. To address these demands, we are building a globally deployed operational footprint closely aligned with leading customers across all key functions, including R&D, customer service, manufacturing, and supply chain management. This enables us to deliver the fastest and most effective response and execution capabilities. Through end-to-end, deep collaboration with customers across the entire value chain, we continuously refine our ability to capture market opportunities and expand market share.

BUSINESS

Deepen Our Global Localization (“Glocal”) Strategy to Build an Agile and Efficient Global Operating System

We will steadfastly advance our “Glocal” strategy, which emphasizes local operations with a global mindset, to build an operating system that can respond rapidly to global customer needs while maintaining high resilience.

We will continue to accelerate the localization of sales and services, further strengthening our localized sales and service networks in key markets such as Europe, North America, and Asia-Pacific. By establishing regional headquarters and technical support centers, we are able to provide real-time business communication and technical services, gain deep understandings of local market needs, and respond to customers with speed and efficiency.

We will continue to advance the globalization of our product development and R&D capabilities. Through coordinated efforts among our ten R&D centers across China, Europe, and North America as of December 31, 2025, we are able to leverage global domain expertise while tailoring product development and customization to the specific needs of different markets, ensuring full compliance with local regulations and seamless adaptation to local application environments.

We will continue to build a diversified and resilient global supply chain system. While continuing to expand our manufacturing advantages in China, we have strategically established an overseas manufacturing base in Thailand and will further expand our overseas production capacity in line with our global business footprint. We are committed to enhancing the resilience of our supply chain and ensuring stable delivery on a global basis.

Foster an Open Innovation Ecosystem Through Versatile Collaboration Models

While maintaining strong organic growth, we will adopt a long-term perspective and a systematic approach to create new momentum for our high-quality development through strategic investments and mergers and acquisitions.

We will focus on the upstream and downstream segments of the power electronics value chain and actively identify and selectively invest in or acquire targets that can generate synergies with us and help optimize our competitive landscape of the industry. Through investments or mergers and acquisitions, we can efficiently complement specific technological capabilities, enrich our product portfolio and solution offerings, and thereby accelerate our entry into new downstream application areas.

We firmly believe that open collaboration is an accelerator of technological advancement. In addition to mergers and acquisitions, we will also consider cooperating with upstream and downstream product technology teams and startups with core technologies through minority equity investments, joint ventures, or co-development arrangements. Through these flexible approaches, we can effectively extend our technological reach and build an open and mutually beneficial innovation ecosystem. While accelerating product development and commercialization in emerging sectors, this approach also enables us to create new potential growth vectors.

BUSINESS

OUR CORE TECHNOLOGY PLATFORMS

We drive continuous technological iterations via three fundamental platforms: power conversion, digital power control, and system control and communication. Leveraging our sufficient experience of underlying technologies, we have developed and implemented a suite of core technologies, establishing a comprehensive and robust technical support system. We achieve efficient technology transfer and continuous iteration through the cross-pollination of foundational technologies and customized development, thereby enhancing our R&D efficiency and our capacity to commercialize technological achievements.

Power Conversion Technology Platform

Our power conversion technology platform could execute instructions from the control platform, converting input power into specific energy forms required to drive various equipment (such as motor drives and power converters). As the physical entity of power conversion, it directly correlates with the power density, reliability, and stability of our products.

Digital Power Control Technology Platform

Our digital power control technology could generate precise operational instructions through programming based on application requirements. Integrating both digital and analog control technologies, this platform serves as the “command center” for power conversion, determining the precision and efficiency of power output.

System Control and Communication Technology Platform

Designed for complex electrical equipment or multi-device coordination scenarios, our system control and communication software technology could enable communication and coordination among various modules. Through efficient instruction transmission and resource distribution, this technology ensures the synchronous operation of multiple tasks, serving as a critical support for achieving complex system-level deliveries.

OUR PRODUCTS AND SOLUTIONS

We are a leading provider of electrical power solutions, committed to providing one-stop solutions covering R&D, manufacturing, sales, and services of electrical automation hardware and software for leading customers across various industries worldwide. Leveraging our strong underlying technologies and global delivery capabilities, we have continued to increase our market share globally.

We provide comprehensive and specialized products and/or solutions across our six core business segments, namely power supplies, new energy transportation, industrial automation, smart home appliances, intelligent equipment, and precision connectivity and magnetic components.

BUSINESS

The following table sets forth a breakdown of our revenue by segment, with each segment including its respective major products and solutions, for the years indicated.

	For the Years Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Power Supplies	2,121,965	31.4	2,353,307	28.8	2,680,005	28.5
New Energy Transportation	710,248	10.5	548,724	6.7	1,144,891	12.2
Industrial Automation	584,126	8.6	627,031	7.7	876,920	9.3
Smart Home Appliances	2,619,071	38.8	3,737,942	45.7	3,558,978	37.9
Intelligent Equipment	365,889	5.4	462,443	5.7	605,284	6.4
Precision Connectivity and Magnetic Components	315,552	4.7	381,067	4.7	449,088	4.8
Others ⁽¹⁾	37,390	0.6	61,972	0.7	87,674	0.9
Total	6,754,241	100.0	8,172,486	100.0	9,402,840	100.0

Note:

(1) primarily include research and development services, rental services, and tooling fixtures and test molds.

While steadily expanding our business scale, we remain firmly committed to our globalization strategy. In 2025, our overseas revenue amounted to RMB2,733.3 million, accounting for 29.1% of our total revenue, reflecting our growing international competitiveness.

Power Supplies

We provide integrated power supply solutions featuring high power and high efficiency for leading global equipment manufacturers. Our power supplies business primarily comprises network power products (including communications and data center power supplies), core components for energy storage and charging station applications, display power supplies (including commercial display power supplies and LED power supplies), as well as medical power supplies, utility power supplies, and industrial enclosed power supplies.

Data Center Power Supply Products and Solutions

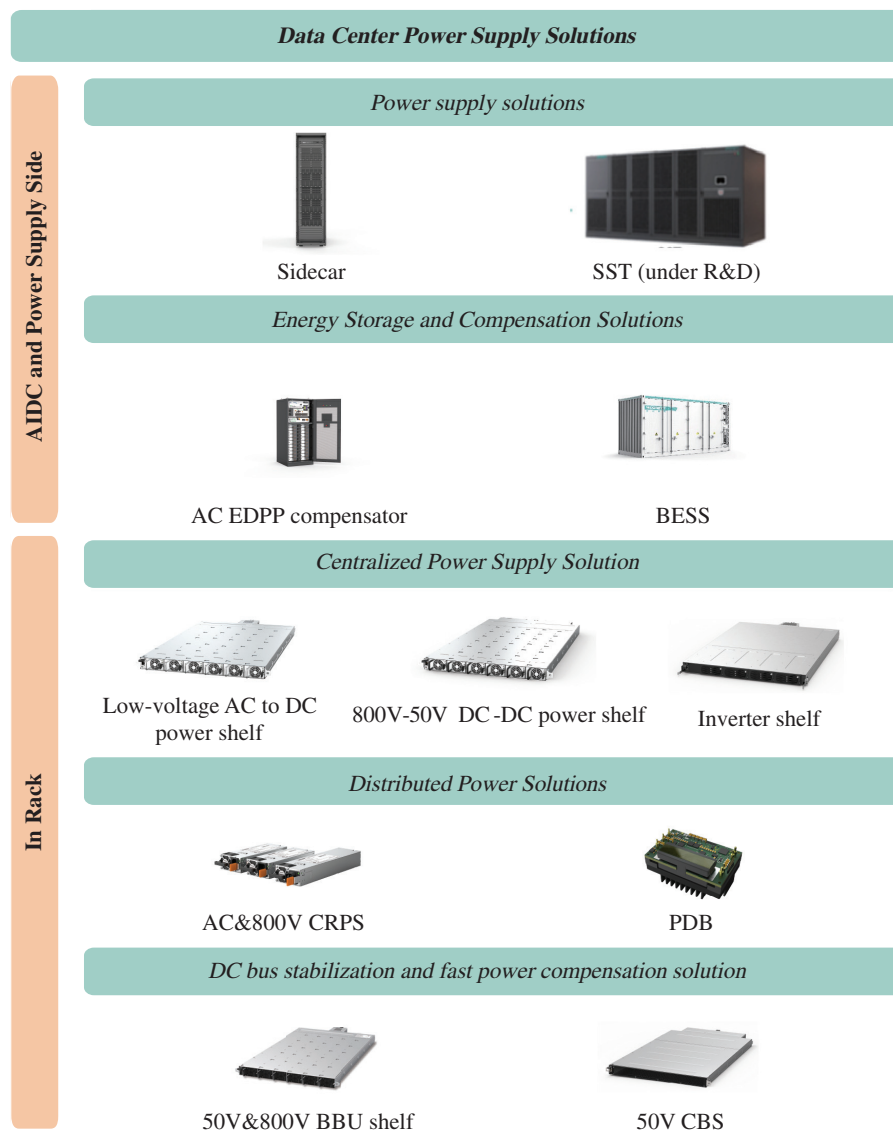
Our core technologies are characterized by strong cross-scenario transferability and rapid iterative upgrade capabilities. Based on our technological experience in display power supplies, industrial power supplies, and medical power supplies, we progressively expanded the application of our technologies into the telecom, and server power supplies sector, and further into the data center power supplies system, which has formed a solid foundation for our continuous expansion into AI computing infrastructure power supplies.

Data center servers, particularly AI servers, are primarily powered by GPUs, which feature abrupt workload fluctuations, frequent dynamic voltage adjustments, highly parallel computing, and intensive data transmission requirements. These characteristics require power systems with rapid response capabilities. Power redundancy designs enable microsecond-level failover in the event of a power supply failure. Combined with EDPP and other power fluctuation mitigation technologies, power systems can compensate for sudden load changes, reduce grid disturbances, and maintain stable power input. The integration of advanced hardware and control technologies is critical to ensuring continuous GPU board utilization and power reliability in AI computing clusters. In the data center and AI server power supplies sector, we have become one of the global-leading companies that possess advanced

BUSINESS

technologies and comprehensive overseas delivery capabilities. Currently, we have officially become one of the designated suppliers of AIDC power supplies to a leading global GPU and AI computing infrastructure company. Focusing on AI computing infrastructure and in response to the development trends of data center architectures over the next three to five years, we have gradually established integrated power supply solutions covering *module – rack – cabinet*, capable of supporting AI power demands ranging from kilowatt-level to megawatt-level. Through continuous industry cultivation in recent years, we have established a full-stack product matrix covering grid input, voltage stabilization and compensation, uninterruptible power supplies, high-voltage conversion, rack-level power distribution and GPU terminal power supplies. Our products cover the entire power delivery chain from power access to computing terminals, enabling comprehensive in-house power supply solutions across multiple AI computing scenarios.

The diagram below illustrates major products we provided through our data center power supply solutions:



BUSINESS

Our data center power supply solutions center around three major aspects, namely: (i) power supply solutions, which mainly include sidecar and SST (under R&D); (ii) energy storage and compensation solutions that cover both AC and DC side products; and (iii) in-rack solutions for both centralized and distributed architectures as well as stabilization and compensation solutions.

Power supply solutions

- Sidecar

Our sidecar products are designed specifically for AI data centers. They feature an innovative, side-mounted integrated architecture that allows for deployment right next to IT racks. Our sidecar can directly and efficiently convert three-phase 380V-480V industrial alternating current power into 800V HVDC power, which could match the high-voltage demands of AI servers.

With a power density exceeding 1MW per rack, our sidecar products deliver high performance with low energy loss. They integrate rectification, filtering, protection, and monitoring modules, fully supporting hot-swapping and redundancy backups, and can further effectively reduce distribution losses. They are optimized for high-density computing clusters, driving energy savings, minimizing downtime and enhancing resiliency, while supporting sustained upgrades in AIDC power architecture.

- SST (under R&D)

Our SST products can directly receive high-voltage grid input and convert it into 800V HVDC output, with conversion efficiency expected to exceed 98.5%. They support centralized power supply for megawatt-level computing clusters and serves as the core equipment under the 800V HVDC architecture. They are also expected to substantially reduce power transmission losses and helps maintain the PUE of computing centers below 1.1, which is substantially lower than the average industry standard hovering between 1.3 to 1.6.

Energy Storage and Compensation Solutions

- AC EDPP compensators

Designed to address the grid-side voltage fluctuations of GPU accelerators deployed in high-density computing environments, our AC EDPP compensators feature an integrated electric double-layer capacitor energy storage unit, which allows the device to rapidly stabilize power fluctuations on the grid side. Our AC EDPP compensators are built with high-standard outdoor protection ratings, and therefore they can be deployed in harsh outdoor industrial environments. Leveraging the rapid charge and discharge characteristics of the ultracapacitors, our AC EDPP compensators deliver precise compensation for instantaneous power shocks. They stabilize grid voltage and suppress voltage flicker, thereby effectively improving grid power quality and enhancing power supply stability.

BUSINESS

- BESS

Our data center BESS integrates lithium battery packs, battery management systems, and PCS. They are primarily used for hour-level energy support for computing equipment rooms, peak shaving and valley filling, and grid-side collaboration. Our data center BESS can ensure an uninterruptible power supply for servers and storage equipment, thereby effectively preventing computing interruptions. Concurrently, they stabilize grid voltage by smoothing load power fluctuations. Furthermore, our data center BESS features high-standard safety protection, intelligent monitoring, and remote operation and maintenance capabilities. By balancing emergency protection, energy optimization, and grid interaction, it significantly enhances power supply reliability and improves energy efficiency levels in data centers.

In-Rack Power Supply Solutions

- Low-voltage AC to DC power shelf/800V-50V DC-DC power shelf

Our low-voltage AC-to-DC power shelf can efficiently convert low-voltage AC power into stable DC power, and our 800V DC-DC power shelf can efficiently convert 800V DC power into stable DC power. Both of them are capable of supporting high-power-density computing loads, and feature high integration, high efficiency, and easy deployment.

