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You should read the following discussion in conjunction with the consolidated financial statements and the notes thereto included in the Accountants’ Report in Appendix I to this document which has been prepared in accordance with IFRS, and the selected historical financial information and operating data included elsewhere in this document.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future development, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed “Risk Factors” and “Forward-Looking Statements” and elsewhere in this document.

OVERVIEW

We are one of the leading integrated ESS solutions providers based in China, focusing on delivering comprehensive ESS solutions, hardware products, software systems/platforms and supporting services that cover all key stages of energy storage projects from energy storage asset development and delivery, to operation and management. We engage in the R&D, manufacturing and sales of our ESS solutions and products, and provide supporting services to our customers in China and abroad.

During the Track Record Period, we generated revenue from (i) large-scale ESS solutions, (ii) C&I ESS solutions, (iii) sales of ESS products, and (iv) O&M and entrusted power trading services. During the Track Record Period, we generated a substantial portion of our revenue from China. In the second half of 2024, we began exploring the overseas markets, and started to generate revenue from such markets in 2025. We achieved rapid financial growth during the Track Record Period. Our revenue increased significantly from RMB434.6 million in 2023 to RMB1,144.1 million in 2024, and further to RMB1,867.6 million in 2025. Our revenue was RMB8.5 million and RMB279.9 million in the four months ended April 30, 2025 and 2026, respectively. We had net profit of RMB40.7 million, RMB96.3 million, RMB153.6 million in 2023, 2024 and 2025, and we recorded net loss of RMB28.9 million in the four months ended April 30, 2025 and net profit of RMB23.1 million in the four months ended April 30, 2026, respectively.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our Group’s business, financial condition and results of operations had been and are expected to continue to be impacted by certain factors affecting the overall industry in which we operate, which include: (i) macroeconomic conditions, the ongoing global energy transformation and the growth of the overall energy storage market; (ii) changes in customer demand for energy storage products and solutions; (iii) government policies, regulations and tariffs affecting new energy and energy storage products and solutions; (iv) fluctuations in exchange rates, especially the exchange rates between RMB and USD and between RMB and Euro; and (v) continuous investments and innovations in energy storage technologies.

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In addition to the general factors affecting our industry, our business and results of operations had been and are expected to continue to be affected by the following major factors:

Development Trends in the Global Integrated ESS Solutions Industry

We generated revenue primarily from providing large-scale and C&I ESS solutions and selling ESS products during the Track Record Period. In 2023 and 2024, we generated all of our revenue in China, which amounted to RMB434.6 million and RMB1,144.1 million, respectively. We began our overseas expansion in 2024 and started to generate revenue from such markets in 2025. We generated RMB1,858.8 million in China and RMB8.8 million in the overseas markets in 2025, and RMB155.0 million in China and RMB124.9 million in the overseas markets in the four months ended April 30, 2026, respectively.

Developing trends and evolving fluctuations in customer demand in China and abroad can significantly impact our business and are anticipated to continue to influence our financial performance.

Policies across various regions are accelerating power market reforms and the renewable energy substitution process. In China, the energy storage market is undergoing a significant transformation, driven by favorable policies and surging demand that are reshaping the requirements for energy storage equipment suppliers. For instance, in January 2025, the NDRC and the NEA jointly issued the Document No. 136, which has spurred the development of standalone energy storage projects by removing the requirement for new energy generation to be mandatorily paired with storage systems. In April 2025, the “Notice on Comprehensively Accelerating the Construction of the Electricity Spot Market” was issued, which further clarified the market-oriented reform path for electricity trading. In September 2025, the NDRC and NEA released the Action Plan setting a target of at least 180 GW of newly installed capacity of energy storage nationwide by 2027. These measures prompt energy storage companies to accelerate their transformation from equipment suppliers to comprehensive service providers.

In the overseas energy storage markets, the United States is poised for significant expansion, with a surge in new installations anticipated over the next three years, according to Frost & Sullivan. This growth is primarily driven by the dual pressures of an aging and inadequate power grid and the emergence of new, advanced energy storage technologies.

Despite these promising growth opportunities in China and abroad, there is no guarantee that we can successfully increase or maintain our market share in the industries in which we operate, and continue to expand into other overseas markets. See “Risk Factors — Risks Relating to Our Business and Industry — We may be unable to successfully continue expanding our overseas business.”

Supply Chain Management and Fluctuation in Raw Material Prices

Our profitability depends partly on our ability to effectively manage and optimize our costs and operating expenses. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our raw material costs were RMB288.6 million, RMB879.8 million, RMB1,498.1 million, RMB3.3 million and RMB168.3 million, respectively, accounting for 84.7%, 93.6%, 95.6%, 35.5% and 82.8%, respectively, of our total cost of sales for the same period. The prices of raw materials are determined primarily by market forces and our bargaining power with suppliers. We have implemented comprehensive supply chain management measures and have cooperated with a diversified supplier base, which we believe will continue to help us maintain stable supply of raw materials and mitigate price fluctuation risks. We generally source raw materials from suppliers under non-exclusive supply contracts at fixed prices. Because we adjust our selling prices to account for our costs, including fluctuations in raw material

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prices, our revenue is affected by these fluctuations. To the extent we are unable to effectively manage raw material price fluctuations or fail to pass such cost increases on to customers, our profit margin may be adversely affected.

Market Competition and Customer Demand

Our ESS solutions and products are widely used in large-scale and C&I energy storage applications. Factors such as the integration of renewable energy, demand for improved energy consumption efficiency, supportive government policies and development of energy storage technologies are critical to our customers and the end markets. Demand from these downstream markets was the primary driver for our growth during the Track Record Period and is expected to continue driving our future growth.

We rely on our ability to expand our customer base and secure sales contracts or purchase orders from both domestic and overseas customers. We manage our manufacturing plans carefully based on customer orders to fulfill them promptly. Additionally, we offer timely after-sales customer support. We believe these measures help us to attract new customers, allowing us to improve our operating results. However, we cannot guarantee that we will be able to diversify our customer base by securing contracts with new customers or expand our cooperation with existing customers.

Furthermore, according to Frost & Sullivan, the ESS solutions market is fragmented and highly competitive, where market players must focus on quality, service and cost-effectiveness as core competitiveness, to promote the integration of ESS products and services. In the event we are not able to compete effectively, our future growth and results of operations could be adversely affected. See “Risk Factors — Risks Relating to Our Business and Industry — We operate in a highly competitive market and we may not be able to effectively compete with existing and new competitors.” and “Risk Factors — Risks Relating to Our Business and Industry — Our project deployments are non-recurrent in nature, and failure to secure new customers or projects could have a material adverse impact on our financial performance.”

Research and Development Expenditures

Our product portfolio primarily comprises large-scale and C&I ESS solutions and ESS products, centered on our proprietary hardware and software technologies, such as liquid immersion cooling technology used in our hardware products, energy management data analysis technology and weather forecast and power trading algorithms applied in our software systems. We continue to invest in R&D to maintain and advance our technological capabilities. Our R&D expenses amounted to RMB19.0 million, RMB34.1 million, RMB38.0 million, RMB10.4 million and RMB13.5 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively, accounting for 4.4%, 3.0%, 2.0%, 123.3% and 4.8% of our total revenue for the same periods, respectively. We intend to accelerate the applications of technologies in various aspects of our business operations to enhance our overall competitiveness and reputation.

Our investment in R&D also enables us to improve the safety, energy efficiency, consistency and cost-effectiveness of our software and hardware offerings. We believe our continuous investment in R&D positions us strategically to address an increasing market demand from a broad spectrum of customers and compete effectively, which positively affects our results of operations and financial condition. However, we cannot assure you that our R&D efforts will be successful. See “Risk Factors — Risks Relating to Our Business and Industry — We may not be able to derive our R&D efforts or maintain our technology advantages in the energy storage industry, which may adversely affect our operating results.”

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Production Capacity Management

We produce and integrate ESS products at our factories. As of April 30, 2026, we had three factories located in Zhenjiang, Jiangsu, and Yao'an and Dali, Yunnan Provinces, each of which was in commercial operation for production and integration of our ESS products.

Our existing three factories operate with relatively aging production lines, and upgrading or refurbishing them would involve higher costs, while their current designed capacity is not expected to fully meet our near-term growth in shipment volume. To support anticipated shipment growth and further enhance our production capacity, we plan to establish a factory in Wuzhen, Zhejiang Province and incorporate automated production lines in such factory. See “Business — Manufacturing” and “Future Use of [REDACTED]” for details. However, we cannot assure you that we will be able to successfully execute such plan as contemplated or at all. Any delay or failure to effectively manage our production capacity and efficiency could materially and adversely affect our business, financial conditions, results of operations and prospects.

BASIS OF PREPARATION OF OUR FINANCIAL INFORMATION

The consolidated financial statements of our Group in 2023, 2024, 2025 and the four months ended April 30, 2026, on which our historical financial information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards as issued by the International Accounting Standards Board and were audited by our Reporting Accountants in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Our historical financial information is presented in RMB and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

MATERIAL ACCOUNTING POLICIES AND KEY ESTIMATES

We have identified certain accounting policies that we believe are most material to the preparation of our combined financial statements. Some of our material accounting policies involve subjective assumptions and estimates, as well as complex judgments by our management relating to accounting items. The estimates and associated assumptions are based on our historical experience and various other relevant factors that we believe are reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Our material accounting policies and key sources estimation uncertainty are set forth in detail in notes 3 and 4 of the Accountants' Report set out in Appendix I to this document.

RESULTS OF OPERATIONS

The table below presents a summary of our consolidated statement of profit or loss and other comprehensive income for the year indicated:

	For the Year Ended December 31,			For the Four Months Ended April 30,	
	2023	2024	2025	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (Unaudited)	(RMB'000)
Revenue	434,612	1,144,123	1,867,611	8,469	279,907
Cost of sales	(340,786)	(940,217)	(1,567,002)	(9,389)	(203,322)
Gross profit (loss)	93,826	203,906	300,609	(920)	76,585
Other income, expenses, gains and losses	1,855	2,306	7,605	2,536	1,711

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	For the Year Ended December 31,			For the Four Months Ended April 30,	
	2023	2024	2025	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (Unaudited)	(RMB'000)
Selling and marketing expenses	(3,372)	(7,585)	(16,538)	(5,682)	(6,222)
Administrative expenses	(17,368)	(32,366)	(43,962)	(13,683)	(17,665)
Research and development expenses . . .	(18,977)	(34,102)	(38,032)	(10,444)	(13,507)
Impairment losses under ECL model, net of reversal	(1,816)	(4,004)	(13,015)	(8,494)	(8,584)
Changes in carrying amounts of redemption liabilities	(6,115)	(8,246)	(5,078)	427	—
Finance costs	(3,904)	(5,133)	(9,245)	(1,117)	(3,422)
[REDACTED]	—	—	[REDACTED]	—	[REDACTED]
Profit (loss) before tax	44,129	114,776	174,937	(37,377)	23,705
Income tax (expense) credit.	(3,388)	(18,511)	(21,376)	8,518	(634)
Profit (loss) for the year/period	40,741	96,265	[REDACTED]	(28,859)	[REDACTED]
<i>Other comprehensive (expense) income</i>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
— Exchange differences arising on translation of foreign operations . .	—	(170)	(322)	443	(1,310)
— Impairment losses (reversal of impairment losses) for bill receivables at FVTOCI included in profit or loss	—	—	582	390	(237)
Other comprehensive (expense) income for the year/period, net of income tax	—	(170)	260	833	(1,547)
Total comprehensive income (expense) for the year/period	40,741	96,095	153,821	(28,026)	21,524

DESCRIPTION OF MAJOR COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

Revenue

Revenue by Product and Service Type

We generated revenue of RMB434.6 million, RMB1,144.1 million, RMB1,867.6 million, RMB8.5 million and RMB279.9 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. Our revenue mainly represents the amounts received and receivable from (i) large-scale ESS solutions, (ii) C&I ESS solutions, (iii) sales of ESS products, and (iv) O&M and entrusted power trading services, net of sales-related taxes.

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

	For the Year Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
							(Unaudited)			
Integrated ESS solutions	58,496	13.5	482,627	42.2	1,669,272	89.4	—	—	213,891	76.4
— Large-scale ESS solutions . . .	7,168	1.6	477,150	41.7	1,669,272	89.4	—	—	213,891	76.4
— C&I ESS solutions	51,328	11.9	5,477	0.5	—	—	—	—	—	—
Sales of ESS products	376,116	86.5	661,496	57.8	172,691	9.2	8,154	96.3	36,324	13.0
O&M and entrusted power trading services	—	—	—	—	25,648	1.4	315	3.7	29,692	10.6
Total	434,612	100.0	1,144,123	100.0	1,867,611	100.0	8,469	100.0	279,907	100.0

Revenue by Region

The following table sets forth the breakdown of our revenue by geographic region for the periods indicated:

	For the Year Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
							(Unaudited)			
Chinese Mainland	434,612	100.0	1,144,123	100.0	1,858,832	99.5	8,469	100.0	154,964	55.4
Europe ⁽¹⁾	—	—	—	—	207	0.0	—	—	124,943	44.6
North America ⁽²⁾	—	—	—	—	8,572	0.5	—	—	—	—
Total	434,612	100.0	1,144,123	100.0	1,867,611	100.0	8,469	100.0	279,907	100.0

Notes:

- (1) Refers to revenue generated from Spain in 2025, and revenue generated from Hungary and Poland in the four months ended April 30, 2026, respectively.
- (2) Refers to revenue generated from the United States in 2025.

We generated all our revenue in China in 2023 and 2024, and majority of our revenue in China in 2025 and the four months ended April 30, 2026. We began to expand our presence in the overseas markets in the second half of 2024, and generated revenue from the sales of our ESS products to a customer in the United States for RMB8.6 million and a customer in Spain for RMB0.2 million (in aggregate representing 0.5% of our total revenue) in 2025, and revenue of RMB124.9 million from Europe in the four months ended April 30, 2026, including sales of ESS products in Poland and deployment of large-scale ESS solutions in Hungary, respectively.

Cost of Sales

Our cost of sales amounted to RMB340.8 million, RMB940.2 million, RMB1,567.0 million, RMB9.4 million and RMB203.3 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively.

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Cost of Sales by Nature

Our cost of sales primarily consists of (i) raw material costs, which primarily represent costs of lithium-ion battery cells, containers, BMS and liquid cooling plates; (ii) direct labor costs; (iii) production costs, which primarily represent indirect labor costs, depreciation and amortization of our production equipment and machinery, and utilities; and (iv) other costs, which mainly consist of transportation costs, after-sales service costs and write-down of inventories recognized as cost of sales.

The table below sets forth the major components of our cost of sales by nature for the periods indicated:

	For the Year Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
	(Unaudited)									
Raw material costs	288,593	84.7	879,790	93.6	1,498,082	95.6	3,333	35.5	168,257	82.8
Direct labor costs.	13,310	3.9	13,837	1.5	14,200	0.9	1,064	11.3	5,580	2.7
Production costs	21,783	6.4	34,467	3.7	29,391	1.9	2,301	24.5	16,242	8.0
Others	17,100	5.0	12,123	1.2	25,329	1.6	2,691	28.7	13,243	6.5
Total	340,786	100.0	940,217	100.0	1,567,002	100.0	9,389	100.0	203,322	100.0

During the Track Record Period, our raw material costs constituted the largest component of our total cost of sales. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our raw material costs were RMB288.6 million, RMB879.8 million, RMB1,498.1 million, RMB3.3 million and RMB168.3 million, respectively, accounting for 84.7%, 93.6%, 95.6%, 35.5% and 82.8% of our total cost of sales, respectively.

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, we incurred the lithium-ion battery cell procurement costs of RMB113.9 million, RMB624.3 million, RMB713.5 million, RMB0.3 million and RMB81.4 million, respectively, representing 39.5%, 71.0%, 47.6%, 8.6% and 48.4% of our raw material costs for the respective periods. The table below sets forth the cost of lithium-ion battery cells procured for our large-scale and C&I ESS solutions and sales of ESS products for the periods indicated:

	For the Year Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
	(Unaudited)									
Lithium-ion battery cell procurement costs for										
Integrated ESS solutions	28,494	25.0	240,481	38.5	648,908	91.0	—	—	79,857	98.1
— Large-scale ESS solutions.	3,495	3.1	239,607	38.4	648,908	91.0	—	—	79,857	98.1
— C&I ESS solutions	24,999	21.9	874	0.1	—	—	—	—	—	—
Sales of ESS products	85,424	75.0	383,838	61.5	64,543	9.0	286	100.0	1,570	1.9
Total	113,918	100.0	624,319	100.0	713,451	100.0	286	100.0	81,427	100.0

Sensitivity Analysis

Raw material costs represented the largest portion of our total cost of sales in each period during the Track Record Period, among which, the procurement costs of lithium-ion battery cells represented a significant portion of our raw material costs. Considering the extent of fluctuation in the cost of

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lithium-ion battery cells, respectively, during the Track Record Period, and for illustrative purposes only, the following table illustrates the sensitivity of our overall loss before tax during the Track Record Period with regard to certain possible changes in the overall raw material costs during the same period, assuming all other variables remained constant.

	For the Year Ended December 31,			For the Four Months Ended April 30,	
	2023	2024	2025	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (Unaudited)	(RMB'000)
	Increase/(decrease) in profit before tax				
Changes in raw material costs:					
-10%	28,859	87,979	149,808	333	16,826
-5%	14,430	43,990	74,904	167	8,413
+5%	(14,430)	(43,990)	(74,904)	(167)	(8,413)
+10%	(28,859)	(87,979)	(149,808)	(333)	(16,826)

The continuous increase in raw material costs from 2023 to 2025 was primarily attributable to higher sales volume of our ESS solutions and products, which caused our total raw material consumption to increase at a faster pace than our revenue, despite the decline in unit battery cell costs exceeding the decline in average selling prices. At the same time, compressed unit gross margins increased the sensitivity of profits to fluctuations in raw material costs. The significant increase in raw material costs from first four months in 2025 to first four months in 2026 was primarily attributable to the substantial growth in the sales volume of our ESS solutions and products with self-procured battery cells, which increased from 0.59 MWh to 275.5 MWh. As lithium-ion battery cells constitute a majority of the raw material costs of our ESS solutions and products, the sharp increase in their procurement volume directly led to a significant rise in overall raw material costs.

Cost of Sales by Product and Service Type

The following table sets forth a breakdown of our cost of sales by product and service type in line with revenue source for the periods indicated:

	For the Year Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000) (Unaudited)	(%)	(RMB'000)	(%)
Integrated ESS solutions	44,838	13.2	387,057	41.2	1,401,620	89.5	1,105	11.8	161,308	79.3
— Large-scale ESS solutions	6,345	1.9	383,160	40.8	1,401,620	89.5	1,105	11.8	161,308	79.3
— C&I ESS solutions	38,493	11.3	3,897	0.4	—	—	—	—	—	—
Sales of ESS products	295,948	86.8	553,160	58.8	160,370	10.2	8,204	87.4	38,680	19.0
O&M and entrusted power trading services	—	—	—	—	5,012	0.3	80	0.8	3,334	1.7
Total	340,786	100.0	940,217	100.0	1,567,002	100.0	9,389	100.0	203,322	100.0

Gross Profit/Loss and Gross Profit/Loss Margin

Our gross profit amounted to RMB93.8 million, RMB203.9 million and RMB300.6 million in 2023, 2024 and 2025, respectively, with a gross profit margin of 21.6%, 17.8% and 16.1% for the same years, respectively. Our gross loss amounted to RMB0.9 million in the four months ended April 30, 2025, with a gross loss margin of 10.9% for the same period. Our gross profit amounted to RMB76.6 million in the four months ended April 30, 2026, with a gross profit margin of 27.4% for the same period.