These products are integrated rectification power supply units designed for data center applications, and are compatible with the MGX ecosystem and ORv3 architectures, and can be configured with an integrated automatic transfer switch for enhanced power redundancy.

We offer different specifications of these power shelves to precisely match different scenarios of our customers. Specifically, our 19-inch MGX standard version is compatible with general cabinets and is suitable for small and medium-sized data centers as well as general computing scenarios. Our 21-inch version complies with OCP standards and is tailored for the deployment of large-scale, standardized computing clusters. Additionally, our ATS-integrated version supports seamless switching between dual utility power sources. This improves power redundancy and continuity, satisfying the requirements of high-reliability, uninterruptible power supply scenarios such as core financial and government-enterprise operations. Currently, our power shelves are mainly air-cooling. To satisfy the requirements for higher reliability, simplified and rapid deployment of cooling systems, further increased power density, as well as improved heat dissipation efficiency and reduced PUE, we are currently in the process of developing our liquid-cooling version of the above power shelves.

- Inverter shelf

Our inverter shelf for data center draws power from a 50V DC busbar. It efficiently converts low-voltage DC power into pure single-phase AC power, and provides a stable power supply for server rack switches and various small AC loads within the rack. Our inverter shelf features high integration and strong adaptability, providing a stable output voltage waveform. It also possesses comprehensive protection functions against overvoltage, overcurrent, and short circuits. It also fits local auxiliary AC power supply scenarios at the rack level, and is capable of effectively resolving the power acquisition demands of rack AC equipment under DC power supply architectures. Consequently, it ensures the stable and reliable operation of server room auxiliary equipment.

BUSINESS

- CRPS

Our CRPS products are high-power-density intelligent power supply modules for data centers. Our CRPS product portfolio covers both conventional AC input and 800V HVDC input power supply modules. Their single-unit can reach 5kW power rate and above, adapting to the new generation of high-voltage DC and traditional AC power architectures. These products adopt a highly integrated design, which could significantly increase power density and effectively, save rack deployment space, while combining ultra-high conversion efficiency with low operating losses. They could also support modular redundant parallel connection and online hot-swapping, making operation and maintenance convenient, and providing high system fault tolerance. They also feature life-cycle protection mechanisms against overvoltage, overcurrent, overheating, and short circuits, ensuring safe and stable operation. They are specifically designed for high-power load operations such as AI servers and high-density computing clusters, matching large-scale, high-reliability, and energy-saving data center power supply deployment scenarios.

- PDB

Our PDB products are designed for computing node and switching node scenarios. They adopt an 800V HVDC input and can efficiently step down and convert it into 50V, 12V, or 6V low-voltage busbar power, satisfying the power supply demands of various chips, boards, and components within the node.

These products support cold plate liquid cooling heat dissipation solutions, which can effectively resolve the heat dissipation difficulties under high-power-density loads, adapting to continuous operation conditions under high computing power. Additionally, they support online hot-swapping and are equipped with comprehensive protection functions such as surge suppression, overvoltage, overcurrent, short circuit, and overheating, which could improve node power supply safety and operation and maintenance convenience, and ensure the long-term, stable operation of server computing and switching nodes.

- BBU Shelves

Our BBU solutions, including our 800V HVDC BBU shelf and 50V BBU shelf, provide minute-level backup support by responding promptly to power interruptions and voltage drops, thereby maintaining system operation and providing sufficient buffer time for failover, orderly shutdown and power recovery.

Our 800V HVDC BBU shelf is primarily used for short-term backup power protection. When the main power is interrupted or the voltage drops, it can promptly output energy, which maintains an uninterruptible power supply for downstream loads and ensures the stable operation of computing equipment and therefore optimize the power stability of the DC busbar and suit the application scenarios of computing clusters utilizing HVDC power supply architectures.

Our 50V BBU shelf is dedicated backup battery units for low-voltage busbars in data centers. Our units adapt to the 50V DC power supply architecture of server nodes. It is primarily used for emergency power backup and busbar voltage stabilization support during instantaneous system power outages and voltage drops. Our 50V BBU shelf can quickly respond to power gaps to maintain the operation of computing and switching node equipment for a short period, which could provide a reliable buffer time for system shutdown, failover, and power recovery, thereby avoiding computing interruption and data loss.

BUSINESS

- 50V CBS

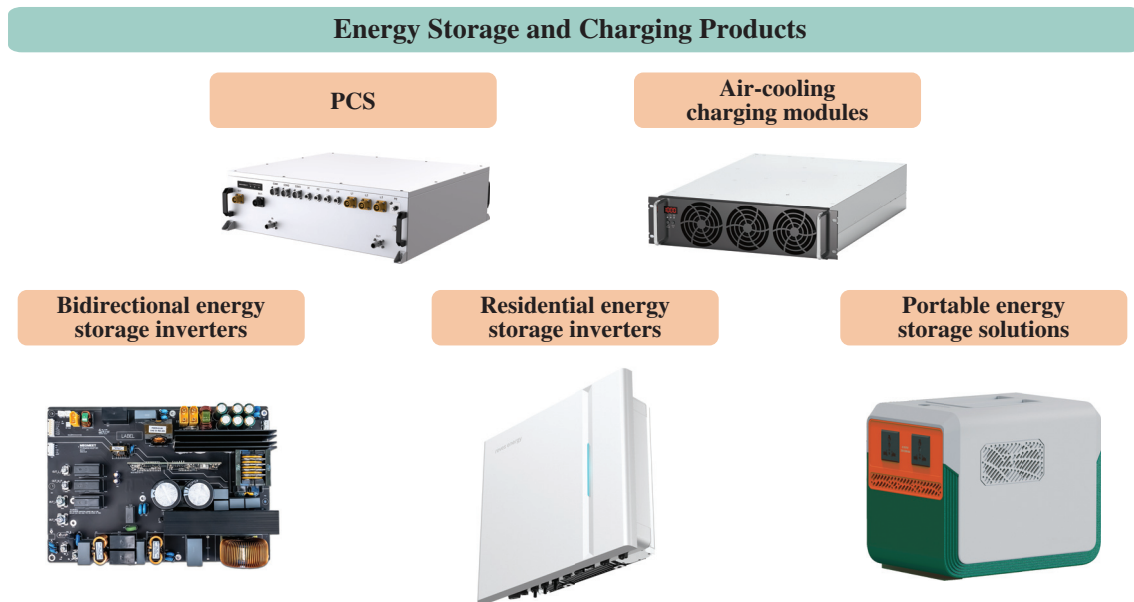
Our 50V CBS is ultracapacitor energy storage compensation units adapted to 50V power supply systems of data centers, serving as a microsecond-level voltage stabilization solution that rapidly mitigates transient power fluctuations and sudden load impacts to maintain power quality and busbar stability, while featuring the dual functions of EDPP compensation and short-term emergency power backup.

Based on the ultra-fast charge and discharge characteristics of our ultracapacitors, our 50V CBS shelf can smooth out instantaneous busbar power fluctuations, withstand load impacts, and suppress voltage disturbances in real time, thereby achieving precise power quality optimization and improving system power supply stability. It can also quickly step into operation under conditions of utility power anomalies and voltage drops to provide short-term backup power support, ensuring that equipment achieves seamless transitions, executes failovers, and shuts down in an orderly manner.

This product features high integration and fast response speeds, supporting compact node installation. It also features comprehensive protection functions, including surge suppression, overvoltage, overcurrent, overheating, and short-circuit protection, to meet the dynamic voltage regulation and redundant backup power requirements of high-density computing systems.

Energy Storage and Charging Products

Leveraging the energy storage and EV charging markets as key entry points, we provide our customers with highly reliable, cost-effective, and high energy-density energy storage and charging products that support customized solutions. Set forth below are the key offerings within our energy storage and charging products.



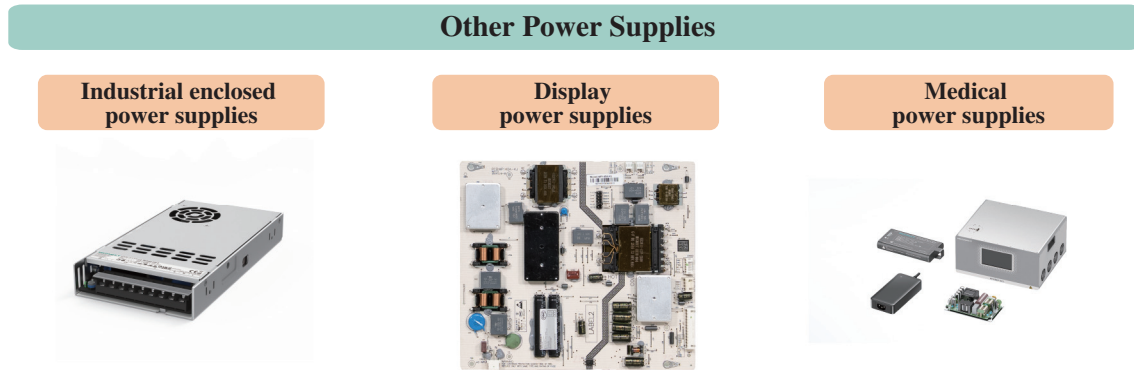
BUSINESS

- PCS. Our in-house designed PCS products are available in multiple power ratings, including 125kW, 215kW, and 430kW. These products support a 1,500V high-voltage platform and have obtained PRC national standard certifications. These products provide both air-cooling and liquid-cooling thermal management solutions. Our PCS products feature fault ride-through capabilities, 1.1x long-term overload capabilities, and real-time grid harmonic monitoring functions, ensuring highly reliable operation under complex grid conditions. They also support cloud platform management and can be widely applied in residential, commercial, industrial, and utility-scale energy storage systems.
- Air-cooling charging modules. Our 66.7kW air-cooling charging modules support an ultra-wide output voltage range from 20kW to 66.7kW. These products are designed for heavy-duty truck charging scenarios and address issues such as large charging station footprints and low charging efficiency. They also have intelligent monitoring functions that could help improve charging operation efficiency and profitability.
- Bidirectional energy storage inverters. We continuously provide smart energy solutions and digital power supplies for the new energy industry. Our products include all-in-one bidirectional energy storage inverters for large-format single battery cells, as well as those for string battery pack systems, with power ratings ranging from 300W to 5,000W, as well as residential energy storage inverters. Our products feature high reliability, cost-effectiveness, and flexible customization capabilities, and have been widely applied in customers’ products.
- Residential energy storage inverters. Our residential energy storage inverters are specifically designed for households in Europe and the United States, small commercial, and industrial applications. These products support parallel operation of multiple units, feature an IP65 protection rating, and are compatible with high-voltage battery packs ranging from 160V to 800V. Our residential energy storage inverters enable efficient energy utilization and electricity cost optimization. They can also be integrated with cloud platforms and apps, allowing users to monitor operating conditions in real time.
- Portable energy storage solutions. Our portable energy storage solutions adopt self-developed low-voltage high-current bidirectional inverter technology, enabling a single 3.2V battery cell to be boosted to a 220V AC output directly. Our portable energy storage products feature a highly integrated structure, ease of use, and compatibility with off-grid scenarios. They can serve as alternatives to traditional diesel generators and are widely applicable to household and basic electricity usage scenarios in regions such as Asia, Africa, and Latin America.

BUSINESS

Other Power Supplies

In addition to the foregoing products, our power supplies portfolio also includes industrial enclosed power supplies, display power supplies (including commercial display power supplies and LED power supplies), and medical power supplies. Set forth below are the key offerings within our power supplies.



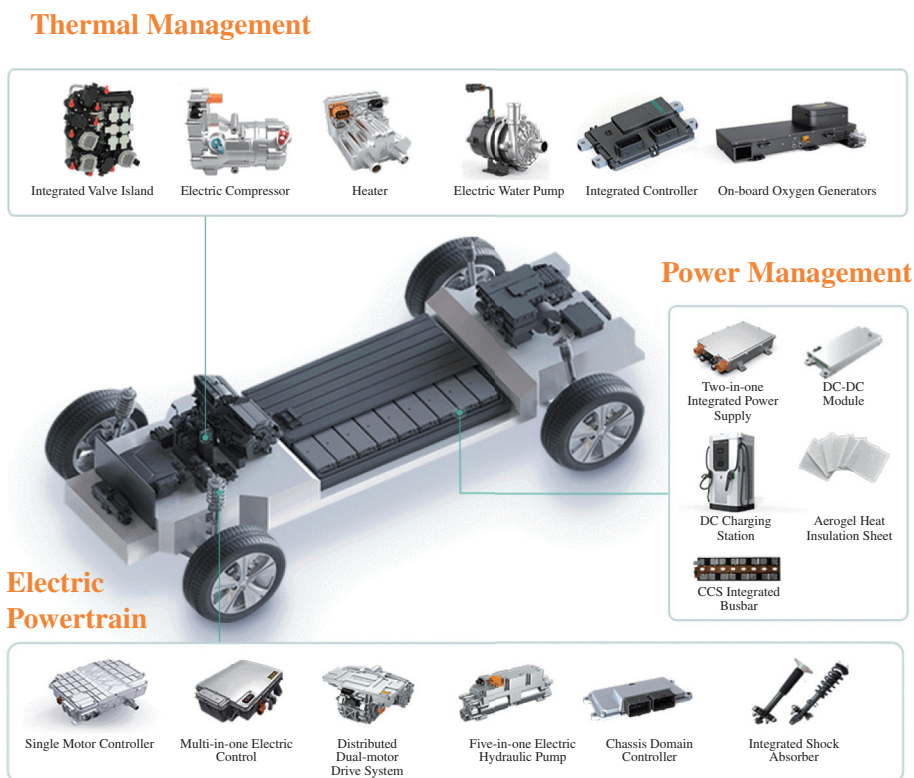
- Industrial enclosed power supplies. Our industrial enclosed power supplies are designed for applications such as industrial control systems, electrical equipment, and instrumentation, providing high-efficiency, high-power-density, and highly reliable power supply solutions for harsh industrial environments, and have obtained various certifications. They are available in multiple output specifications, and feature comprehensive over-current, over-voltage, and short-circuit protection functions. Currently, they have been widely adopted in applications including clean energy, advanced manufacturing, and additive manufacturing.
- Display power supplies. Our display power supplies cover display terminals in various screen sizes and application scenarios. Our LED power supplies adopt a two-stage architecture including PFC technology which utilizes a continuous conduction mode boost topology, enabling a power factor of above 0.95. We also provide an integrated commercial display power supplies solution that combines power supplies and mainboard. It also integrates both hardware and software systems and combines reliability, compatibility, scalability for mass production and software adaptability, enabling it to meet the deployment and application requirements of different commercial display terminals. According to CIC, we ranked first in China's commercial display power supplies market in terms of revenue of 2025.
- Medical power supplies. Medical power supplies are subject to stringent functional and safety requirements designed to protect patients and healthcare professionals, including requirements relating to isolation ratings, stringent patient leakage current limits and the maintenance of essential performance. We focus on the development and supply of medical power solutions for hospital and home healthcare applications, and we have obtained ISO 13485 certification. Our medical power supplies comply with the requirements of IEC 60601-1, featuring high energy efficiency, low leakage current, and reliability. Our products are currently used by a number of domestic and international medical device manufacturers across various medical application scenarios and equipment categories.