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The table below sets forth our gross profit and gross profit margin for each of our product and service types for the periods indicated:

	For the Year Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
							(Unaudited)			
Integrated ESS solutions	13,658	23.3	95,570	19.8	267,652	16.0	(1,105)	—	52,583	24.6
— Large-scale ESS solutions	823	11.5	93,990	19.7	267,652	16.0	(1,105)	—	52,583	24.6
— C&I ESS solutions	12,835	25.0	1,580	28.8	—	—	—	—	—	—
Sales of ESS products	80,168	21.3	108,336	16.4	12,321	7.1	(50)	(0.6)	(2,356)	(6.5)
O&M and entrusted power trading services	—	—	—	—	20,636	80.5	235	74.6	26,358	88.8
Total	93,826	21.6	203,906	17.8	300,609	16.1	(920)	(10.9)	76,585	27.4

Our gross profit from large-scale ESS solutions amounted to RMB0.8 million, RMB94.0 million and RMB267.7 million in 2023, 2024, 2025, respectively, with a gross profit margin of 11.5%, 19.7% and 16.0% for the same years, respectively. We recorded gross loss from large-scale ESS solutions of RMB1.1 million in the four months ended April 30, 2025, and generated gross profit from large-scale ESS solutions of RMB52.6 million with a gross profit margin of 24.6% in the four months ended April 30, 2026.

Our gross profit from C&I ESS solutions amounted to RMB12.8 million, RMB1.6 million, nil, nil and nil in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively, with a gross profit margin of 25.0%, 28.8%, nil, nil and nil for the same periods, respectively.

Our gross profit from sales of ESS products amounted to RMB80.2 million, RMB108.3 million and RMB12.3 million in 2023, 2024 and 2025, respectively, with a gross profit margin of 21.3%, 16.4% and 7.1% for the same years, respectively. We recorded gross loss from sales of ESS products of approximately RMB50,000 and RMB2.4 million in the four months ended April 30, 2025 and 2026, respectively, with a gross loss margin of 0.6% and 6.5% for the same periods, respectively.

We started to generate revenue from O&M and entrusted power trading services in 2025. Our gross profit from O&M and entrusted power trading services amounted to RMB20.6 million, RMB0.2 million and RMB26.4 million in 2025 and the four months ended April 30, 2025 and 2026, respectively, with a gross profit margin of 80.5%, 74.6% and 88.8% for the same periods, respectively.

Other Income, Expenses, Gains and Losses

Our other income mainly consists of (i) interest income, which primarily represents the interest income on bank deposits and interest income from the loans we extended to an entity, in which we held a minority interest. For details of such loans, see “— Description of Certain Key Items from Our Consolidated Statement of Financial Position — Current Assets and Current Liabilities — Trade, Bills and Other Receivables” below in this section; (ii) government grants, which mainly consist of subsidies granted by the local government authorities to support the operating activities of our Group. These government grants were one-off in nature, have no unfulfilled conditions and were recognized when payments were received or became receivable; (iii) extra deduction of input value-added tax (“VAT”), which represents an additional 5% of the deductible input tax from the VAT payable that advanced manufacturing enterprises are allowed to deduct, according to the State Taxation Administration of the

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PRC; (iv) loss on disposal of property, plant and equipment, which mainly represent the loss incurred from the disposal of certain fixed assets; (v) fair value gain on financial assets at fair value through profit or loss (“FVTPL”), which primarily represent the income from our investments in wealth management products and fair value gain from our equity investment as a minority shareholder of an entity; (vi) net foreign exchange losses; (vii) net gain (loss) on modification/termination of right-of-use assets and lease liabilities due to early termination of certain leases; and (viii) others, which mainly consist of amount claimed against certain suppliers and donations made by our Group.

The following table sets forth a breakdown of our other income, expenses, gains and losses for the years indicated:

	For the Year Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000) (Unaudited)	(%)	(RMB'000)	(%)
Interest income	409	22.0	1,069	46.4	4,587	60.3	710	28.0	5,198	303.8
Government grants	1,009	54.4	522	22.6	1,489	19.6	390	15.4	460	26.9
Extra deduction of input VAT . . .	248	13.4	823	35.7	—	—	—	—	—	—
Fair value gain on financial assets at FVTPL	82	4.4	394	17.1	1,501	19.7	—	—	708	41.4
Loss on disposal of property, plant and equipment	(19)	(1.0)	(126)	(5.5)	(83)	(1.1)	(1)	—	(1,177)	(68.8)
Net gain (loss) on termination and modification of right-of-use assets and lease liabilities	—	—	—	—	1,304	17.1	1,209	47.6	(84)	(4.9)
Net foreign exchange gains (losses)	—	—	(234)	(10.1)	(1,651)	(21.7)	88	3.5	(2,467)	(144.2)
Others	126	6.8	(142)	(6.2)	458	6.1	140	5.5	(927)	(54.2)
Total	1,855	100.0	2,306	100.0	7,605	100.0	2,536	100.0	1,711	100.0

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) employee compensation, which mainly represents the salaries, bonuses, social security and provident fund contributions for our sales and marketing staff; (ii) advertising expenses, which were in relation to the costs associated with attending exhibitions; (iii) office and travel expenses, which mainly relate to the transportation costs and office expenses for our sales and marketing staff; (iv) professional service fees, mainly relating to technical and business consulting services; (v) inspection fees, which represent product inspection fees and international certification fees; and (vi) others, which mainly include sponsorship fees, depreciation and amortization expenses, business development expenses, welfare benefits and courier fees.

The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	For the Year Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000) (Unaudited)	(%)	(RMB'000)	(%)
Employee compensation	2,084	61.8	2,893	38.1	7,137	43.2	2,448	43.1	1,890	30.4
Advertising expenses	676	20.0	2,782	36.7	4,236	25.6	1,877	33.1	1,059	17.0
Office and travel expenses	155	4.6	579	7.6	2,077	12.6	138	2.4	814	13.1
Professional service fees	115	3.4	151	2.0	1,855	11.2	1,069	18.8	1,948	31.3
Inspection fees	—	—	672	8.9	68	0.4	—	—	—	—
Others	342	10.2	508	6.7	1,165	7.0	150	2.6	511	8.2
Total	3,372	100.0	7,585	100.0	16,538	100.0	5,682	100.0	6,222	100.0

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Administrative Expenses

Our administrative expenses primarily consist of (i) employee compensation, which mainly represents the salaries, bonuses, social security and provident fund contributions for our administrative staff; (ii) depreciation and amortization expenses, which relate to fixed assets, right-of-use assets and leasehold improvements used by our administrative department; (iii) office expenses for our administrative staff; (iv) professional service fees, which mainly comprise of consultancy and audit service fees; (v) travel expenses, which represent transportation expenses incurred by our administrative staff; (vi) insurance premiums; and (vii) others, which primarily include business development expenses and fees associated with our patents.

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	For the Year Ended December 31,						For the Four Months Ende April 30,			
	2023		2024		2025		2025		2026	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
	(Unaudited)									
Employee compensation	4,913	28.3	15,619	48.3	22,398	50.9	5,413	39.6	8,581	48.6
Depreciation and amortization expenses	5,991	34.5	6,092	18.8	5,914	13.5	2,144	15.7	2,627	14.9
Office expenses.	1,660	9.6	3,072	9.5	2,008	4.6	1,141	8.3	1,105	6.2
Professional service fees	1,493	8.6	1,752	5.4	2,815	6.4	1,328	9.7	1,069	6.1
Travel expenses	939	5.4	2,243	6.9	2,962	6.7	792	5.8	958	5.4
Insurance premiums	115	0.7	182	0.6	182	0.4	23	0.2	16	0.1
Others	2,257	12.9	3,406	10.5	7,683	17.5	2,842	20.7	3,309	18.7
Total	17,368	100.0	32,366	100.0	43,962	100.0	13,683	100.0	17,665	100.0

Research and Development Expenses

Our research and development expenses primarily consist of (i) raw material costs, which mainly represent the costs of the raw materials used in connection with our research and development activities; (ii) employee compensation, which mainly represents the salaries, bonuses, social security and provident fund contributions for our research and development staff; (iii) inspection fees for services relating to testing and certification for our products; (iv) office expenses; (v) development and design expenses; (vi) depreciation and amortization expenses relating to the testing equipment used by our research and development department; and (vii) others, which mainly include our product R&D consultation fees and insurance premiums.

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The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	For the Year Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
	(Unaudited)									
Raw material costs	12,216	64.4	14,916	43.7	12,513	32.9	2,836	27.1	5,436	40.2
Employee compensation	3,953	20.8	14,294	41.9	15,597	41.0	4,975	47.6	4,718	34.9
Inspection fees	1,548	8.2	2,655	7.8	3,277	8.6	449	4.3	23	0.2
Office expenses	442	2.3	814	2.4	1,100	2.9	552	5.3	426	3.2
Development and design expenses .	427	2.2	49	0.1	3,744	9.8	1,174	11.3	2,449	18.1
Depreciation and amortization expenses	147	0.8	537	1.6	1,407	3.7	162	1.6	388	2.9
Others	244	1.3	837	2.5	394	1.1	296	2.8	67	0.5
Total	18,977	100.0	34,102	100.0	38,032	100.0	10,444	100.0	13,507	100.0

Impairment Losses under Expected Credit Loss Model, Net of Reversal

We recorded impairment losses under ECL model, net of reversal, of RMB1.8 million, RMB4.0 million, RMB13.0 million, RMB8.5 million and RMB8.6 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026.

Changes in Carrying Amounts of Redemption Liabilities

Our carrying amounts of redemption liabilities mainly represent the redemption prices payable based on the redemption rights granted by us to certain of our shareholders pursuant to the relevant investment agreements. Our changes in carrying amounts of redemption liabilities were RMB6.1 million, RMB8.2 million, RMB5.1 million, a reversal of RMB0.4 million and nil in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively.

Finance Costs

Our finance costs mainly consist of (i) interests on bank and other borrowings; (ii) interests on discounting bills receivables; and (iii) interests on lease liabilities.

The following table sets forth a breakdown of our finance costs for the periods indicated:

	For the Year Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
	(Unaudited)									
Interests on bank and other borrowings	1,567	40.1	2,061	40.2	5,212	56.4	900	80.6	2,920	85.3
Interests on discounting bills receivables	51	1.3	1,284	25.0	2,973	32.2	—	—	256	7.5
Interests on lease liabilities	2,286	58.6	1,788	34.8	1,060	11.4	217	19.4	246	7.2
Total	3,904	100.0	5,133	100.0	9,245	100.0	1,117	100.0	3,422	100.0

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Income Tax (expense) credit

We recorded income tax expense of RMB3.4 million, RMB18.5 million, RMB21.4 million and RMB0.6 million in 2023, 2024 and 2025 and the four months of 2026 respectively, and income tax credit of RMB8.5 million in the four months ended April 30, 2025.

Our Company has obtained the High and New Technology Enterprise certification since December 2022 (renewed in December 2025) and is entitled to a preferential tax rate of 15% for a period of three years from the date of the renewed certification. Certain of our subsidiaries were qualified as an enterprise within the Catalog of Encouraged Industries in Western Regions and are entitled to preferential income tax rate of 15% during the Track Record Period, and certain other subsidiaries of our Company are eligible as small and low-profit enterprises and were reduced to 25% of taxable income and subject to income tax at a rate of 20% during the Track Record Period. Other subsidiaries established in the Chinese Mainland were subjected to PRC EIT rate of 25% during the Track Record Period. As of the Latest Practicable Date, we had not had any material dispute with any tax authority.

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our effective tax rate, which is calculated by dividing income tax expense by profit before tax, was 7.7%, 16.1%, 12.2%, 22.8% and 2.7%, respectively.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Four Months Ended April 30, 2025 Compared to Four Months Ended April 30, 2026

Revenue

Our revenue increased substantially from RMB8.5 million in the four months ended April 30, 2025 to RMB279.9 million in the four months ended April 30, 2026, primarily reflecting the increase in revenue generated from (i) large-scale ESS solutions by RMB213.9 million, (ii) O&M and entrusted power trading services by RMB29.4 million, and (iii) sales of ESS products by RMB28.2 million. We did not deploy any C&I ESS solutions in the four months ended April 30, 2025 and 2026.

Large-scale ESS Solutions

Revenue generated from our deployment of large-scale ESS solutions increased from nil in the four months ended April 30, 2025 to RMB213.9 million in the four months ended April 30, 2026, primarily because most of our deployment in large-scale projects in 2025 were completed and accepted after April of that year, as a result of which we did not recognize any revenue during the period, whereas in the four months ended April 30, 2026, we completed five projects with an aggregate sales volume of 271.4 MWh and recognized revenue thereof. Our deployment of large-scale ESS solutions in Hungary contributed an aggregate of RMB122.1 million, accounting for the majority of the revenue recognized from large-scale ESS solutions during the period.

Sales of ESS Products

Revenue generated from the sales of ESS products increased by 345.5% from RMB8.2 million in the four months ended April 30, 2025 to RMB36.3 million in the four months ended April 30, 2026, which was in line with the significant increase in sales volume from 356.1 MWh to 609.3 MWh and the increase in average selling price of ESS products with self-procured battery cells from RMB0.46 per Wh to RMB0.68 per Wh. In the four months ended April 30, 2026, we recognized RMB36.1 million from sales of ESS hardware products and approximately RMB226,000 from sales of EnergyHub, one of our software systems, to a customer in China, respectively.

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O&M and Entrusted Power Trading Services

Revenue generated from the provision of O&M and entrusted power trading services increased from RMB0.3 million in the four months ended April 30, 2025 to RMB29.7 million in the four months ended April 30, 2026, primarily due to an increase in the number of projects under our O&M from one to five, with corresponding managed capacity increasing from 400 MWh to 3,500 MWh.

Cost of Sales

Our cost of sales increased significantly from RMB9.4 million in the four months ended April 30, 2025 to RMB203.3 million in the four months ended April 30, 2026, primarily due to (i) an increase of RMB164.9 million in raw material costs, which was in line with our significantly increased procurement value for raw materials as a result of an increase in aggregate sales volume from 356.1 MWh to 880.7 MWh, (ii) an increase of RMB13.9 million in production costs, and (iii) an increase of RMB10.6 million in others associated with the expansion of our business operations.

Large-scale ESS Solutions

Our costs of sales for large-scale ESS solutions increased substantially from RMB1.1 million in the four months ended April 30, 2025 to RMB161.3 million in the four months ended April 30, 2026. We did not recognize any revenue from large-scale ESS solutions in the four months ended April 30, 2025, and cost of sales recorded during that period represented an inventory impairment provision rather than actual project-related costs. By contrast, in the four months ended April 30, 2026, we completed five large-scale projects and correspondingly incurred significant raw material costs.

Sales of ESS Products

Our costs of sales for sales of ESS products increased from RMB8.2 million in the four months ended April 30, 2025 to RMB38.7 million in the four months ended April 30, 2026. In the four months ended April 30, 2025, raw material costs were relatively low as a substantial portion of the sales involved customer-supplied battery cells, and we incurred only limited raw material costs. By contrast, in the four months ended April 30, 2026, we incurred increased raw material costs in line with the significant growth in sales volume to from 356.1 MWh to 609.3 MWh.

O&M and Entrusted Power Trading Services

Our costs of sales for O&M and entrusted power trading services increased from approximately RMB80,000 in the four months ended April 30, 2025 to RMB3.3 million in the four months ended April 30, 2026, primarily due to the significant expansion of our service scale. The number of projects under our O&M increased from one to five, with corresponding managed capacity increasing from 400 MWh to 3,500 MWh, leading to a substantial increase in overall operating and service-related costs.

Gross Profit/Loss and Gross Profit/Loss Margin

As a result of the above, we recorded a gross loss of RMB0.9 million in the four months ended April 30, 2025, compared to a gross profit of RMB76.6 million in the four months ended April 30, 2026. The significant improvement in our gross profit in the four months ended April 30, 2026 was primarily due to (i) an increase in gross profit from our large-scale ESS solutions from a gross loss of RMB1.1 million in the four months ended April 30, 2025 to a gross profit of RMB52.6 million in the four months ended April 30, 2026, and (ii) an increase in gross profit from our O&M and entrusted power trading services by RMB26.1 million, partially offset by an increase in gross loss from the sales of ESS products from approximately RMB50,000 to RMB2.4 million.

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We recorded a gross profit margin of 27.4% in the four months ended April 30, 2026 compared to a gross loss margin of 10.9% in the four months ended April 30, 2025, primarily reflecting the increase in the gross profit margin of large-scale ESS solutions and O&M and entrusted power trading services, offsetting the increase in gross loss from the sales of ESS products.

Large-scale ESS Solutions

In the four months ended April 30, 2025, we did not deploy any large-scale ESS solutions and accordingly, we recorded a gross loss of RMB1.1 million for inventory impairment provision. In the four months ended April 30, 2026, we generated gross profit of RMB52.6 million from our deployment in five large-scale projects with a total sales volume of 271.4 MWh.

Our gross profit margin from large-scale ESS solutions was 24.6% in the four months ended April 30, 2026, primarily attributable to a higher gross profit margin from our overseas deployment in the Oroszlány 110 MWh project in Hungary, which accounted for a significant portion of our total sales volume for the period, and achieved a relatively higher gross profit margin.

Sales of ESS Products

Our gross loss from sales of ESS products increased from RMB0.1 million in the four months ended April 30, 2025 to RMB2.4 million in the four months ended April 30, 2026. Our gross loss margin increased from 0.6% in the four months ended April 30, 2025 to 6.5% in the four months ended April 30, 2026.

In the four months ended April 30, 2025, sales of ESS products primarily involved customer-supplied battery cells, and we incurred only limited raw material costs. Coupled with the insignificant sales volume of 356.1 MWh, the gross margin from this business line was close to breakeven during the period.

In the four months ended April 30, 2026, we completed substantially larger sales orders with sales volume increasing to 609.3 MWh, and incurred increased amount of self-procured raw materials, resulting in a substantially higher upfront raw material costs. In addition, other costs for this segment increased significantly from RMB1.6 million to RMB6.5 million, primarily due to increased inventory impairment provisions for the higher inventory levels as of April 30, 2026 for increased number of projects than those as of April 30, 2025. As a result, although revenue from the sales of ESS products increased significantly to RMB36.3 million, cost of sales also surged to RMB38.7 million, leading to an increase in gross loss margin for the period.

O&M and Entrusted Power Trading Services

Our gross profit from O&M and entrusted power trading services increased significantly from RMB0.2 million in the four months ended April 30, 2025 to RMB26.4 million in the four months ended April 30, 2026, primarily due to the substantial increase in revenue driven by the expansion in the number of our managed projects, and service capacity significantly outpacing the corresponding increase in operating costs.

Our gross profit margin from O&M and entrusted power trading services increased from 74.6% in the four months ended April 30, 2025 to 88.8% in the four months ended April 30, 2026, primarily due to operating leverage as a larger portfolio of projects contributed recurring service fees, while the relevant costs increased at a comparatively slower rate.