BUSINESS

Case Study

Leveraging our comprehensive product portfolio and advanced systematic power supply solutions, we provided a complete power supply solution for an overseas customer. This solution includes 50V DC power supplies, AC EDPP compensators, emergency backup power, inverter power systems, and unified system monitoring controllers. These offerings effectively support and safeguard the customer’s demands for large model training, autonomous driving training, and robotics training in data centers. This case demonstrates our ability to deliver integrated power supply solutions and address customers’ diverse system-level requirements through a one-stop solution offering.

New Energy Transportation



We have continued to deepen our presence in the new energy transportation sector, with a strategic focus on three major business areas, namely automotive power management, thermal management, and electric powertrain. Our main products for the new energy transportation segment include all-in-one electric control systems and integrated power supply solutions, on-board compressors, heaters, integrated thermal management modules, oxygen generators, active hydraulic suspension systems, and distributed electric drive systems. We are committed to providing electrical component solutions to our customers in the new energy transportation sector. Currently, we provide supporting services to more than 20 well-known domestic and international enterprises, with cumulative product shipments exceeding 1 million units. Leveraging the coordinated development of the above three core areas of new energy vehicle technologies, we continue to expand our product portfolio and continuously strengthen our market competitiveness.

BUSINESS

In addition to the new energy passenger vehicle sector, we also apply our products and solutions to commercial vehicles, construction equipment, and other specialized application scenarios in order to meet the diverse product needs of our customers. We will continue to leverage our existing industry resources and customer base to further expand our business related to new energy transportation, broaden the application of our products, and expand our customer coverage.

Case Study

As demand for on-board oxygen-generation system in new energy passenger vehicles has increased, we applied our existing household oxygen concentrator technology to vehicle use. The adoption of our existing technologies supported the commercialization of these products. We developed an on-board oxygen-generation solutions tailored for vehicle use, with a focus on space constraints, operational stability, and safety. Currently, we have been selected as a supplier by multiple new energy vehicle manufacturers.

We applied ceramic heating technology in multiple consumer applications and further innovatively applied ceramic heating technology to our new energy vehicles sector. Compared with conventional passenger vehicle heater solutions, ceramic heating technology offers lower costs, light-weighting, and higher heating efficiency. The resulting products achieved approximately 15% lower cost and approximately 40% lower weight compared with similar products. These products have been accepted by customers and are now in use at scale.

Industrial Automation

We provide core components for industrial manufacturers. Our industrial automation products primarily include industrial drive systems and automation control systems.

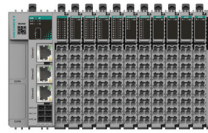
As the manufacturing industry continues to demand higher production efficiency and precision, leveraging our strong cross-disciplinary technology platform, our industrial automation products continue to support customers in achieving digital transformation and intelligent manufacturing upgrades. Our industrial automation products primarily include PLCs, thermostats, servo and variable frequency drives, linear motors, and high-precision air-bearing stage.

BUSINESS

Set forth below are the key offerings within our industrial automation:

Industrial Automation Products

**MU400 series
compact PLCs**



MQT thermostats



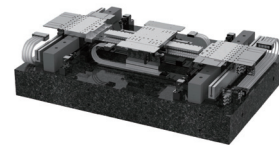
**MV820 series variable
frequency drives**



**M5 series general-
purpose servo system**



**High-precision
air-bearing stage**



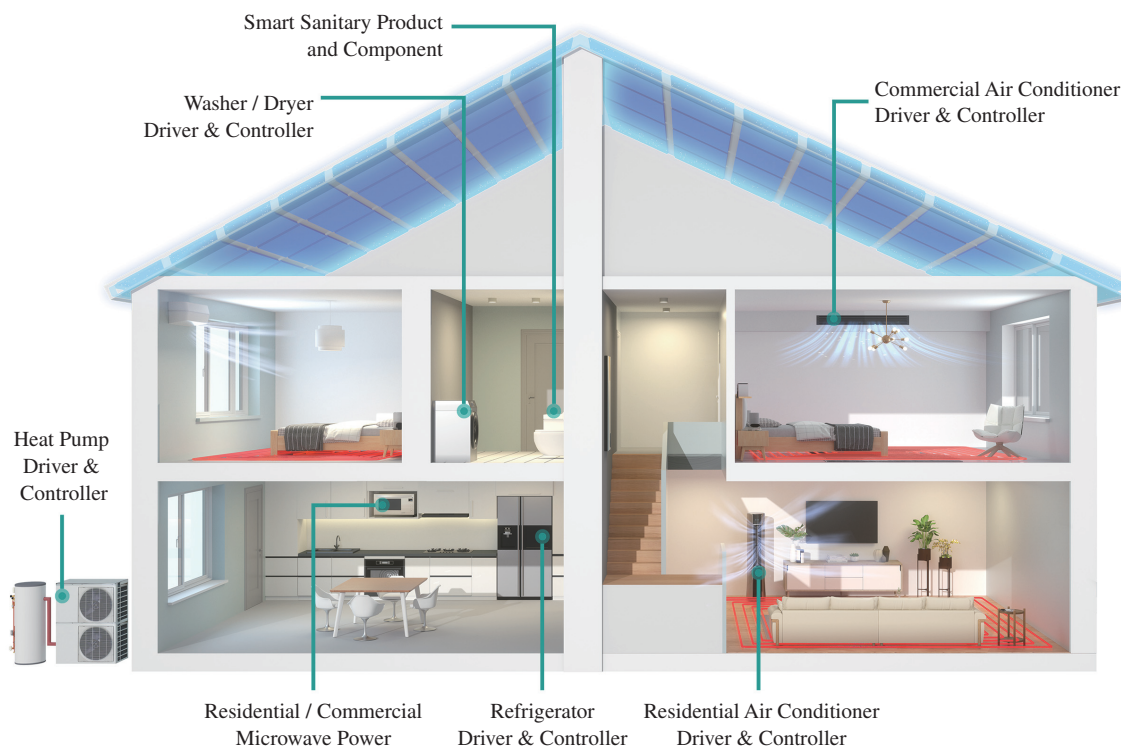
- **MU400 series compact PLCs.** MU400 series compact PLCs are our cost-effective, blade-type PLC modules. They feature versatile expansion capabilities, with the main unit integrating two expansion cards and supporting up to 16 expansion modules. Utilizing the EtherCAT bus control, they achieve microsecond-level response speeds to realize high-speed, real-time control. By supporting multiple programming languages and based on their inherent stability and reliability, these products can deliver both high-performance and high-precision control capabilities, making them highly adaptable to diverse application scenarios and easy to operate.
- **MQT thermostats.** Our MQT thermostats consist of communication, temperature control, and multi-layer modules, and support flexible combination and configuration based on specific demands. By integrating internal intelligent algorithms, they deliver high-precision temperature control. They can support cascading control, multi-point temperature control, and background remote upgrades, and feature high combination flexibility. Currently, our MQT thermostats are applied in multiple industrial sectors, including rubber and plastics, and wind power.
- **MV820 series variable frequency drives.** Our MV820 series variable frequency drives cover a power range from 400W to 400kW and are designed to meet a wide range of high-performance application requirements. A single drive integrates both induction motor and permanent magnet synchronous motor drive technologies, while enabling both speed and torque control within the same drive. They are also compatible with a variety of encoders and support flexible input/output and communication expansion capabilities, which provide versatile functionality and ease of use for our customers.
- **M5 series general-purpose servo system.** Our M5 series general-purpose servo system features high response, high precision, and high synchronization, and equipped with advanced functions such as online inertia identification, gain auto-tuning, vibration suppression, and quadrant compensation. Together with our intelligent host controller, our M5 series general-purpose servo system meets market requirements for mechanical equipment for high precision, high stability, high efficiency and ease of use.

BUSINESS

- High-precision air-bearing stage. Our high-precision air-bearing stage delivers nanometer-level positioning accuracy, virtually friction-free motion, and high-speed, high-acceleration performance. These features help address the stability, precision, and long-term drift challenges commonly associated with conventional mechanical platforms.

Smart Home Appliances

We are committed to providing global branded appliance manufacturers with comprehensive systematic innovation and R&D, supporting the intelligent and low-carbon transformation of traditional household appliances.



Our smart home appliances serve as core units enabling the intelligent operation of household appliances. Integrating power conversion, logic control, and variable frequency drive technologies, they have become essential components for emerging household appliances to achieve premium quality and high performance. Our smart home appliances business mainly includes HVAC drive and control solution, smart sanitaryware products and components, and other smart home appliances. We are able to provide our customers with high-quality components and one-stop solutions, while continuously improving our sales and supporting service. Currently, our subsidiary, Zhejiang IKAHE, has collaborated with a number of leading domestic and international brands in the industry and will continue to deepen its cooperation with well-known e-commerce private-label brands and appliance & sanitaryware brands, while actively expanding our global presence.

BUSINESS

We have leveraged mature industrial-grade control technologies for residential applications, which underpins our core competitiveness. In particular, with respect to our smart sanitary products, starting from core control components and leveraging years of dedicated R&D and marketing experience, we have continuously integrated upstream and downstream resources and have established comprehensive industry chain advantages in smart bidet toilet products. Additionally, we actively participate in the formulation and development of industry standards, continuously building technical barriers and a strong brand image. We will continue to empower our customers and create sustainable long-term value through our full-chain innovation capabilities and integrated solutions. According to CIC, we ranked as the No.1 third-party supplier of smart air conditioner compressor controllers in the global market in terms of revenue in 2025 and ranked the first position in global smart bidet toilet ODM market in terms of revenue in 2025.

Set forth below are the key offerings within our smart home appliances business:

HVAC Drive and Control Solutions

Our HVAC drive and control solutions are applied in various scenarios, including residential and commercial air conditioners, and heat pumps.

Leveraging mature industrial-grade control technologies for residential applications, our residential air conditioner drive and control solutions can drastically enhance cooling and heating efficiency while significantly extending the operational lifespan of the air conditioning system and overcoming the performance limitations of standard rotational speeds during extreme weather conditions (both severe heat and cold). Powered by our proprietary core algorithms, we are able to deliver flexible, intelligent solutions tailored to meet the customized needs across diverse application scenarios.

Our commercial air conditioner drive and control solutions can reduce energy losses and extend system lifespan, meeting the high-reliability requirements of large-scale commercial equipment. By integrating centralized controller, remote monitoring system, and billing system, they enable unified system management, remote fault diagnosis, and accurate per-unit electricity billing, thereby addressing the operational challenges of multi-device management and sub-metered billing in commercial applications.

Our heat pump drive and control solutions enable high operational limits, enhance system reliability, reduce hardware redundancy costs, and ensure safe operation under high-power extreme conditions without device failure, while demonstrating strong startup performance and stable heating even in extremely cold regions.

Smart Sanitaryware Products and Components

We have built a full-stack product portfolio in the smart bidet toilet, covering power supplies, ceramic heating elements, and related control components, and primarily operate under an ODM business model serving leading brands in the industry.

BUSINESS

Smart Bidet Toilet

Starting from the production and sales of core control components, through years of R&D and market application, we have integrated upstream and downstream resources, and now possess a well-established full industry-chain advantage in smart bidet toilet products. Our smart bidet toilets can achieve strong flushing under various water pressure environments such as high-rise residential areas, old residential buildings, and conditions of insufficient or unstable water pressure. We also offer tankless smart bidet toilets that support continuous flushing for a short period of time, including wall-mounted models with a concealed water tank design that enhances the overall aesthetic appearance.

Smart Sanitary Components

Our smart sanitary components mainly include main control boards, heaters, and distributing valves. Our main control boards are highly integrated and therefore offer cost advantages. By integrating microcontroller units, they can obtain key signals from control terminals and perform real-time data feedback, enabling real-time communication, thereby ensuring efficient system coordination. Our heaters can deliver high operational stability and maintain consistent water temperature even under sudden external fluctuations, and can effectively mitigate the common industry issue of scale formation. Our distributing valves enable precise flow distribution control and feature high durability, and thereby eliminating uneven flow and enhancing sealing performance. By integrating our self-developed main control board and high-precision flowmeter, our distributing valves can also enable safety power self-calibration and stable system operation.

Other Smart Home Products

We offer digital residential and commercial microwave power supplies, washing machine and dryer drive and control solutions, and one-stop refrigerator drive and control solutions. These products feature high performance, high quality, high reliability and a wide operating voltage range, and are widely used across a variety of application scenarios.

Throughout the product design, manufacturing, and testing processes of our smart home appliances, we strictly comply with internationally recognized standards and requirements relating to safety, energy efficiency, electromagnetic compatibility and environmental protection, including IEC, ErP, EMC, and RoHS. We also provide customized certification support based on the specific requirements in different jurisdictions, helping customers efficiently expand into overseas markets and facilitating regulatory compliance and market entry.

BUSINESS

Intelligent Equipment

Since traditional manufacturing enterprises increasingly seek upgrades to fully automated, high-efficiency and energy-saving production process, we develop and provide high-precision intelligent manufacturing equipment. Our intelligent equipment products primarily include products such as intelligent digital welding machines, and intelligent oil production system. Set forth below are the key offerings within our intelligent equipment:

Intelligent Equipment

Intelligent Digital Welding Machines



Intelligent Oil Production System



Our intelligent digital welding machines integrate multiple technologies, providing customers with efficient welding solutions. We keep expanding our portfolio of cutting-edge welding solutions to meet the diverse needs of customers for high-quality welding power supplies. Our intelligent and digital welding machines are recognized by our customers in different industries, including container manufacturing, construction machinery, shipbuilding, and railway transportation. For example, our X-3000 welding solution for robotic applications adopts dual wedge-shaped oscillation control and digital communication technologies, together with a proprietary weld spot design, which enables “zero-porosity” welding performance. It features high welding precision, operational stability, and process consistency. According to CIC, we ranked first in China’s welding power supplies market for arc welding robot in terms of sales volume in 2025.

Our intelligent oil production system is a rodless artificial lift system that integrates the advantages of permanent magnet synchronous motor technology and progressing cavity pump technology. It addresses the limitations of conventional lifting technologies and is suitable for wells with complex wellbore structures and challenging well conditions. Leveraging IoT technologies, the system supports unattended field operations and offers significant advantages in terms of energy efficiency, operational safety, and environmental performance.

BUSINESS

Precision Connectivity and Magnetic Components

Our precision connectivity and magnetic components business not only enhances the supply chain stability and cost efficiency of our core magnetic devices and components, but also enables us to provide high-quality products directly to customers in the communications, medical, and automotive industries, meeting their stringent customization requirements. Our precision connectivity and magnetic components business primarily offers products including shaped electromagnetic wires, coaxial cables, ultra-fine wires, flexible flat cable, and flexible printed circuit products. Our products are widely used across a range of end markets, including telecommunications, 3C electronics, automotive electronics, energy storage and EV charging systems, as well as smart office equipment and security equipment. By expanding the product portfolio of our precision connectivity and magnetic components business, we continue to strengthen our integration capabilities and enhance our overall competitiveness, enabling us to provide our customers with a broader range of products and integrated solutions.

RESEARCH AND DEVELOPMENT

Our R&D team

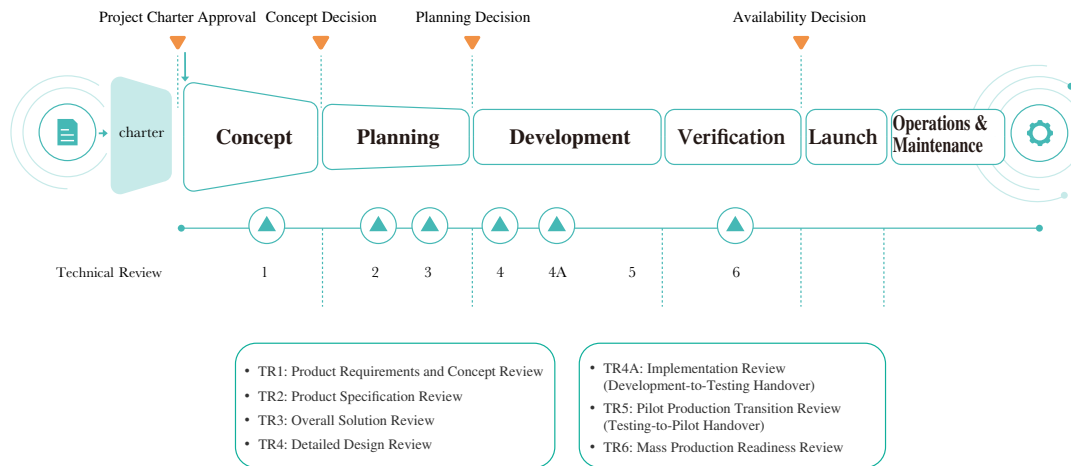
We have a dedicated and experienced R&D team. As of December 31, 2025, we have more than 3,000 R&D employees. We have established a comprehensive R&D incentive system, along with employee training and team-building initiatives, to support our R&D personnel in improving their technical skills and strengthening team stability. In 2023, 2024, and 2025, our research and development expenses amounted to RMB770.6 million, RMB984.0 million, and RMB1,122.3 million, respectively, representing 11.4%, 12.0%, and 11.9% of our total revenue for the respective periods.

Our R&D Process

We primarily adopt the IPD model as our core R&D framework to manage the entire product lifecycle, from market demand analysis and product planning to R&D, testing and commercialization. Through cross-functional collaboration and structured development processes, the IPD framework enhances R&D efficiency, shortens time-to-market and facilitates the delivery of products that better align with customer needs and evolving market trends. Meanwhile, for certain highly customized products, we conduct customized R&D based on our customers' specific requirements. By deeply integrating into our customers' product specification processes, we define requirements and develop product blueprints through round-tables and technical exchange mechanisms with our customers. This proactive front-end synergy ensures that our R&D strategies are highly aligned with our customers' demands, effectively minimizing R&D risks and significantly improving the commercialization efficacy of our technological breakthroughs.

BUSINESS

Below sets forth the diagram of our major R&D processes:



Our R&D Capabilities

AI Computing Infrastructure

Based on our three fundamental technologies, strong R&D capabilities, and extensive industry experience, we continue to advance the R&D and iteration of high-power-density and high-efficiency power supply technologies. In the field of AI computing infrastructure, we have become the designated suppliers for data centers of a leading global GPU and AI computing infrastructure company. We are a leading integrated power supplier in mainland China, and among the few globally, to possess R&D capabilities for 800V HVDC megawatt-level rack systems and high-efficiency power technologies, with power conversion efficiency higher than 98% as well as systematic solutions.

Our power supplies have been incorporated into the power supply solutions associated with the next-generation computing platforms of a leading global GPU and AI computing infrastructure company. We are also actively engaged in the co-development, technology innovation, and infrastructure integration of data center power systems and HVDC solutions for its next-generation architecture to build a highly compatible and applicable ecosystem. Since 2023, we have continued to deepen our collaboration with our customers. Our cooperation model has evolved from customers directly purchasing our existing products to our full participation in the testing and joint R&D of their next-generation products. Leveraging our long-term technical accumulation and forward-looking market layout, we possess rapid R&D and iteration capabilities that perfectly match the AI era. In the future, we will further expand our system-level power supplies product portfolio tailored for high-power-density data centers.

Global Testing Center

We have established a highly specialized testing and certification system that meets the technical testing requirements of the power electronics industry, and aligns with industrial standards, which maintains a high level of professionalism and provides solid support for our continuous innovation and technological iteration. Our testing and certification center currently has more than 200 technical personnel located across several core R&D cities, including Shenzhen, Changsha, Hangzhou, and Wuhan.

BUSINESS

We operate standardized, specialized, automated, and intelligent testing platforms equipped with global-leading laboratory equipment. These platforms significantly enhance our R&D testing capacity, product validation efficiency, and core technological innovation capabilities, while supporting our product innovation and large-scale delivery in high-technology application scenarios such as AI computing infrastructure, digital energy, and high-end industrial applications. The testing capabilities and management systems of our laboratories have been recognized by authoritative institutions, and we have obtained qualifications including CNAS, TÜV, UL-WTDP, and UL-CTF, with testing results globally recognized.

Our well-established testing and certification system serves not only as a way to ensure product quality but also as the key to entering high-barrier, high-requirement markets such as medical, communications, and new energy. By integrating testing and certification procedures into the early stages of the R&D process, we provide our customers with more reliable one-stop solutions, significantly shortening product time-to-market, and strengthening our core competitiveness in the high-end market.

World-wide R&D Network

We have always prioritized technological R&D capabilities as the core engine for our long-term growth and sustainable competitiveness. Since our establishment, we have continuously made substantial R&D investments centered on our three core technologies, namely power conversion, digital power control, and system control and communication. To support our business expansion, we have proactively expanded our global R&D network. Currently, we have also established ten R&D centers in locations including Changsha, Shenzhen, Xi'an, and Wuhan in China, and Bielefeld in Germany as of December 31, 2025, forming a global R&D network covering fundamental technology pre-research, product development, testing and validation, and industrialization deployment.

Collaborative Development

During the Track Record Period, we collaborated with third parties on R&D projects as part of our R&D efforts. We primarily engaged in R&D collaboration with higher education institutions and our customers. Our R&D collaborations do not involve any core technologies central to our business operations, nor are they fundamental to the development of our core intellectual property. The key terms of our R&D collaboration agreement are set forth below:

<i>Term</i>	Our R&D collaboration agreements generally come into force upon execution by both parties and remain valid until the date of completion of the R&D collaboration project.
<i>Intellectual property</i>	Generally, during the collaborative R&D process, independently developed achievements shall belong to the developing party, while jointly developed achievements shall be jointly owned with shared rights of use. The application for and transfer of jointly owned intellectual property rights shall be subject to the unanimous consent of all parties. In the event of transfer of any interest in the jointly owned intellectual property rights, other participating parties shall have a right of first refusal.
<i>Confidentiality</i>	All confidential information provided by either party shall be used solely for cooperation purposes pursuant to the agreements and shall generally not be disclosed to any third party.

BUSINESS

INTELLECTUAL PROPERTY

We rely on a combination of patent, trademark, copyright and other intellectual property laws in the jurisdictions in which we operate, contractual arrangements and confidentiality procedures to establish and protect our proprietary technologies. As of December 31, 2025, we had accumulated more than 2,000 valid granted patents, including over 380 invention patents; among our intellectual property portfolio, we had 111 registered patents, 113 trademarks, and 78 software copyrights in Chinese Mainland that were material to our business. As of the same date, we had 27 overseas registered patents and 68 overseas trademarks.

We established a multi-dimensional system to manage our intellectual properties. We have established a series of processes regarding the application, invalidation, operation, purchase and asset evaluation of patents. These processes help us manage our intellectual property operations throughout their life cycle. Our IP department performs regular monitoring of our intellectual property rights. We also conduct various professional training programs and awareness campaigns for our employees to enhance the protection of our intellectual properties, standardize the intellectual property protection work processes and improve the awareness of intellectual property protection among our employees.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material intellectual property litigation or arbitration.

PRODUCTION

During the Track Record Period, we utilized a flexible production model that combines in-house production and collaboration with third-party manufacturing partners. Our in-house production is primarily conducted through our subsidiaries. We also collaborate with third-party manufacturing partners, which constitute a supplemental component of our production capacity and are engaged to expand and strengthen our overall flexible manufacturing capabilities and rapid delivery capabilities.

Our Production Model

We primarily adopt a “make-to-order” production model. Depending on product characteristics and variations in customer requirements, we implement differentiated production management strategies for our various business segments:

- **Make-to-Order:** For products with high customization requirements, such as data center power supplies, display power supplies, new energy transportation, we primarily adopt the “make-to-order” model. We formulate production plans and organize production by conducting analyses of confirmed customer orders and predictable demand, while taking into account our capacity utilization and raw material inventory levels, to ensure that product specifications accurately match customer needs and achieve timely delivery.
- **Demand Forecasting and Safety Stock Model:** For general-purpose products such as communication power supplies, industrial power supplies, and inverters, as well as standardized products with relatively fixed models and specifications such as power converters for inverter air conditioners and microwave ovens, medical power supplies, we adopt a “demand forecasting + safety stock” production strategy in addition to being order-driven. By maintaining a reasonable finished goods inventory for popular standardized products, we are able to effectively balance immediate market fluctuations and demand, thereby shortening delivery lead times and achieving rapid delivery.

BUSINESS

Our Production Machinery and Equipment

We have various industry-leading automated production lines and will continue to drive the intelligent transformation of our manufacturing base, tailored to practical requirements and our global capacity layout. Our major machinery and equipment used for the production of our products include: (i) industry-leading automated SMT workshops; (ii) automated AI production lines; (iii) industry-leading odd-form insertion equipment; (iv) automated PCBA testing lines; (v) automated device testing lines; (vi) intelligent screw tightening systems; and (vii) automated storage and retrieval system.

All the machinery and equipment material for production are owned by us, and were primarily purchased from reputable equipment manufacturers. We focus on achieving efficiency and flexible production, supported by well-aligned production capabilities and refined quality control to ensure high performance and high reliability in our products. By integrating AI technologies to upgrade the entire production process, we continue to enhance our levels of automation, digitalization and intelligence. Coupled with scientific long- and short-term strategic planning and comprehensive investment, we have established a solid foundation for lean, innovative, and resilient development across our production operations. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material prolonged suspension of the production process or significant interruption in our business operations due to production equipment failures or breakdowns.