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Other Income, Expenses, Gains and Losses

Our other income, expenses, gains and losses decreased by approximately 32.5% from RMB2.5 million in the four months ended April 30, 2025 to RMB1.7 million in the four months ended April 30, 2026, which was primarily due to (i) a net foreign exchange loss of RMB2.5 million in the four months ended April 30, 2026 amid currency fluctuations, (ii) a decrease of RMB1.3 million in net gain on termination and modification of right-of-use assets and lease liabilities, primarily because we recorded a gain on termination of the right-of-use assets and lease upon completion of a lease term in the four months ended April 30, 2025 as compared to the corresponding period in 2026, and (iii) an increase of RMB1.2 million in loss on disposal of property, plant and equipment, primarily as we recorded loss from the disposal of fixed asset in the four months ended April 30, 2026 as compared to the corresponding period in 2025, partially offset by an increase of RMB4.5 million in interest income, primarily comprising the increased interest income recognized in the four months ended April 30, 2026 in relation to loans we lent to Yunnan Lingwei and Emergen.

Selling and Marketing Expenses

Our selling and marketing expenses increased by approximately 9.5% from RMB5.7 million in the four months ended April 30, 2025 to RMB6.2 million in the four months ended April 30, 2026, which was primarily due to (i) an increase of RMB0.9 million in professional service fees primarily for consulting fees for overseas projects, (ii) an increase of RMB0.7 million in office and travel expenses driven by intensified domestic and overseas business development activities, and (iii) an increase of RMB0.4 million in others, in line with our ongoing business expansion, partially offset by (i) a decrease of RMB0.8 million in advertising expenses due to relatively less advertising activities in the first four months of 2026, (ii) a decrease of RMB0.6 million in employee compensation in line with our relatively limited overseas marketing activities in the first four months of 2026.

Administrative Expenses

Our administrative expenses increased by approximately 29.1% from RMB13.7 million in the four months ended April 30, 2025 to RMB17.7 million in the four months ended April 30, 2026, primarily due to (i) an increase of RMB3.2 million in employee compensation, reflecting the hiring of additional administrative staff and remuneration adjustments in line with our continued business expansion, (ii) an increase of RMB0.5 million in depreciation and amortization, mainly relating to additional depreciation of right-of-use assets arising from the lease of the Dali factory, and (iii) an increase of RMB0.5 million in others for rental fee provision for the Jiaying transitional factory, partially offset by a decrease of RMB0.3 million in professional service fees incurred during the four months ended April 30, 2026.

Research and Development Expenses

Our research and development expenses increased by approximately 29.3% from RMB10.4 million in the four months ended April 30, 2025 to RMB13.5 million in the four months ended April 30, 2026, primarily due to (i) an increase of RMB2.6 million in raw material costs, resulting from higher material consumption for ongoing R&D projects, (ii) an increase of RMB1.3 million in development and design expenses mainly for engaging external parties to provide technology R&D support services, partially offset by (iii) a decrease of RMB0.4 million in inspection fees, mainly due to reduced performance testing and third-party inspection activities during the period.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

We recorded impairment losses under ECL model, net of reversal remained relatively stable at RMB8.5 million and RMB8.6 million in the four months ended April 30, 2025 and 2026, respectively.

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Changes in Carrying Amounts of Redemption Liabilities

Our changes in carrying amounts of redemption liabilities decreased from a reversal of RMB0.4 million in the four months ended April 30, 2025 to nil in the four months ended April 30, 2026, following the termination of our Company’s redemption liabilities on December 1, 2025 pursuant to a supplementary agreement to the shareholders’ agreement entered into between the Company and each of the respective investors on the same date.

Finance Costs

Our financial costs increased from RMB1.1 million in the four months ended April 30, 2025 to RMB3.4 million in the four months ended April 30, 2026, primarily due to an increase of RMB2.0 million in interest on bank and other borrowings, mainly attributable to our business expansion, the enlarged scale of financing activities, and increased bill discounting to support working capital needs.

Income Tax Expense/Credit

Our income tax credit was RMB8.5 million in the four months ended April 30, 2025 and our income tax expense was RMB0.6 million in the four months ended April 30, 2026, which was in line with the increase in our profit before tax in the four months ended April 30, 2026.

Profit/Loss for the Period

As a result of the foregoing, our profit for the period significantly improved from a net loss of RMB28.9 million in the four months ended April 30, 2025 to a net profit of RMB23.1 million in the four months ended April 30, 2026.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased significantly from RMB1,144.1 million in 2024 to RMB1,867.6 million in 2025, primarily due to the significant growth in revenue from large-scale ESS solutions, and to a lesser extent, O&M and entrusted power trading services, partially offset by decrease in revenue generated from the sales of ESS products and C&I ESS solutions.

Large-scale ESS Solutions

Our revenue from large-scale ESS solutions increased by 249.8% from RMB477.2 million in 2024 to RMB1,669.3 million in 2025. Such increase was primarily due to a significant increase in the sales volume of our large-scale ESS solutions by 443.7% from 620.0 MWh in 2024 to 3,371.0 MWh in 2025 as we further expanded this segment in 2025, despite a decrease in average selling price of our large-scale ESS solutions with self-procured battery cells from RMB0.77 per Wh to RMB0.48 per Wh.

In 2024, our revenue from large-scale ESS solutions was mainly generated from our deployment in the Yunnan Yongren 300 MW/600 MWh project, where we recognized revenue of RMB465.5 million. In 2025, we further expanded our large-scale ESS solutions business and participated in several high-value energy storage projects in Inner Mongolia Autonomous Region and Yunnan Province. In particular, we generated revenue of RMB1,669.3 million from large-scale ESS solutions in 2025 primarily from our deployment of large-scale ESS solutions in (i) the Inner Mongolia 2,000 MWh project, which generated revenue of RMB831.9 million, and (ii) four large-scale standalone energy storage projects in Yunnan Province, including Yunnan Yao’an (雲南姚安) 400 MWh project, Yunnan

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Xundian (雲南尋甸) 400 MWh project, Yunnan Nanhua (雲南南華) 400 MWh project, and Yunnan Yongde (雲南永德) 300 MWh project (the “Four Yunnan Projects”), which generated revenue of RMB777.9 million in the aggregate.

C&I ESS Solutions

We generated revenue of RMB5.5 million from our deployment of C&I ESS solutions in China in 2024, in two projects, and generated nil revenue from C&I ESS solutions in 2025 as we did not deploy any C&I ESS solutions in the year.

Beginning in 2024 and particularly in 2025, we strategically repositioned our business focus from mainly selling ESS products and providing C&I ESS solutions to providing large-scale ESS solutions. In light of intensified competition in China and compressed margins in the C&I energy storage market, we have prioritized our R&D, delivery and marketing resources toward large-scale ESS solutions and higher-margin overseas markets. However, we will continue to pursue selected C&I ESS solutions projects with stronger profitability to remain technically ready and competitive in targeted C&I scenarios when such opportunities arise rather than exiting the segment entirely. See “Business – Our Strategic Business Repositioning” in this document for details.

Sales of ESS Products

Our revenue from the sales of ESS products decreased by 73.9% from RMB661.5 million in 2024 to RMB172.7 million in 2025, primarily in line with the significant decrease in the sales volume of ESS products with self-procured battery cells, which carry higher average selling price than ESS products with customer-supplied battery cells, from 1.3 GWh in 2024 to 194.9 MWh in 2025. This was a result of our strategic shift in business focus to developing our large-scale ESS solutions from the sales of ESS products in 2024 and 2025. However, as the sales of ESS products remained as an important part of our business, we expanded this business overseas in the second half of 2024 and generated revenue of RMB8.6 million from a customer in the United States and RMB0.2 million from a customer in Spain in 2025.

O&M and Entrusted Power Trading Services

We started to provide O&M and entrusted power trading services and generated revenue of RMB25.6 million in 2025, for our services provided in the Four Yunnan Projects where we also deployed our large-scale ESS solutions.

Cost of Sales

Our cost of sales increased by 66.7% from RMB940.2 million in 2024 to RMB1,567.0 million in 2025, primarily due to a significant increase in raw material costs of RMB618.3 million, which was in line with a significant increase in the sales volume of our large-scale ESS solutions from 620.0 MWh in 2024 to 3,371.0 MWh in 2025.

Large-scale ESS Solutions

Our cost of sales for large-scale ESS solutions increased by 265.8% from RMB383.2 million in 2024 to RMB1,401.6 million in 2025. The increase was primarily attributable to higher raw material costs, driven by the substantial growth in sales volume in this segment, which rose from 620.0 MWh in 2024 to 3,371.0 MWh in 2025, resulting in significantly greater procurement of raw materials.

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C&I ESS Solutions

We incurred cost of sales of RMB3.9 million for C&I ESS solutions in 2024, primarily relating to our deployment in two relatively small-sized C&I energy storage projects. In 2025, no cost of sales was recorded for this segment as we did not deploy any C&I ESS solutions during the year.

Sales of ESS Products

Our cost of sales for sales of ESS products decreased by 71.0% from RMB553.2 million in 2024 to RMB160.4 million in 2025, primarily reflecting the decrease in raw material costs incurred, in line with the decrease in sales volume of our ESS products (for which we procured battery cells and incurred higher raw material costs) from 1.3 GWh in 2024 to 0.2 GWh in 2025, as we actively sized down our standalone ESS product sales in 2025 to focus more on large-scale ESS solutions segment.

O&M and Entrusted Power Trading Services

We commenced our O&M and entrusted power trading business in 2025, which incurred cost of sales of RMB5.0 million, which primarily consisted of labor cost.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by 47.4% from RMB203.9 million in 2024 to RMB300.6 million in 2025 and our gross profit margin decreased from 17.8% in 2024 to 16.1% in 2025.