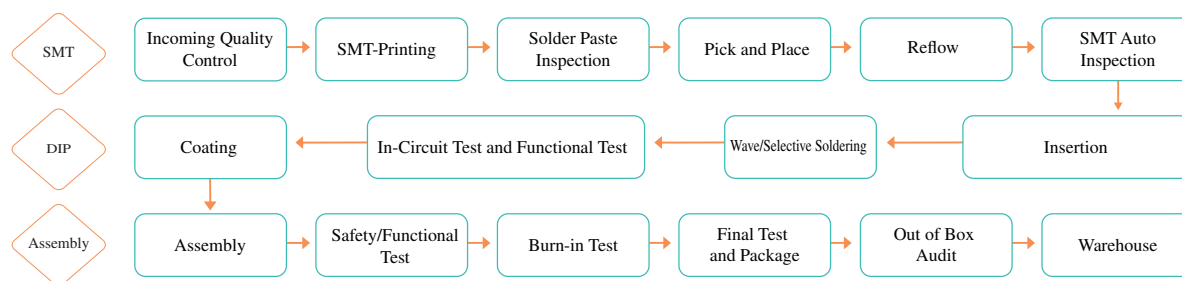
Smart and flexible manufacturing

We have deployed flexible manufacturing lines capable of producing diverse product types, enabling multiple product categories to be manufactured on the same production lines. This model allows us to dynamically adjust production based on demand, improve equipment utilization and enhance our responsiveness to market changes.

We are dedicated to developing automated, digitized, and intelligent factories. By leveraging advanced technologies such as IoT, data analytics, and automated control systems, we optimize our production processes, enhance our operational efficiency, and enable data-driven decision-making throughout the manufacturing lifecycle. We share our operational data across different departments through our PLM system, eliminating information fragmentation. We also adopted a visualized management system from orders to customers, establishing full-process data connectivity spanning from production planning and scheduling system, ERP systems, and MES. This constitutes a customer-oriented, traceable one-stop service platform covering the entire process from systematic solution design, order management to production, manufacturing, warehouse and logistics delivery.

Our Production Process

Our production processes primarily consist of surface mounting technology, dual in-line package, and assembly. The following flowchart illustrates the major stages of our production process:



BUSINESS

Stage I – Surface Mounting Technology (SMT), which is a process for soldering surface-mounted components onto PCBs. It mainly includes three procedures: solder paste printing, component pick and placement, and reflow soldering. The main supporting equipment includes fully automatic solder paste printers, pick-and-place machines, and reflow soldering equipment.

Stage II – Dual In-line Package (DIP), which is the manufacturing process of inserting components into PCBs and then passing them through wave/selective soldering to produce a complete circuit board assembly. It mainly includes procedures such as component insertion, wave soldering, touch-up soldering, solder joint inspection, in-circuit test and functional testing. The main supporting equipment includes insertion machines, wave/selective soldering machine and automatic optical inspection machine.

Stage III – Assembly, which mainly refers to the production process of assembling semi-finished products with housings, heat sinks, and other components into final products. Our supporting equipment mainly includes specialized test equipment, electronic loads, test software, high-voltage generators, motor drag test benches, functional test fixtures, smart electric screwdriver, and aging racks.

Production Facilities

We currently operate an extensive global network of production facilities that form the manufacturing backbone of our operations. As of December 31, 2025, we had six production facilities worldwide, including one production facility in Thailand. We have obtained certifications under international frameworks including ISO9001, IATF16949, ISO26262, ISO13485, QC080000, ISO/IEC27001, ISO13849 for our production facilities. Each of our factories is equipped with various production lines. These production facilities, consisting of multiple factories, warehouses, and logistics centers, are designed to provide localized manufacturing support and services to markets and customers in their respective regions. As of December 31, 2025, we had a production team of over 4,000 personnel to support the operation of our global production network. We prioritize hiring locally for our production team, which allows us to tap into the local talent pool and contribute to the economic development of the communities where we operate. The following table sets forth details of our six principal manufacturing bases as of December 31, 2025.

Manufacturing Base	Aggregate GFA ⁽¹⁾ (sq.m)	Commencement of Production	Primary Business Segment
Chinese Mainland			
Zhuzhou Production Base	271,336.2	2014	Power supplies, new energy transportation, industrial automation, and intelligent equipment
Hangzhou Production Base	113,719.0	2025	Intelligent equipment, smart home appliances
Heyuan Production Base	69,275.4	2020	Precision connectivity and magnetic components
Taizhou Production Base	31,032.9	2016	Smart home appliances
Yiwu Production Base	14,274.5	2023	Industrial automation
Overseas			
Thailand Production Base	35,425.9	2025	Power supplies and smart home appliances

Note:

(1) include self-owned and leased properties in use

BUSINESS

Production Capacity and Utilization Rate

The following table sets forth the production volume, designed production capacity, and utilization rate of our production facilities during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Chinese Mainland			
Zhuzhou Production Base			
Production volume ⁽¹⁾ (units/year)	16,930,079	24,180,666	32,287,224
Design capacity ⁽²⁾ (units/year)	22,900,000	28,890,000	38,000,000
Utilization rate ⁽³⁾ (%)	73.9%	83.7%	85.0%
Hangzhou Production Base			
Production volume ⁽¹⁾ (units/year)	/	79,801	280,771
Design capacity ⁽²⁾ (units/year)	/	100,000	350,000
Utilization rate ⁽³⁾ (%)	/	79.8%	80.2%
Heyuan Production Base			
Production volume ⁽¹⁾ (units/year)	2,122	2,174	2,588
Design capacity ⁽²⁾ (units/year)	2,620	2,705	2,980
Utilization rate ⁽³⁾ (%)	81.0%	80.4%	86.8%
Taizhou Production Base			
Production volume ⁽¹⁾ (units/year)	657,310	1,001,676	986,866
Design capacity ⁽²⁾ (units/year)	820,000	1,200,000	1,200,000
Utilization rate ⁽³⁾ (%)	80.2%	83.5%	82.2%
Yiwu Production Base			
Production volume ⁽¹⁾ (units/year)	37,586	40,795	57,841
Design capacity ⁽²⁾ (units/year)	50,000	50,000	70,000
Utilization rate ⁽³⁾ (%)	75.2%	81.6%	82.6%
Overseas			
Thailand Production Base			
Production volume ⁽¹⁾ (units/year)	/	/	1,395,560
Design capacity ⁽²⁾ (units/year)	/	/	4,018,560
Utilization rate ⁽³⁾ (%)	/	/	34.73%

Notes:

- (1) Production volume is the actual number of products manufactured by us for the indicated period.
- (2) The design capacity figures are calculated based on a number of assumptions, including the operation hours. The figures in 2023, 2024, and 2025 are based on the assumption that each production base operates approximately 3,000 hours per year (i.e., 300 days per year).
- (3) The utilization rate is calculated based on the production volume divided by the design capacity in the relevant year multiplied by 100%.

BUSINESS

Our Collaboration with Third-party Manufacturing Partners

During the Track Record Period, we utilized a flexible production model that combines in-house production and collaboration with third-party manufacturing partners. For products with higher technological content, more complex production processes, and stronger intellectual property protection requirements, we adhere to in-house production. For other products with relatively mature production processes, we collaborate with third-party manufacturing partners as a supplement to our production capacity. For products manufactured by third-party manufacturing partners, non-processing production activities, including product design, product R&D, and quality inspection, are still independently carried out by us. In India, we primarily cooperated with third-party manufacturing partners to support local production.

We have entered into framework manufacturing agreements with our major third-party manufacturing partners, which set out general terms in respect of key matters such as product quality control, delivery, and confidentiality obligations. The following sets forth a summary of the key commercial terms and arrangements that we typically enter into with our third-party manufacturing partners.

<i>Term</i>	Our agreements with our third-party manufacturing partners generally come into force upon execution by both parties and remain valid until terminated by mutual agreement.
<i>Product specification</i>	The product type, specification, price, quantity, delivery timeline, and other detailed items are generally specified in each order we send to our third-party manufacturing partners.
<i>Payment</i>	We generally settle the payments to our third-party manufacturing partners on a monthly basis upon receipt of invoices, with the specific credit period subject to further mutual agreement.
<i>Quality guarantee</i>	We usually inspect and accept products in accordance with the requirements set forth in the agreements. Should any quality issues arise during the warranty period, the supplier shall be responsible for replacement. Should any quality issues arise, our third-party manufacturing partners shall be responsible for replacement, repair, or indemnifying us against any losses incurred.
<i>Termination</i>	The agreements will be terminated by mutual agreement, or by other means as set forth in the agreements.

Production Expansion Plan

We have continuously and strategically invested in projects in Changsha, Zhuzhou, and Thailand to significantly enhance the production scale of our core product lines, including network power, medical equipment, and energy storage and charging solutions. These initiatives will further strengthen our industrial supporting capabilities for global customers, optimize our global supply chain footprint, and consistently consolidate and enhance our market share.

To support our future growth and internationalization strategy, we are undertaking significant expansion of our production footprint. We plan to expand and optimize our manufacturing system, to build a more flexible, efficient, and cost-advantaged production network through forward-looking capacity planning, deep intelligent upgrading, and global resource integration. For further detail, see “Future Plans and Use of [REDACTED]” in this Document.

BUSINESS

Logistics Management

Our sales logistics are managed by our commercial team. For domestic operations, generally we are responsible for the logistics and transportation for the majority of our domestic and orders, while our customers may elect to arrange for logistics and transportation on their own. Our in-house warehousing and logistics team is responsible for short-haul transfers and emergency deliveries between different production facilities, while we primarily cooperate with third-party logistics service providers to deliver products from our production facilities and warehouses to the ports or locations designated by our customers. For our overseas business, we primarily rely on maritime shipping for logistics and our sales to international customers are shipped mainly on trade terms agreed with our customers, including cost, insurance and freight (CIF) basis and free on board (FOB) basis. We engage multiple logistics service providers and select the most appropriate ones based on the urgency of the shipments.

QUALITY CONTROL

We place strong emphasis on product quality control. We have established and fully implemented a comprehensive and standardized quality control management system, including supplier quality management, R&D quality management, incoming material quality control, in-process quality control, and QMS. We have established an independent quality committee, which reports directly to the management team and is responsible for quality supervision across the Group, case sharing, and the prevention of incidents. Our R&D quality team is responsible for reviewing and ensuring product design quality, reliability, and manufacturability during the R&D stage. Meanwhile, our production quality team is in charge of controlling quality throughout the entire manufacturing process. In addition, our QMS team is specifically responsible for establishing the management framework at our manufacturing centers, obtaining and maintaining ISO certifications, and ensuring continuous compliance with updated ISO standards, while ensuring their comprehensive implementation across all business departments.

We have also established dedicated teams responsible for defining technical standards and conducting reliability verification for raw materials, as well as monitoring the quality systems and process compliance of our suppliers. We also conduct monthly, quarterly, and annual reviews on our suppliers.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines, product recall orders, or penalties imposed by relevant authorities due to any material product quality issues. During the same period and up to the Latest Practicable Date, we had not received any material product returns or substantive complaints from customers, nor had there been any material order cancellations, returns, or early termination of cooperation arising from quality-related issues.

BUSINESS

SALES AND MARKETING

We adopt a sales model combining direct sales and distributors to form a multi-level sales network, with each aligned with our business segments and customer types. During the Track Record Period, direct sales accounted for a majority of our total revenue. The following table sets forth the revenue breakdown by sales model during the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Direct sales	6,658,141	98.6	8,030,183	98.3	9,071,124	96.5
Distributorship	96,100	1.4	142,303	1.7	331,716	3.5
Total	6,754,241	100.0	8,172,486	100.0	9,402,840	100.0

Direct sales

We primarily adopt a direct sales model to engage our end customers. We utilize this approach to gain a better understanding of their business needs and deliver customized products and services, thereby enhancing customer satisfaction and stickiness. During the Track Record Period, our revenue generated from direct sales represented over 95% of our total revenue for each year. Our sales and marketing team possesses extensive professional expertise in our products and effectively communicates product features and performance to customers. They also play a vital role in delivering comprehensive customer service. While the terms of contracts may vary depending on the specifics of each customer and project, they generally include the following key terms:

<i>Duration</i>	Generally ranging from one year to three years, or such other duration as set forth in the agreements.
<i>Product specification</i>	The agreement specifies product types, specifications, prices, quantities, and other detailed terms, which are ultimately confirmed in the individual purchase orders that our customers issue to us.
<i>Pricing</i>	The price and specifications are generally specified in each purchase order.
<i>Quality control</i>	The quality shall be in compliance with the specific standards designated by our customers, or in compliance with applicable laws and regulations.
<i>Payment</i>	The sales amounts are agreed between both parties. Our customers are typically required to settle payment after the receipt of the invoices, or by other means in accordance with the agreement.
<i>Delivery arrangement</i>	The delivery responsibility is typically borne by either our customers or us, as specified in the contracts. For international sales, we generally adopt international trade terms mutually agreed with our customers.

BUSINESS

Warranty period 18 months from the date of dispatch or 12 months from the date of commissioning, whichever is earlier, or agreed otherwise in writing.

Termination The agreements will be terminated by giving the other party the notice required as both parties agreed under each individual agreement, or by other means as set forth in the agreements.

Distributorship

We maintain a distributorship network for the customers of certain industrial automation products and welding machines, enabling us to efficiently reach and support global customers with our service, enhancing our market expansion capabilities. Our distributors are also our customers, and we maintain buyer-seller relationships with them. During the Track Record Period, revenue from sales to our distributors represented 1.4%, 1.7%, and 3.5% of our sales for each respective year. We had 221 newly-added distributors in 2025 mainly due to our business expansion and optimization of our distribution network in domestic and overseas markets. To the best of our knowledge, all of our distributors during the Track Record Period were Independent Third Parties. The following table sets forth the number of our distributors and the movements in the years indicated.

	As of December 31,		
	2023	2024	2025
Number at the beginning of the year	48	111	147
Increase of distributors ⁽¹⁾	68	55	221
Decrease of distributors ⁽²⁾	5	19	25
Number at the end of the year	<u>111</u>	<u>147</u>	<u>343</u>

Note:

- (1) Increase of distributors refer to those distributors who had no transaction with us in the previous year but transacted with us in the present year.
- (2) Decrease of distributors refer to those distributors who had transaction(s) with us in the previous year but did not transact with us in the present year.