The increase in our gross profit in 2025 was primarily attributable to a large increase of gross profit from our large-scale ESS solutions from RMB94.0 million in 2024 to RMB267.7 million in 2025, as well as the gross profit generated from our O&M and entrusted power trading services of RMB20.6 million as we started to generate revenue from this segment in 2025, which was partially offset by a decrease in gross profit from the sales of ESS products from RMB108.3 million in 2024 to RMB12.3 million in 2025 and a decrease of RMB1.6 million in general profit from C&I ESS solutions in 2025 as we did not deploy any C&I ESS solutions in 2025.

Large-scale ESS Solutions

Our gross profit generated from large-scale ESS solutions increased by 184.8% from RMB94.0 million in 2024 to RMB267.7 million in 2025, primarily due to the significant increase in sales volume of our large-scale ESS solutions from 620.0 MWh in 2024 to 3,371.0 MWh in 2025. The significant expansion in delivery scale more than offset the impact of a decline in average selling price of large-scale ESS solutions with self-procured battery cells from RMB0.77 per Wh in 2024 to RMB0.48 per Wh in 2025. According to Frost & Sullivan, such price decline reflected the broader industry trend of decreasing energy storage product prices alongside reduced battery cell procurement costs.

Our gross profit margin from large-scale ESS solutions decreased from 19.7% in 2024 to 16.0% in 2025, primarily due to the decline in the average selling price of large-scale ESS solutions with self-procured battery cells from RMB0.77 per Wh to RMB0.48 per Wh, exceeded the reduction in the cost of sales (particularly raw material costs) incurred, on a relative basis per Wh. In particular, the industry average price of lithium-ion battery cells decreased from RMB0.36 per Wh to RMB0.33 per Wh in the same period, according to Frost & Sullivan, and such cost savings, together with reductions in our other costs, were insufficient to fully offset the decrease in average selling prices, resulting in margin compression.

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C&I ESS Solutions

We generated gross profit of RMB1.6 million with a gross profit margin of 28.8% from deployment of C&I ESS solutions in China in 2024, for two projects, where we generated revenue of RMB5.5 million and incurred cost of sales of RMB3.9 million in the aggregate. No C&I ESS solutions were deployed in 2025 as we reallocated our resources toward large-scale ESS solutions and adopted a more selective approach in undertaking C&I energy storage projects. See “Business — Our Strategic Business Repositioning” in this document for details.

Sales of ESS Products

Our gross profit generated from the sales of ESS products decreased by 88.6% from RMB108.3 million in 2024 to RMB12.3 million in 2025, primarily as a result of the changes in revenue and cost of raw materials for this business line. Our gross profit margin generated from the sales of ESS products decreased from 16.4% in 2024 to 7.1% in 2025, primarily attributable to a significant reduction in sales volume of ESS products we recorded in 2025, particularly those with self-procured battery cells with higher profit margins, as we shifted our business focus to developing large-scale ESS solutions.

O&M and Entrusted Power Trading Services

We started to generate revenue from O&M and entrusted power trading in 2025 from the Four Yunnan Projects, with a gross profit of RMB20.6 million and a gross profit margin of 80.5%. In particular, the high gross profit margin was primarily attributable to the fact that (i) the cost of sales for the O&M services comprised mainly of relatively low labor costs and the costs associated with the entrusted power trading services was minimal, and (ii) we were entitled to shared profit as incentive fees considering our entrusted power trading services enabled the four projects to generate profits exceeding the agreed target.

Other Income, Expenses, Gains and Losses

Our other income, expenses, gains and losses increased from a gain of RMB2.3 million in 2024 to RMB7.6 million in 2025, primarily due to (i) an increase of RMB3.5 million in interest income, primarily from the loan extended to Yunnan Lingwei; see “— Description of Certain Key Items from Our Consolidated Statement of Financial Position — Trade, Bills and Other Receivables and Contract Assets” for details of our loan to Yunnan Lingwei, (ii) an increase of RMB1.3 million in net gain on termination of right-of-use assets and lease liabilities mainly due to the early termination of certain leases arising from adjustments to our operational arrangements, and (iii) an increase of RMB1.1 million in fair value gain on financial assets at fair value through profit or loss attributable to an increase in the assessed fair value of our equity investment in Yunnan Lingwei.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 118.0% from RMB7.6 million in 2024 to RMB16.5 million in 2025, which is primarily due to (i) an increase of RMB4.2 million in employee compensation, primarily due to an increase in headcount and higher compensation levels arising from the continued expansion of our sales team; (ii) an increase of RMB1.7 million in professional service fees because we continued to expand into overseas markets in 2025, and engaged agents to provide technical and consulting services; (iii) an increase of RMB1.5 million in office and travel expenses primarily due to the establishment of our new office in Shanghai, as well as increased travel expenses for employees who traveled overseas for business development, alongside higher general office expenditure; and (iv) an increase of RMB1.5 million in advertising expenses primarily as a result of increased investment in industry exhibitions, channel development and brand promotional activities in line with our continued market expansion efforts.

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Administrative Expenses

Our administrative expenses increased by 35.8% from RMB32.4 million in 2024 to RMB44.0 million in 2025, primarily due to (i) an increase of RMB6.8 million in employee compensation as an increase in headcount across management functions and an upward adjustment in remuneration structure in line with our continued business expansion; (ii) an increase of RMB4.3 million in others primarily due to increased demand for external professional services and higher general administrative expenditure as we continued our business expansion, and (iii) an increase of RMB1.1 million in professional service fees to support our expanding business operations and administrative requirements; partially offset by a decrease of RMB1.1 million in office expenses during the year.

Research and Development Expenses

Our research and development expenses increased by 11.5% from RMB34.1 million in 2024 to RMB38.0 million in 2025, which was primarily due to (i) an increase of RMB3.7 million in development and design expenses as we engaged external parties to carry out product and technology development services, and (ii) an increase of RMB1.3 million in employee compensation as we increased the number of R&D personnel for our additional R&D activities and adjusted their remuneration levels upward; partially offset by a decrease of RMB2.4 million in raw material costs primarily because as we focused more on software development during the year compared to 2024, resulting in lower consumption of raw materials in our R&D activities.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment losses under ECL model, net of reversal, increased from RMB4.0 million in 2024 and RMB13.0 million in 2025 primarily due to the increase in our trade receivables and contract assets and the changes in aging profile of such receivables and contract assets (as certain balances that were within one year in 2024 aged into the 1 to 2-year category in 2025, resulting in higher expected credit loss provisioning).

Changes in Carrying Amounts of Redemption Liabilities

Our changes in carrying amounts of redemption liabilities decreased from RMB8.2 million in 2024 to RMB5.1 million in 2025, primarily due to the termination of all redemption and liquidation preference obligations under our investment agreements with two of our shareholders on December 1, 2025.

Finance Costs

Our financial costs increased from RMB5.1 million in 2024 to RMB9.2 million in 2025, primarily due to (i) an increase of RMB3.2 million in interests on bank and other borrowings as we took out additional bank loans to fund our working capital, and (ii) an increase of RMB1.7 million in interests on discounting bills receivables to support our business expansion.

Income Tax Expense

Our income tax expense increased from RMB18.5 million in 2024 to RMB21.4 million in 2025, which was in line with the increase in our profit before tax in 2025.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 59.5% from RMB96.3 million in 2024 to RMB153.6 million in 2025.

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Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased significantly by 163.3% from RMB434.6 million in 2023 to RMB1,144.1 million in 2024. The increase was mainly driven by significant growth in revenue from large-scale ESS solutions and sales of ESS products, partially offset by the decrease in revenue from C&I ESS solutions.

Large-scale ESS Solutions

Our revenue from large-scale ESS solutions increased substantially from RMB7.2 million in 2023 to RMB477.2 million in 2024, primarily in line with the significant increase in the sales volume of large-scale ESS solutions from 6.4 MWh in 2023 to 620.0 MWh in 2024 despite a decrease in average selling price of our large-scale ESS solutions with self-procured battery cells from RMB1.12 per Wh in 2023 to RMB0.77 per Wh in 2024.

In 2023, revenue from large-scale ESS solutions of RMB7.2 million was generated from our deployment in a large-scale project for a customer based in Guangdong Province. In 2024, we continued to exert substantial efforts to develop our large-scale ESS solutions business and successfully implemented our strategies to closely engage and provide assistance to customers in key stages of energy storage projects from energy storage asset development and delivery, to operation and management. Consequently, we secured and completed the Yunnan Yongren 300 MW/600 MWh project in 2024, generating revenue of RMB465.5 million.

C&I ESS Solutions

Our revenue from C&I ESS solutions decreased by 89.3% from RMB51.3 million in 2023 to RMB5.5 million in 2024, primarily in line with the decrease in sales volume from 40.0 MWh in 2023 to 16.0 MWh in 2024, as well as the decrease in average selling price of our C&I ESS Solutions with self-procured battery cells from RMB1.28 per Wh to RMB0.81 per Wh.

In particular, the decrease was primarily attributable to project size and revenue contribution differences between 2023 and 2024. In 2023, revenue was mainly derived from a single relatively large-size C&I project, namely, the Anhui Haode (安徽皓德) 40 MWh project. In contrast, although we undertook two C&I energy storage projects in 2024, both were relatively small in scale and contributed substantially smaller revenue on an individual basis.

Sales of ESS Products

Our revenue from the sales of ESS products increased by 75.9% from RMB376.1 million in 2023 to RMB661.5 million in 2024, primarily driven by a significant increase in the sales volume of ESS products with self-procured battery cells from 0.2 GWh to 1.3 GWh, notwithstanding that the corresponding average selling price decreased from RMB0.66 per Wh to RMB0.42 per Wh during the year.

Cost of Sales

Our cost of sales increased by 175.9% from RMB340.8 million in 2023 to RMB940.2 million in 2024, primarily due to (i) an increase of RMB591.2 million in raw material costs mainly for our increased procurement of battery cells in 2024, which was in line with the increased sales volume of our ESS solutions and products, which more than offset the decrease in industry average price of lithium-ion battery cells from RMB0.67 per Wh in 2023 to RMB0.36 per Wh in 2024, and (ii) an increase of RMB12.7 million

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in production costs, primarily driven by higher depreciation and amortization from capital expenditure on machinery, equipment and factory renovation costs, alongside increases in production labor costs and rent, all in line with our expanded production line capacity to meet the growing demand in 2024.

Large-scale ESS Solutions

Our cost of sales for large-scale ESS solutions increased significantly from RMB6.3 million in 2023 to RMB383.2 million in 2024 as we incurred higher raw material costs, driven by the substantial growth in sales volume for this segment, which rose from 6.4 MWh in 2023 to 620.0 MWh in 2024.

C&I ESS Solutions

Our cost of sales for C&I ESS solutions decreased by 89.9% from RMB38.5 million in 2023 to RMB3.9 million in 2024. The decrease was primarily attributable to (i) lower raw material costs, in line with the reduction in deployment volume from 40.0 MWh in 2023 to 16.0 MWh in 2024 and the decline in the industry average selling price of lithium-ion battery cells from RMB0.67 per Wh to RMB0.36 per Wh; and (ii) lower production and labor costs, as the projects undertaken in 2024 were smaller in scale compared to the Anhui Haode 40 MWh project completed in 2023, resulting in lower overall cost absorption.

Sales of ESS Products

Our cost of sales for sales of ESS products increased by 86.9% from RMB295.9 million in 2023 to RMB553.2 million in 2024. The increase was primarily attributable to higher raw material costs driven by the increase in sales volume of ESS products. This increase occurred despite a decline in the industry average selling price of lithium-ion battery cells from RMB0.67 per Wh to RMB0.36 per Wh, as the expanded sales scale and higher-cost products more than offset the benefit from lower unit battery cell prices.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by 117.3% from RMB93.8 million in 2023 to RMB203.9 million in 2024. The significant increase in our gross profit in 2024 was primarily due to an increase of gross profit from large-scale ESS solutions from RMB0.8 million to RMB94.0 million, as well as an increase of gross profit from sales of ESS products from RMB80.2 million to RMB108.3 million. Our gross profit margin decreased from 21.6% in 2023 to 17.8% in 2024, primarily as result of the decrease in the gross profit margin of the sales of ESS products offsetting the increase in gross profit margin of both large-scale and C&I ESS solutions.

Large-scale ESS Solutions

Our gross profit generated from large-scale ESS solutions increased substantially from RMB0.8 million in 2023 to RMB94.0 million in 2024, as revenue growth in this segment significantly outpaced the corresponding increase in costs. Revenue increased by RMB470.0 million, mainly driven by a substantial expansion in sales volume from 6.4 MWh in 2023 to 620.0 MWh in 2024. The significant increase in delivery scale improved economies of scale in this segment and enhanced absorption of fixed costs, which more than offset the impact of a decline in the average selling price of our large-scale ESS solutions with our self-procured battery cells from RMB1.12 per Wh to RMB0.77 per Wh. According to Frost & Sullivan, such price decline of large-scale ESS solutions reflected the broader industry trend of decreasing energy storage product prices alongside reduced battery cell procurement costs.

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Our gross profit margin for large-scale ESS solutions increased from 11.5% in 2023 to 19.7% in 2024. The lower margin in 2023 was mainly due to our initial efforts to establish market presence and develop the large-scale ESS solutions business in that year.

C&I ESS Solutions

Our gross profit generated from C&I ESS solutions decreased by 87.7% from RMB12.8 million in 2023 to RMB1.6 million in 2024, primarily reflecting the substantial reduction in project scale during the year. Revenue decreased by RMB45.9 million and cost of sales decreased by RMB34.6 million, in line with the decline in sales volume from 40.0 MWh in 2023 to 16.0 MWh in 2024. In 2024, we deployed C&I ESS solutions in two relatively small-scale projects, compared to the large-scale Anhui Haode 40 MWh project we completed in 2023. The decrease in average selling price of C&I ESS solutions with self-procured battery cells from RMB1.28 per Wh to RMB0.81 per Wh was broadly in line with market trends.

Our gross profit margin for C&I ESS solutions increased from 25.0% in 2023 to 28.8% in 2024, primarily because the projects undertaken in 2024 had relatively lower raw material costs, and the reduction in costs more than offset the decline in average selling price, resulting in improved margin despite the smaller project scale.

Sales of ESS products

Our gross profit generated from the sales of ESS products increased by 35.1% from RMB80.2 million in 2023 to RMB108.3 million in 2024, which was primarily in line with our increase in revenue from the sales of ESS products as the sales volume of ESS products increased from 2.8 GWh in 2023 to 3.0 GWh in 2024. Our gross profit margin generated from the sales of ESS products decreased from 21.3% in 2023 to 16.4% in 2024, primarily as the growth of cost of sales outpaced the growth of revenue from the sales of ESS products, as the intensified market competition drove a significant decline in average selling prices of sales of ESS products with self-procured battery cells from RMB0.66 per Wh to RMB0.42 per Wh, despite the decline in industry average price of lithium-ion battery cell from RMB0.67 per Wh to RMB0.36 per Wh. In particular, in 2023, we sold ESS products in connection with two energy storage projects which had relatively higher gross profit margin, while in 2024, our ESS products were sold in connection with a project with relatively lower gross profit margin, primarily as a result of lower product pricing per watt-hour due to intensified market competition.

Other Income, Expenses, Gains and Losses

Our other income, expenses, gains and losses increased by 24.3% from RMB1.9 million in 2023 to RMB2.3 million in 2024, which was primarily due to an increase of RMB0.7 million in our interest income, primarily comprising the increased interest generated from our expanded bank credit facilities and higher acceptance bill deposits and customer guarantee deposits driven by our growing sales volume in 2024, partially offset by a decrease of RMB0.5 million in government grants, as certain subsidy received by our Group in 2023 (an SME relief subsidy of RMB1.0 million) was one-off in nature and not repeated in 2024.

Selling and Marketing Expenses

Our selling and distribution expenses increased by 124.9% from RMB3.4 million in 2023 to RMB7.6 million in 2024, which was primarily due to (i) an increase of RMB2.1 million in advertising expenses for our increased marketing and promotional activities in China and abroad; (ii) an increase of RMB0.8 million in employee compensation as a result of the expansion of our sales and marketing team; and (iii) an increase of RMB0.7 million in inspection fees for standard testing and certification.

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Administrative Expenses

Our administrative expenses increased by 86.4% from RMB17.4 million in 2023 to RMB32.4 million in 2024, which was primarily due to (i) an increase of RMB10.7 million in employee compensation for our increased number of administrative staff; (ii) an increase of RMB1.4 million in office expenses relating to the expansion of our office spaces; and (iii) an increase of RMB1.3 million in travel expenses mainly due to more frequent business trips of our administrative personnel in China and abroad in connection with our business expansion.

Research and Development Expenses

Our research and development expenses increased by 79.7% from RMB19.0 million in 2023 to RMB34.1 million in 2024, which was primarily due to (i) an increase of RMB10.3 million in employee compensation mainly as a result of product development and technology iteration, as well as establishing our in-house hardware and software research and development teams, which increased our research and development headcount, and (ii) an increase of RMB2.7 million in raw material costs, as we undertook an increased number of large-scale R&D projects during the year.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment losses under ECL model, net of reversal, increased from RMB1.8 million in 2023 to RMB4.0 million in 2024, which was in line with the increase in our trade receivables and contract assets.

Changes in Carrying Amounts of Redemption Liabilities

Our changes in carrying amounts of redemption liabilities increased from RMB6.1 million for the year ended December 31, 2023 to RMB8.2 million for the year ended December 31, 2024, primarily due to an increase in our equity value, which affected the redemption price payable as part of the investment agreements we entered into with two of our shareholders.

Finance Costs

Our finance costs increased by 31.5% from RMB3.9 million in 2023 to RMB5.1 million in 2024. The increase was primarily due to (i) an increase in interests on discounting bills receivables of RMB1.2 million, primarily as we discounted an increased amount of bills to obtain cash; and (ii) an increase in interests on bank and other borrowings of RMB0.5 million, as a result of the increase in borrowing costs in short-term bank loans based on our increasing funding needs associated with our business expansion; partially offset by a decrease of RMB0.5 million in interests on lease liabilities, which was mainly attributable to the reduction in the outstanding balance of lease liabilities as we made contractual payments thereon.

Income Tax Expense

Our income tax expense increased by 446.4% from RMB3.4 million in 2023 to RMB18.5 million in 2024, mainly due to an increase in our profit before tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 136.3% from RMB40.7 million in 2023 to RMB96.3 million in 2024.