We have established a comprehensive distributor management and control framework to prevent channel stuffing and cannibalization, under which our distributors are authorized to distribute relevant products only within specified territories and are subject to continuous monitoring through routine inspections. We prioritize distributors with proven track records, strong operational credentials, and a high level of market recognition and influence. We manage distributors across multiple dimensions, including marketing, after-sales service, and compliance with policies and regulations, by establishing core indicators for distributor management and operations. Our sales team conducts regular review with our distributors to provide support, evaluate sales performance, and understand business needs. We generally require distributors to maintain a level of safety stock commensurate with the scale of their business, and we monitor and review their inventory plans from time to time. If we identify abnormal inventory turnover or potential slow-moving risks at any distributor, we will usually communicate with and review such distributor and take appropriate measures as necessary.

BUSINESS

Under the distribution agreements we typically entered into with our distributors, our distributors are authorized to distribute the relevant products within specified territories as agreed between the parties. Pursuant to our typical distribution agreements, generally (i) there are no minimum purchase requirements; (ii) the distributors may appoint sub-distributors based on our prior consent. During the Track Record Period and up to the Latest Practicable Date, we had not received any such consent request for appointing any sub-distributors; (iii) product returns are generally not permitted unless significant defects in materials or workmanship are identified. We had not received any material product returns claims from our distributors during the Track Record Period and up to the Latest Practicable Date; and (iv) the warranty period is generally 12 month from the completion date of installation.

Global Presence

Over a decade, through a forward-looking strategic deployment, we have successfully expanded our presence from the domestic market to the international stage. By leveraging superior cost-effectiveness, rapid response capabilities, premium services, and highly competitive technical solutions, we have established a solid market standing in overseas markets. As our global network of *R&D + Manufacturing + Sales* continues to mature, the demand from our overseas customers and the revenue generated from overseas markets have increased annually. In 2023, 2024, and 2025, our revenue generated from overseas markets amounted to RMB1,902.2 million, RMB2,645.0 million, and RMB2,733.3 million, respectively, representing 28.2%, 32.4%, and 29.1% of our total revenue, respectively.

We have identified “accelerating global deployment and expanding international market presence” as a key strategy for our future development. We are dedicated to capturing the industry demands and opportunities across various countries and regions by proactively allocating our production capacity and market resources globally. We also actively seek to establish solid collaborations with international industry leaders, with a view to enhancing our global market presence and continuously scaling up our revenue globally.

Our Marketing and Branding Initiatives

We have implemented an integrated management system. Vertically, our operations are centered around six major business departments; horizontally, we leverage our marketing management center, business center, and brand center as integrated support platforms.

Domestically, we have established seven representative offices across Chinese Mainland. Internationally, we have set footprints in overseas markets to ensure our localized service delivery. For our customers with multi-product requirements, our local offices could provide overall coordination, leading the collaborative efforts of various business departments to ensure rapid response to customer needs through cross-departmental resource integration.

We have established a multi-dimensional online promotion framework encompassing various media platforms, aiming to convert our followers into potential customers through high-quality professional content. Furthermore, particularly targeting overseas customers, we actively conduct offline promotional activities through trade fairs and exhibitions, in order to continuously increase our penetration in emerging markets.

BUSINESS

Pricing Policy

We are committed to providing competitive prices and continuously optimizing our cost structure by adopting more efficient technical designs and leveraging our supply chain resources. We formulate and adjust the prices of our products based on product specifications, product branding, market positioning, supply and demand dynamics, competition, technological improvements, and production costs. Our prices vary across Chinese and overseas markets, as we take into consideration the local pricing conditions and the characteristics of product localization in respective markets. During the Track Record Period, our products and solutions, which involve various measurement methods, exhibited a relatively wide pricing range, mainly due to variations in product categories, models, specifications, and customer requirements. With respect to our distributors, we implement pricing policies tailored to different products and their corresponding distributors. We execute actual purchase orders in accordance with the terms of the relevant distribution agreements and our internal pricing policies. For direct sales, we generally adopt a market-oriented through arms-length negotiation pricing policy based on the specific requirements and order scale of each customer.

OUR CUSTOMERS

Our customers consist of direct sales customers and distributors in different countries. Over the years, we have established an extensive and geographically diversified customer base in Chinese Mainland and globally.

Major Customers

In 2023, 2024, and 2025, revenue from the five largest customers in each year was RMB1,449.7 million, RMB1,606.4 million, and RMB1,645.2 million, respectively, accounting for 21.5%, 19.7%, and 17.5% of our total revenue, respectively. For the same years, revenue from the largest customer in each year during the Track Record Period was RMB511.4 million, RMB467.1 million, and RMB474.3 million, respectively, accounting for 7.6%, 5.7%, and 5.0% of our total revenue, respectively.

All of our five largest customers in each year during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates or any of our Shareholders (who owned or, to the best knowledge of our Directors, had owned more than 5% of our Shares) had any interest in any of our five largest customers for each year during the Track Record Period. During the Track Record Period and as of the Latest Practicable Date, we did not have any material disputes with our major customers.

The following table sets forth the details of the five largest customers (together with its respective subsidiaries as the case maybe) in each year during the Track Record Period.

BUSINESS

For the year ended December 31, 2023

Customers	Customers' background	Major types of products provided	Year of commencement of business relationship with us	Credit terms	Revenue derived from the customer	Percentage of total revenue
					RMB '000	%
Customer A	A company registered in China, primarily engaged in the research, development, manufacturing and sale of automobiles, automotive components and related products.	New energy transportation products	2015	60 days	511,366	7.6
Customer B	An A share listed company registered in China, primarily engaged in the research, development, manufacturing and sale of consumer electronics, home appliances and related components.	Smart home appliances and power supplies	2016	60 days	303,668	4.5
Customer C	An Indian listed company primarily engaged in the manufacturing and sale of electrical equipment, consumer appliances, lighting products and power distribution solutions.	Smart home appliances	2022	60 days	224,852	3.3
Customer D	An Indian listed company primarily engaged in the manufacturing and sale of HVAC and commercial refrigeration equipment.	Smart home appliances	2016	30 days	211,183	3.1
Customer E	An A share listed company registered in China, primarily engaged in the research, development, manufacturing and sale of sanitaryware products, including ceramic bathroom fixtures, bathroom furniture, and related home improvement products.	Smart home appliances	2021	90 days	198,617	2.9
Total					1,449,686	21.5

BUSINESS

For the year ended December 31, 2024

Customers	Customers' background	Major types of products provided	Year of commencement of business relationship with us	Credit terms	Revenue derived from the customer	Percentage of total revenue
					RMB '000	%
Customer B	An A share listed company registered in China, primarily engaged in the research, development, manufacturing and sale of consumer electronics, home appliances and related components.	Smart home appliances and power supplies	2016	60 days	467,125	5.7
Customer C	An Indian listed company primarily engaged in the manufacturing and sale of electrical equipment, consumer appliances, lighting products and power distribution solutions.	Smart home appliances	2022	60 days	314,645	3.9
Customer D	An Indian listed company primarily engaged in the manufacturing and sale of HVAC and commercial refrigeration equipment.	Smart home appliances	2016	30 days	295,687	3.6
Customer F	An Indian listed company primarily engaged in the design, engineering, manufacturing, and sale of air conditioning and refrigeration systems, as well as providing engineering project services across various industrial sectors.	Smart home appliances	2017	60 days	270,550	3.3
Customer A	A company registered in China, primarily engaged in the research, development, manufacturing and sale of automobiles, automotive components and related products.	New energy transportation products	2015	60 days	258,397	3.2
Total					1,606,404	19.7

BUSINESS

For the year ended December 31, 2025

Customers	Customers' background	Major types of products provided	Year of commencement of business relationship with us	Credit terms	Revenue derived from the customer	Percentage of total revenue
					RMB '000	%
Customer G	A company registered in China, primarily engaged in the R&D, manufacturing and sale of intelligent equipment and related technological solutions.	New energy transportation products	2023	120 days	474,305	5.0
Customer B	An A share listed company registered in China, primarily engaged in the research, development, manufacturing and sale of consumer electronics, home appliances and related components.	Smart home appliances and power supplies	2016	60 days	390,398	4.2
Customer H	A subsidiary of an international sanitaryware and bathroom products group in China, primarily engaged in the manufacturing and sale of sanitaryware, kitchen and bathroom products, and related home solutions in China market.	Smart home appliances	2023	90 days	268,104	2.9
Customer C	An Indian listed company primarily engaged in the manufacturing and sale of electrical equipment, consumer appliances, lighting products and power distribution solutions.	Smart home appliances	2022	60 days	258,813	2.8
Customer D	An Indian listed company primarily engaged in the manufacturing and sale of HVAC and commercial refrigeration equipment.	Smart home appliances	2016	30 days	253,548	2.7
Total					1,645,168	17.5

BUSINESS

Customer Support, After-Sale Services and Warranty

We assign dedicated service teams based on customer profiles and business scales to ensure full-lifecycle support, ranging from technical coordination and order fulfillment to after-sales services.

We have developed a standard product return procedure. We typically do not allow customers to return or exchange products except for quality issues due to our faults. When a customer requests the return of non-conforming products, the customer needs to provide us with non-conforming samples and we shall accept the return request upon determination of any non-conformity.

We generally provide warranty periods for 12 to 18 months for our products, during which we provide product exchange and maintenance services. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material product return or recall due to defects in our products, and have not received material complaints from our customers. In our ongoing efforts to maintain customer satisfaction and improve our products and services, our after-sales team is responsible for providing comprehensive after-sales services. They can diagnose issues and identify products for customers’ problems. For significant customer complaints that involve production halts, claims or recalls, quality engineers are required to compile relevant information in writing and report to expedite resolution. We provide after-sales services such as repair, replacement and returns for our customers based on the specific circumstances of the product in accordance with the applicable laws and regulations. We have established after-sales service and warranty management procedures. When on-site warranty service is required, our after-sales personnel will bring the necessary repair equipment to provide service on-site. All after-sales personnel providing on-site after-sales service have undergone rigorous training and are only permitted to attend customer sites after they have passed assessments.

OUR SUPPLIERS

Our Suppliers

We primarily procured from suppliers for raw materials, which primarily consisted of (i) semiconductors, (ii) passive components, (iii) magnetic components and (iv) structural boards. In the context of globalization, we place great emphasis on constructing our supply chain management system. We are committed to ensuring efficient supply chain operations, reducing costs and achieving rapid delivery, and we have established a globally integrated supply network with regional coordination. More specifically, we adopt a dual-location supply strategy for major materials, including semiconductors, in Chinese Mainland and around the world, including Thailand and India, enabling us to switch supply regions flexibly to respond to various emergencies.

To address price fluctuations in raw materials, we have established effective cost control mechanisms, including: (i) cost-sharing mechanism, pursuant to which we negotiate with suppliers to jointly shoulder the impact of price volatility; (ii) cost pass-through mechanism, whereby the purchase prices of certain materials are adjusted periodically based on average market prices as agreed with our suppliers; and (iii) internal optimization mechanism, such as continuously refining our production processes and utilizing alternative raw materials to mitigate the impact of rising procurement costs on our gross profit margins.

BUSINESS

Supplier Selection and Management

When selecting suppliers, we take into account a number of factors, including the supplier’s duration of operation, compliance with onboarding standards, validity of qualification certificates and integrity in business operations. We have implemented a systematic supplier management system that governs the onboarding of suppliers, management of qualified suppliers, and termination of unqualified suppliers, to ensure the efficiency of our supplier management processes. We carry out performance assessments of our suppliers on a regular basis to ensure the quality of their products and services, and inform them of our assessment results and rectification requirements.

We principally procure raw materials from suppliers through non-exclusive supply contracts. To ensure a stable raw material supply, we adopt proactive supplier management policies, including maintaining more qualified suppliers for key materials and identifying alternative suppliers. As of December 31, 2025, we collaborated with more than 2,800 suppliers worldwide. We have established long-term relationships with suppliers that provide sufficient raw material availability and reliable supply channels.

Major Terms of Our Agreement with Suppliers

We typically enter into supply agreements with suppliers, the salient terms of which are set forth below.

<i>Term</i>	Our agreements with suppliers generally come into force upon execution by both parties and remain valid until terminated by mutual consent.
<i>Product specification</i>	The product type, specification, delivery, and other detailed items are generally specified in each purchase order we send to our suppliers.
<i>Minimum purchase amount</i>	We are not subject to any minimum purchase requirements.
<i>Payment</i>	We generally settle the payments to the supplier after receipt of invoices, with the specific credit period set forth in the agreements.
<i>Quality guarantee</i>	We usually inspect and accept products in accordance with our specifications and the quality requirements set forth in the agreements. We typically receive warranties of two to three years from our suppliers. Should any quality issues arise, the supplier shall be responsible for replacement, repair, or indemnifying us against any losses incurred.

Major Suppliers

During the Track Record Period, our major suppliers primarily include raw material and component suppliers. In 2023, 2024, and 2025, purchase amounts from the five largest suppliers in each year were RMB580.7 million, RMB719.8 million, and RMB824.3 million, respectively, accounting for 14.3%, 13.2%, 12.8% of our total purchase amounts, respectively. For the same years, purchase amounts from the largest supplier in each year were RMB146.6 million, RMB194.3 million, and RMB258.6 million, respectively, accounting for 3.6%, 3.6%, and 4.0% of our total purchase amounts, respectively.

All of our five largest suppliers in each year during the Track Record Period are Independent Third Parties. None of our Directors or any Shareholder who, to the best knowledge of our Directors, owns more than 5% of our issued share capital immediately following completion of the [REDACTED], nor any of their respective associates had any interest in any of our five largest suppliers in each year during the Track Record Period. During the Track Record Period and as of the Latest Practicable Date, we did not have any material disputes with our major suppliers.

BUSINESS

The following table sets forth the details of the five largest suppliers (together with its respective subsidiaries as the case maybe) in each year during the Track Record Period.

For the year ended December 31, 2023

Supplier	Suppliers' background	Major types of products purchased	Year of commencement of business relationship with us	Credit terms	Purchase amounts from the suppliers	Percentage of total purchase amount
					RMB'000	%
Supplier A	A subsidiary of a global semiconductor company registered in Hong Kong, primarily engaged in the sales and distribution of semiconductors and related electronic components in Chinese Mainland market.	Semiconductor	2020	Month-end settlement	146,597	3.6
Supplier B	A company registered in China, primarily engaged in the production and sale of copper and copper alloy materials, including copper rods, wires, and related processed products.	Copper	2022	Prepayment	124,486	3.1
Supplier C	A company registered in China, primarily engaged in the R&D, manufacturing and sale of aluminum electrolytic capacitors and related electronic components.	Passive components – capacitors	2022	120 days	111,155	2.7
Supplier D	A company registered in Hong Kong, primarily engaged in the distribution and trading of electronic components and related products.	Semiconductor	2010	90 days	108,905	2.7
Supplier E	A company registered in China, primarily engaged in the R&D, manufacturing and sale of electronic components and related technological products.	Semiconductor	2018	30 days	89,583	2.2
Total					580,727	14.3

BUSINESS

For the year ended December 31, 2024

Supplier	Suppliers' background	Major types of products purchased	Year of commencement of business relationship with us	Credit terms	Purchase amounts paid to the suppliers	Percentage of total purchase amount
					RMB '000	%
Supplier A	A subsidiary of a global semiconductor company registered in Hong Kong, primarily engaged in the sales and distribution of semiconductors and related electronic components in Chinese Mainland market.	Semiconductor	2020	Month-end settlement	194,282	3.6
Supplier C	A company registered in China, primarily engaged in the R&D, manufacturing and sale of aluminum electrolytic capacitors and related electronic components.	Passive components – capacitors	2022	120 days	151,779	2.8
Supplier B	A company registered in China, primarily engaged in the production and sale of copper and copper alloy materials, including copper rods, wires, and related processed products.	Copper	2022	Prepayment	131,730	2.4
Supplier F	An A share listed company registered in China, primarily engaged in the design, manufacturing and sale of integrated circuits, power semiconductors and related electronic components.	Semiconductor	2017	60 days	124,384	2.3
Supplier G	An A share listed company registered in China, primarily engaged in the R&D, manufacturing, and sale of air conditioners, household appliances and related components.	Passive components – capacitors	2022	120 days	117,634	2.2
Total					719,808	13.2

BUSINESS

For the year ended December 31, 2025

Supplier	Suppliers' background	Major types of products purchased	Year of commencement of business relationship with us	Credit terms	Purchase amounts paid to the suppliers	Percentage of total purchase amount
					<i>RMB '000</i>	%
Supplier A	A subsidiary of a global semiconductor company registered in Hong Kong, primarily engaged in the sales and distribution of semiconductors and related electronic components in Chinese Mainland market.	Semiconductor	2020	Month-end settlement	258,595	4.0
Supplier F	A company registered in China, primarily engaged in the design, manufacturing and sale of integrated circuits, power semiconductors and related electronic components.	Semiconductor	2017	60 days	170,698	2.7
Supplier H	A company registered in China, primarily engaged in the distribution and trading of semiconductors and electronic components.	Semiconductor	2006	120 days	166,286	2.6
Supplier D	A company registered in Hong Kong, primarily engaged in the distribution and trading of electronic components and related products.	Semiconductor	2010	90 days	121,856	1.9
Supplier I	A company registered in China, primarily engaged in the production and sale of copper and copper alloy materials and related processed products.	Copper	2025	Prepayment	106,867	1.7
Total					824,301	12.8

BUSINESS

OVERLAPPING CUSTOMERS AND SUPPLIERS

One of our five largest customers in 2023, Customer A, was also our supplier in 2023. During the Track Record Period, we provided new energy transportation products to Customer A. In 2023, 2024, and 2025, our sales to Customer A amounted to RMB511.4 million, RMB258.4 million, and RMB184.3 million, respectively, accounting for 7.6%, 3.2%, and 2.0% of our revenue during the same periods, respectively. We purchased semiconductors and motor control units from Customer A in 2023, with an amount of RMB0.3 million, accounting for a minimal portion of our total purchase during the same year.

One of our five largest customers in 2023, Customer E, was also our supplier in 2023, 2024, and 2025. During the Track Record Period, we provided smart home appliances to Customer E. In 2023, 2024, and 2025, our sales to Customer E amounted to RMB198.6 million, RMB189.3 million, and RMB114.0 million, respectively, accounting for 2.9%, 2.3%, and 1.2% of our revenue during the same periods, respectively. In 2023, 2024, and 2025, we purchased structural boards from Customer E, with an amount of RMB27.1 million, RMB35.7 million, and RMB28.0 million, respectively, accounting for 0.7%, 0.7%, and 0.4% of our total purchases during the same periods, respectively.

One of our five largest customers in 2024, Customer F, was also our supplier. During the Track Record Period, we provided smart home appliances to Customer F. In 2023, 2024, and 2025, our sales to Customer F amounted to RMB165.9 million, RMB270.6 million, and RMB138.0 million, respectively, accounting for 2.5%, 3.3%, and 1.5% of our revenue during the same periods, respectively. We purchased indoor and outdoor units of air conditioners for testing of our air conditioner compressor controllers from Customer F in 2023 and 2025, with an amount of RMB0.7 million and RMB800, respectively, accounting for a minimal portion of our total purchases during the same periods, respectively.

One of our five largest suppliers in 2024, Supplier G, was also our customer in 2023, 2024, and 2025. During the Track Record Period, we purchased passive components from Supplier G. In 2023, 2024, and 2025, our purchases from Supplier G amounted to RMB68.5 million, RMB117.6 million, and RMB65.1 million, respectively, accounting for 1.7%, 2.2%, and 1.0% of our total purchases during the same periods, respectively. During the Track Record Period, we provided all-in-one device, industry-specific device, and servos to Supplier G, with an amount of RMB0.7 million, RMB0.1 million, and RMB0.3 million, respectively, accounting for a minimal portion of our total revenue during the same periods, respectively.

The abovementioned major customers/suppliers are our overlapping major customers/suppliers during the Track Record Period (“**Overlapping Major Customer/Supplier**”). To the best knowledge of our Directors, during the Track Record Period, there were no other overlaps between our top five suppliers and customers or between our top five customers and suppliers. Negotiations of the terms of our sales to and purchases from Overlapping Major Customer/Supplier were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. All of our sales to and purchases from Overlapping Major Customer/Supplier were conducted in the ordinary course of business under normal commercial terms and in arm’s length transactions.

We sold to and procured from the Overlapping Major Customer/Supplier primarily because they have established business relationship, as well as differentiated business coverage and product portfolio. According to CIC, it is not uncommon in this industry to purchase from and sell to the same entity due to these reasons.

BUSINESS

INVENTORY AND WAREHOUSE MANAGEMENT

Our inventories and other contract costs consist of raw materials, work in progress, finished goods, and goods in transit. In 2023, 2024, and 2025, our inventories were RMB1,917.7 million, RMB2,416.0 million, and RMB2,774.7 million, respectively. In 2023, 2024, and 2025, our inventories and other contract costs turnover days were 137 days, 129 days and 129 days, respectively.

Our inventories are primarily centralized at our Zhuzhou Production Base and managed by our dedicated warehousing team. Our major subsidiaries are responsible for the localized management of their respective inventories based on their business footprint. Our Thailand production facilities operate as independent commercial entities, and their inventory and logistics services are managed by our dedicated team based in Thailand independently.

We utilize information technology platform for inventory management, enabling full-lifecycle digital control over our raw materials, work-in-progress, and finished goods. We also strictly implement comprehensive onsite inventory management measures, including regular physical counts, supplemented by spot checks based on business requirements, to ensure that our records are consistent with actual physical assets. We are committed to optimizing our procurement, production planning and logistics processes as well as the timely handling of slow-moving and obsolete inventories.

SEASONALITY

Certain of our product categories can be affected by weather due to the nature of our products, such as air conditioner components. We expect the impact of seasonality on our business to remain in the future, although by leveraging our diverse product portfolio, we generally do not experience material seasonal fluctuations with respect to our results of operations and financial conditions for our Group as a whole.

DATA PRIVACY AND CYBERSECURITY

We are committed to ensuring data privacy and information security. As our customers and suppliers are corporate entities rather than individuals, we generally do not collect or process individual customers’ personal information. During the Track Record Period and up to the Latest Practicable Date, all data collected from our operations in Chinese Mainland and overseas were stored locally, and we have not been involved in any cross-border transmission of data (either outbound or inbound transmission from/to Chinese Mainland). We have implemented a comprehensive information security framework aligned with the ISO 27001 standard. Throughout the data lifecycle, including data collection, storage, transmission, use, sharing, and destruction, robust technical and administrative controls are in place to mitigate risks, including data leakage, destruction, loss, tampering, and misuse.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failures or downtime incidents that had materially adversely affected our business operations, we had not received any penalties from relevant government departments related to network security, data protection, and we had not been involved in any material lawsuits, arbitrations regarding network security and data protection.

BUSINESS

COMPETITION

Global power electronics industry covers a full spectrum of application scenarios spanning production and daily life, with its product portfolio encompassing various components and finished products. The competitive landscape of global power electronics industry is highly fragmented, and the market has a large number of participants with differentiated business layouts and product coverage.

There are currently no universally accepted ranking standards and no single dominant market participant in this market. There are comprehensive manufacturers represented by our Group that operate across multiple downstream segments with diversified product matrices, as well as specialized enterprises focusing on single segments. According to CIC, the market size of global power supplies industry is expected to grow from RMB486.0 billion in 2025 to RMB1,110.4 billion in 2030, representing a CAGR of 18.0%. Meanwhile, the market size of China’s grew from RMB63.3 billion in 2020 to RMB152.2 billion in 2025, representing a CAGR of 19.2%, and is projected to reach RMB406.8 billion by 2030, with a CAGR of 21.7% from 2025 to 2030. According to CIC, we ranked as a Tier-1 Chinese Mainland provider in the global power supplies market in terms of revenue in 2025, and we are a global power supplies provider with one of the broadest product portfolios across application scenarios.

Based on the application scenarios among the power electronic industry, suppliers provide a wide range of solutions for diversified applications, including:

- industrial power supplies, such as commercial display power supplies. According to CIC, in terms of revenue in 2025, our Group ranked first among commercial display power supplies manufacturers in China, accounting for approximately 62.3% of the total market.
- smart home appliances, such as smart air conditioner compressor controller and smart bidet toilet. According to CIC, in terms of revenue in 2025, our Group ranked first among third-party smart air conditioner compressor controller suppliers globally, accounting for approximately 16.0% of the total market. According to CIC, in terms of revenue in 2025, our Group ranked first among global smart bidet toilet ODM manufacturers, accounting for approximately 8.8% of the total market.

PROPERTIES

We own and lease properties in Chinese Mainland and overseas. As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of Section 342(1)(b) of the C(WUMP) O to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the C(WUMP) O.

Owned Properties

Land

As of December 31, 2025, our Company and our major domestic subsidiaries owned seven parcels of land of 304,939.3 sq.m. located in Shenzhen, Zhuzhou, Changsha and Taizhou, China. These parcels of land were obtained by us through land grant from the government for cash considerations, and are used for industrial purposes (including one for new-type industrial purposes). As of December 31, 2025, we had obtained the land use right certificates and legally own our land parcels in the PRC. As of the same date, we owned one parcel with an aggregate GFA of 29906.0 sq.m. in Thailand.

BUSINESS

Buildings

Buildings with Property Ownership Certificates

As of December 31, 2025, our Company and our major domestic subsidiaries had property ownership certificates for 26 buildings in Chinese Mainland with an aggregate GFA of 338,232.0 sq.m. These buildings are primarily used for product manufacturing, warehousing and office functions.

Buildings without Title Certificates

As of December 31, 2025, we had four properties that had not obtained the property ownership certificates in Chinese Mainland. These properties were all pre-sold commercial properties purchased by us, and we had entered into commercial property sale and purchase agreements with the respective vendors in relation to such properties and had paid the corresponding purchase prices in full. The vendors of these properties had duly obtained, in respect of such properties, the State-owned Land Use Right Certificate, the Land Use Planning Permit, the Construction Project Planning Permit, the Building Construction Permit, the Pre-sale Permit, and other prerequisite certificates. As advised by our PRC Legal Advisor, according to applicable PRC laws and regulations, it would not have material adverse effect for our business.

Construction in Progress

We have strategically invested in projects in Changsha and Zhuzhou in China, as well as Rayong in Thailand to significantly enhance the production scale of our core product lines, including network power supplies, medical equipment, and energy storage and charging solutions. As of December 31, 2025, we had three individual construction projects in progress in Chinese Mainland for R&D, production, and warehousing purposes, each with an accumulated investment of over RMB50.0 million and accounting for more than 1% of our total assets, which are considered material construction in progress.

Leased Properties

As of December 31, 2025, we leased 31 material properties in Chinese Mainland with an aggregate GFA of 135,665.2 sq.m., and we leased 11 properties with an aggregate GFA of 33,923.9 sq.m. overseas. As of the Latest Practicable Date, 25 of such leased properties in Chinese Mainland had not been registered with relevant authorities. As advised by our PRC Legal Advisor, failure to register these lease agreements does not affect the legal validity of such agreements. However, we may be required by the competent authorities to complete the registration within a specified period, and may be subject to fines ranging from RMB1,000 to RMB10,000 per agreement. As advised by our PRC Legal Advisor, we believe these defects would not have material adverse effect on our use of the properties. As of the Latest Practicable Date, we had not been ordered to make corrections by the competent authorities.

BUSINESS

INSURANCE

We maintain a comprehensive insurance portfolio to mitigate risks associated with our business operations. Pursuant to applicable PRC laws and regulations, we provide social insurance, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance, and medical insurance for our employees based in China. In addition to social insurance, we also maintain insurance covering our property and cargo transportation. We believe that our existing insurance coverage and insured amounts are in line with industry practice and are sufficient to meet the needs of our normal business operations. During the Track Record Period, we did not make any material insurance claims in relation to our business operations. For risks associated with our insurance policy, see “Risk Factors – Risks Relating to our Business and Industry – Insurance coverage for our business, products and properties may not be sufficient to protect us from potential losses.”

EMPLOYEES

As of December 31, 2025, we had a total of 8,894 employees, and most of our employees are based in Chinese Mainland. The table below sets forth a breakdown of our employees by function as of December 31, 2025.

Function	Number	% of total
Production	4,211	47.3
R&D	3,090	34.7
Sales	945	10.6
Administration	554	6.2
Finance	94	1.1
Total	8,894	100.0

Our success deeply rests with our ability to attract, retain and motivate qualified talents, and we believe that our high-quality talent pool is one of our core strengths and competitive advantages. We recruit through various methods, including campus recruitment, online recruitment, internal referral programs and third-party recruiters, to select the best-fit personnel for the corresponding positions in response to our various talent demands.

We have established a series of policies to enhance training management. The human resources and administration center formulates the annual training plans based on our strategies and the training needs of our business departments. We also propose suitable training methods and course content under an employee-oriented approach, taking into account employees’ individualized needs and available resources. We conduct effectiveness evaluations for all training programs and make timely improvements based on the evaluation results. We also arrange assessments for knowledge-based and operational training programs to strengthen learning outcomes and verify training quality.

BUSINESS

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

We are committed to integrating sustainable development principles into our daily operations and decision-making processes. As an industry-leading enterprise, we attach great importance to environmental, social, and governance (“**ESG**”) matters, including environmental sustainability, social responsibility, and corporate governance.

Our Governance

We integrate ESG concepts into our daily operations, including strategic decision-making and organizational processes. We have established a top-down ESG management framework. Led by our Board, we have established corresponding management structures, workflows, and supervision mechanisms to support the implementation of our ESG initiatives. The table below sets forth our ESG management structure.

Governance Structure	Designated person	Responsibilities
Decision-making Level	Chairperson of the ESG Management System Development Committee ESG Management System Development Consultant	Oversee the assessment of sustainability-related impacts, risks, and opportunities; provide direction on and review our sustainability policies, strategies, and objectives; regularly monitor the progress and achievement of our sustainability-related goals; and approve our ESG report.
Management Level	Executive Director and Vice Director of the ESG Management System Development Committee	Determine and allocate the costs and resources required to identify, mitigate, manage, and monitor sustainability-related impacts, risks, and opportunities; formulate sustainability work plans, sustainability incentive and assessment systems, and other sustainability-related matters.
Execution Level	Executive Members of the ESG Management System Development Committee	Coordinate the draft of our ESG report; be responsible for sustainability-related administration, data collection, and analysis; implement sustainability work plans; and regularly report work results to the management.

BUSINESS

ESG Risk Management

We actively promote responsible business conduct and regard green development as one of the core principles of our operations. We implement sustainability due diligence processes across the entire supply chain to identify and assess potential ESG risks. Our sustainability committee collaborates with external professional institutions to conduct comprehensive identification and assessment of sustainability-related risks through: (i) identifying high-priority risks through quantitative and qualitative analysis; (ii) collaborating with third-party institutions, including auditors and international certification institutions, to conduct ESG audits on supply chain enterprises to ensure compliance with international standards; and (iii) engaging with stakeholders, collecting their sustainability expectations and improvement suggestions through investor surveys, employee questionnaires, and community interviews.

For areas with high environmental and social risks, we have adopted the following measures to mitigate and manage such risks in a timely manner, including: (i) entering into sustainability agreements with our suppliers, requiring them to gradually reduce carbon emission intensity from 2025 onwards. Suppliers that violate our sustainable business conduct code are prohibited from entering our supply chain; and (ii) establishing environmental management systems at our production base.

Environmental

Energy Consumption

We have established an energy management system and an energy consumption monitoring system. In 2023, 2024, and 2025, our electricity consumption amounted to 58,891.1 MWh, 70,010.4 MWh, and 101,034.9 MWh, respectively.

Water Consumption

We continuously implement water management measures, including planned water usage, water balance testing, regular inspections, and water consumption statistics. Our water supply mainly consists of municipal water sources, and the water consumption at our operating bases is primarily attributed to our domestic water use. In 2023, 2024, and 2025, our water consumption amounted to 257,095.0 tons, 340,955.0 tons, and 304,876 tons, respectively.

Waste Management

We have formulated various internal policies that specify classification standards, disposal procedures and allocation of responsibilities for the emission of our hazardous and non-hazardous waste. We established dedicated hazardous waste storage areas at our factories. Hazardous waste is stored by category and by designated zones, and hazardous waste management records are maintained to ensure full traceability throughout the entire process. In 2023, 2024, and 2025, we generated 143.2 tons, 103.0 tons and 152.27 tons of hazardous waste and 484.9 tons, 1,843.6 tons and 1,946.5 tons of non-hazardous waste, respectively.

BUSINESS

Air Pollutant Emission

We have formulated and implemented various internal policies regarding air pollutant emissions, and continuously improved our management systems to enhance environmental management efficiency. Our operations generate air emissions mainly from welding, injection molding, and recycling processes, with major pollutants including tin and its compounds, smoke, particulate matter, and volatile organic compounds. During the Track Record Period and up to the Latest Practicable Date, we did not receive any complaints from employees or local residents, nor were we subject to any material administrative penalties or criminal liabilities arising from pollutant emissions.

Response to Climate Change

We have established an ESG committee and built a three-tier governance structure. We continuously strengthen climate-related expertise at both the decision-making and management levels. Through a top-down governance approach and coordinated internal and external support, we aim to effectively transform our green technology strategy into practical carbon reduction results.

Greenhouse Gas Emission

The following table sets forth our greenhouse gas (“GHG”) emissions during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
Total GHG emissions (tCO ₂ e)	28,233,255	68,143,350	24,322,671
– Scope 1 GHG emissions (tCO ₂ e)	2,107	2,455	1,626
– Scope 2 GHG emissions (tCO ₂ e)	32,122	36,317	51,827
– Scope 3 GHG emissions (tCO ₂ e)	28,199,026	68,104,577	24,269,218

Notes :

- (i) The GHG calculation and statistical methods of GHG accounting scope are based on the GHG Protocol.
- (ii) Scope 1 GHG emissions are direct emissions arising from the consumption of natural gas, gasoline, and diesel by the Company’s own equipment and vehicles.
- (iii) Scope 2 GHG emissions are indirect emissions arising from purchased electricity.
- (iv) Scope 3 GHG emissions mainly arise from purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, franchises, and investments.

BUSINESS

Social

Employment Management

We are committed to non-discrimination in all material aspects of human resources management, including recruitment, training, promotion, salary and benefits, rewards and penalties. We strictly prohibit child labor, illegal labor and forced labor. We also continue to improve our employee management system, and formulated a series of policies that clearly define and protect the rights and obligations of both employers and employees. We place great emphasis on employee development and provide various training opportunities to enhance employees’ skills and professional capabilities. For details, see “Business — Employees”.

Health and Safety

We have formulated various policies to safeguard our employees’ occupational health and safety. We have taken various measures, including strictly regulating work sites and optimizing equipment protection, to reduce occupational health and safety risks. For example, with respect to female employees’ rights and interests, we arrange rest periods for our pregnant employees and ensure sufficient time for maternity examinations.

During the Track Record Period, our Company and one subsidiary continuously maintained ISO 45001:2018 Occupational Health and Safety Management System certification.

Supply Chain Management

During the Track Record Period, we established a comprehensive supplier management system, including new supplier onboarding policies, supplier dynamic performance management systems, and supplier exit mechanisms. We require new suppliers to enter into relevant agreements covering key terms relating to quality, environmental protection, and social responsibility, and evaluate potential suppliers across multiple dimensions, including quality, delivery, cost, services, hazardous substance management, and corporate social responsibility (CSR), with ratings classified into four grades: A, B, C and D.

We integrate monthly performance assessments with annual supervisory audits to manage our suppliers. These evaluations are conducted across four key dimensions: technical service, quality (including environmental compliance), cost, and delivery. The assessment results serve as an important basis for annual supervision and audits, based on which suppliers are subject to graded management and corresponding incentive or rectification measures. Suppliers rated Grade D for three consecutive assessments will, upon approval, be disqualified from supplying products, thereby creating a supplier management mechanism that encourages continuous improvement.

We have enhanced our supplier review system by incorporating carbon emission assessments into our admission criteria. In addition, we have defined ‘red-line’ requirements to prohibit child labor, illegal labor, forced labor and material incidents involving occupational health, safety, or environmental ethics. These standards serve as the mandatory compliance framework for all our suppliers.

During the Track Record Period, we conducted proper Corporate Social Responsibility reviews on suppliers to comprehensively evaluate their fulfillment of social responsibilities. These initiatives are designed to promote compliance, transparency, and sustainable development throughout our supply chain.

BUSINESS

Governance

We have established and implemented a comprehensive internal management system to ensure integrity in our business operations. We require all of our new employees to sign an anti-corruption commitment letter and have integrated anti-corruption and anti-unfair competition requirements throughout the entire process of our human resources management. During the Track Record Period, we did not experience any material incidents of commercial bribery or corruption, nor were there any instances where we terminated partnerships or became subject to any investigations or penalties by regulatory authorities due to relevant non-compliance.

We maintain a “zero-tolerance” policy towards corruption, bribery, and material misconduct. Therefore, we have established diversified whistleblowing channels, including telephone hotlines, mail, email, and in-person reporting. Meanwhile, we have explicitly incorporated anti-unfair competition clauses into our internal policies and our commercial agreements with business partners, strictly prohibiting acts such as false advertising, commercial bribery, monopoly agreements, and infringement of trade secrets.

We have established a discipline inspection committee, which is responsible for formulating and supervising the effective implementation of anti-unfair competition policies. The committee coordinates the full-cycle management process, encompassing risk identification, grievance investigation, and remedial actions, and reports to the Board on a regular basis. Furthermore, we have established a risk prevention and control mechanism, conducting annual risk assessments of the market competition environment to accurately identify high-risk scenarios such as price manipulation and data security. In addition, we implement stringent compliance reviews for key processes, including marketing activities, bidding documents, and technical cooperation agreements, and have enforced a dual-review system to ensure the authenticity, compliance, and legal validity of our business content from the outset.

INTERNAL CONTROL AND RISK MANAGEMENT

Our approach to risk management and internal control is designed to safeguard our tangible and intangible assets, ensure operational continuity, and promote compliance with industry regulations. Through a structured framework, we identify, evaluate, and mitigate risks across our business activities, aligning our practices with best-in-class standards and regulatory requirements. We have put in place a set of internal control and risk management policies and procedures to address potential operational, financial, legal, and market risks identified in relation to our operations. We also periodically review these procedures to ensure their effectiveness. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted, or will continue to adopt, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system. For further details, see “Directors and Senior Management – Board Committees – Audit Committee” in this Document;
- adopt policies to ensure compliance with the Listing Rules and local laws and regulations, including but not limited to aspects related to risk management, connected transactions, and information disclosure;
- organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies Listing in Hong Kong;

BUSINESS

- provide trainings periodically to our senior management and employees on professional behavior requirements and ethics standards to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against non-compliance in our employee discipline measures and supervision guidelines;
- set clear guidelines and processes for identifying, measuring, and addressing price and currency risks, ensuring that all hedging activities are conducted within a structured and consistent framework;
- enhance our reporting and records system for factories, including centralizing their quality control and safety management systems and conducting regular inspections of the facilities;
- establish a set of emergency procedures in the event of major quality-related issues;
- provide enhanced training programs on quality assurance and product safety procedures; and
- distribute employee handbooks to enhance employees’ awareness of complying with laws and regulations.

LICENSES, APPROVALS AND PERMITS

We are required to maintain various licenses, permits and approvals in order to operate our business. We continually monitor our compliance with the requirements related to licenses, permits and approvals in order to ensure that we have all such licenses, permits and approvals which are necessary to operate our business. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities in China that are material to the operation of our main existing business.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to legal or administrative proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention.

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

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

BUSINESS

AWARDS AND RECOGNITIONS

The following table sets out major awards and recognitions we received:

Award Year	Award/Recognition	Awarding Institution/Authority
2025	National Enterprise Technology Center	National Development and Reform Commission
2025	National Specialized, Refined, Distinctive and Innovative “Little Giant” Enterprise	Ministry of Industry and Information Technology
2024	National Green Supply Chain Enterprise	Ministry of Industry and Information Technology
2024	National Manufacturing Single Champion – Commercial Display Power Supplies	Ministry of Industry and Information Technology and China Federation of Industrial Economics
2023	First Prize of Guangdong Provincial Technological Invention Award – High-Precision Intelligent Drive Control Technology and Its Applications	People’s Government of Guangdong Province
2023	National Intellectual Property Advantage Enterprise	China National Intellectual Property Administration
2022	Second Prize of Guangdong Provincial Science and Technology Progress Award	Guangdong Provincial Department of Science and Technology
2022	Guangdong Provincial Intellectual Property Demonstration Enterprise	Guangdong Intellectual Property Protection Association