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DESCRIPTION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Current Assets and Current Liabilities

The table below sets forth the breakdown of our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of April 30,	As of June 30,
	2023	2024	2025	2026	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (Unaudited)
Current assets:					
Inventories	228,497	339,239	379,681	606,519	865,054
Trade, bills and other receivables	204,439	743,095	1,167,282	1,243,094	1,217,210
Contract assets	21,543	83,087	118,365	111,013	128,942
Tax recoverable	—	176	492	910	—
Financial assets at fair value through profit or loss	5,000	—	—	—	—
Restricted bank deposits.	79,022	30,191	624,753	652,727	523,323
Cash and cash equivalents	52,154	77,823	262,445	175,885	199,423
Total current assets . . .	590,655	1,273,611	2,553,018	2,790,148	2,933,951
Current liabilities:					
Trade, bills and other payables	438,107	990,921	1,870,753	1,653,387	1,527,477
Contract liabilities	37,888	26,362	144,060	212,412	146,230
Tax payable	3,767	9,251	25,777	8,476	3,816
Bank and other borrowings	46,524	139,056	187,378	533,477	805,793
Provisions	244	487	966	1,246	1,543
Redemption liabilities . .	47,115	55,361	—	—	—
Lease liabilities	8,083	8,107	9,989	12,166	12,216
Total current liabilities.	581,728	1,229,545	2,238,923	2,421,164	2,497,075
Net current assets	8,927	44,066	314,095	368,984	436,877

Our net current assets increased from RMB8.9 million as of December 31, 2023 to RMB44.1 million as of December 31, 2024, primarily due to an increase in our total current assets outpacing the increase in our total current liabilities. Our total current assets increased from RMB590.7 million as of December 31, 2023 to RMB1,273.6 million as of December 31, 2024, mainly due to (i) the increase of RMB538.7 million in trade, bills and other receivables, primarily as a result of the increase in sales of integrated ESS solutions and ESS products, (ii) the increase of RMB110.7 million in inventories, mainly due to the increase of finished goods and work in progress as a result of our business expansion, and (iii) an increase of RMB25.7 million in cash and cash equivalents. Our total current liabilities increased from RMB581.7 million as of December 31, 2023 to RMB1,229.5 million as of December 31, 2024, mainly due to (i) an increase of RMB552.8 million in trade, bills and other payables, which was in line with our business expansion in 2024; and (ii) an increase of RMB92.5 million in bank and other borrowings, primarily as a result of increased working capital requirements as our business growth

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accelerated; partially offset by a decrease of RMB11.5 million in our contract liabilities due to the recognition of revenue for the sales of our ESS products in a number of projects that were launched in 2023 and completed in 2024.

Our net current assets increased from RMB44.1 million as of December 31, 2024 to RMB314.1 million as of December 31, 2025, primarily due to an increase in our total current assets outpacing the increase in our total current liabilities. Our total current assets increased from RMB1,273.6 million as of December 31, 2024 to RMB2,553.0 million as of December 31, 2025, mainly due to an increase of RMB424.2 million in trade, bills and other receivables as net trade receivables increased by RMB205.1 million, primarily due to new receivables from a customer, aged within 90 days, and the increase of net other receivables and prepayments by RMB219.7 million, mainly reflecting an increase of RMB133.6 million in the principal of loans advanced to Yunnan Lingwei. Our total current liabilities increased from RMB1,229.5 million as of December 31, 2024 to RMB2,238.9 million as of December 31, 2025, mainly due to (i) an increase of RMB879.8 million in trade, bills and other payables, as our business scale expanded in 2025, our procurement costs increased correspondingly to ensure production continuity and supply chain stability, which also led to a higher outstanding payables balance. As confirmed by Frost & Sullivan, such increase was in line with our business growth and the normal commercial practice within our industry; and (ii) an increase of RMB117.7 million in contract liabilities, mainly because we received increased amount of advanced payments for certain projects prior to the deployment of our ESS solutions as we expanded our business scale in 2025.

Our net current assets increased from RMB314.1 million as of December 31, 2025 to RMB369.0 million as of April 30, 2026, primarily due to an increase in our total current assets outpacing the increase in our total current liabilities. Our total current assets increased from RMB2,553.0 million as of December 31, 2025 to RMB2,790.1 million as of April 30, 2026, mainly due to an increase of RMB226.8 million in inventories, mainly attributable to (i) raw materials rising from RMB15.7 million to RMB99.9 million, as we procured raw materials (particularly lithium-ion battery cells) in advance to support multiple projects scheduled for delivery in 2026 mainly in China and the United States; and (ii) work in progress increasing from RMB4.2 million to RMB129.3 million, for several product sales or active projects we secured as of the Latest Practicable Date, particularly a 400 MWh ESS product sales in Guangxi Province, an 80 MWh large-scale project in Chile and a 16 MWh C&I project in Poland. Our total current liabilities increased from RMB2,238.9 million as of December 31, 2025 to RMB2,421.2 million as of April 30, 2026, mainly due to an increase of RMB346.1 million in bank and other borrowings, primarily attributable to additional short-term working capital loans obtained to expand production capacity and supplement working capital; partially offset by the decrease of RMB217.4 million in trade, bills and other payables, primarily because we had relatively less procurement activities in the four months ended April 30, 2026 and we made payments to previous outstanding balances.

Our net current assets increased from RMB369.0 million as of April 30, 2026 to RMB436.9 million as of June 30, 2026, primarily due to the increase in our total current assets outpacing the increase in our total current liabilities. Our increase in total current assets was primarily driven by an increase in inventories, whereas our total liabilities increased mainly due to an increase in bank and other borrowings.

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Inventories

Our inventories primarily consist of raw materials, work in progress and finished goods. The following table sets forth a summary of our balance of inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Raw materials	180,026	239,800	15,677	99,853
Work in progress	6,480	9,335	4,227	129,270
Finished goods	41,991	90,104	359,777	377,396
Total	228,497	339,239	379,681	606,519

Our inventories increased from RMB228.5 million as of December 31, 2023 to RMB339.2 million as of December 31, 2024, primarily due to (i) an increase of RMB59.8 million in raw materials primarily due to the procurement of battery cells in advance in anticipation of one of our deployments scheduled in 2025 and (ii) an increase of RMB48.1 million in finished goods, which mainly comprised our ESS products for deployments in certain projects in China.

Our inventories increased from RMB339.2 million as of December 31, 2024 to RMB379.7 million as of December 31, 2025, primarily due to an increase of RMB269.7 million in finished goods in relation to certain projects that had not yet reached customer acceptance as of December 31, 2025, including, but not limited to, project deployments for both domestic and overseas markets, as well as an original planned project deployment in Songming, the products of which worth RMB172.1 million were finished but not expected to be further pursued after friendly negotiation with the customer. We expect to re-purpose the existing finished goods of this project for other similar projects, partially offset by a decrease of RMB224.1 million in raw materials, primarily because a significant amount of raw materials had been utilized as part of our finished goods in 2025.

Our inventories increased from RMB 379.7 million as of December 31, 2025 to RMB606.5 million as of April 30, 2026, primarily due to (i) an increase of RMB125.0 million in work in progress in relation to several product sales or active projects we secured as of the Latest Practicable Date, particularly a 400 MWh ESS product sales in Guangxi Province, an 80 MWh large-scale project in Chile and a 16 MWh C&I project in Poland as of April 30, 2026, and (ii) an increase of RMB84.2 million in raw materials as we procured raw materials (particularly lithium-ion battery cells) in advance to support multiple projects scheduled for delivery in 2026 mainly in China and the United States.

The following table sets out the aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Within 6 months	208,414	120,401	269,841	421,768
6 months to 1 year	19,814	217,510	82,172	180,379
1 year to 2 years	269	1,147	26,806	2,918
2 years to 3 years	—	181	735	1,242
Over 3 years	—	—	127	212
Total	228,497	339,239	379,681	606,519

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The inventories aged 1 year to 2 years increased significantly from RMB1.1 million as of December 31, 2024 to RMB26.8 million as of December 31, 2025, primarily due to the natural aging of inventory, as certain inventories previously classified as within one year as of December 31, 2024 moved into the one-to-two-year category in 2025.

The following table sets forth our average inventory turnover days for the periods indicated:

	For the Year Ended December 31,			For the Four Months Ended April 30,
	2023	2024	2025	2026
Average inventory turnover days ⁽¹⁾	179	110	84	291

Note:

- (1) The average inventory turnover days for a certain year (or period) is the average of opening and closing inventory balances divided by the cost of sales and multiplied by 365 days (or the number of days in the relevant period).

Our inventory turnover days decreased from 179 days in 2023 to 110 days in 2024, primarily because we experienced a peak in sales and revenue recognition in the fourth quarter of 2024, resulting in a significant and corresponding increase in cost of sales, which outpaced the increase in the average balance of our inventory. Our inventory turnover days decreased from 110 days in 2024 to 84 days in 2025, mainly because we had utilized a high amount of our inventories for projects deployments in 2025 as compared to the end of 2024. Our inventory turnover days increased from 84 days in 2025 to 291 days in the four months ended April 30, 2026, mainly due to higher inventory levels maintained in anticipation of project deliveries in the second half of 2026 when a number of projects are scheduled for completion and acceptance.

As of June 30, 2026, approximately RMB262.9 million, or 43.3%, of our inventories as of April 30, 2026 had been sold or utilized. The relatively low subsequent utilization was primarily due to project delivery schedules and the timing of customer acceptance. Sufficient provision for inventories has been made based on their net realizable value in accordance with the applicable accounting standards.

We conducted impairment assessments on inventories in accordance with applicable accounting standards, taking into account inventory aging, expected utilization and sales, industry price movements, and estimated net realizable value. Inventories were stated at the lower of cost and net realisable value, and we were satisfied that adequate write-downs had been made such that the carrying value of inventories was fairly stated.

Trade, Bills and Other Receivables and Contract Assets

Our trade, bills and other receivables and contract assets (current portion) receivables primarily consist of (i) trade receivables at amortized costs from third parties, representing sales of our products or services on credit terms; (ii) bills receivables at FVTOCI, representing banker’s acceptance bills that we receive from our customers; (iii) other receivables and prepayments; and (iv) contract assets relating to the sales of our ESS solutions and products.

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The following table sets forth a breakdown of our current trade, bills and other receivables and contract assets as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Trade receivables at amortized costs				
— Third parties	105,417	625,127	837,620	685,316
— A related party	—	815	—	—
Less: impairment loss allowance	(1,605)	(3,744)	(10,370)	(20,497)
Trade receivables, net	103,812	622,198	827,250	664,819
Bills receivables at FVTOCI	51,554	70,826	70,294	64,598
	155,366	693,024	897,544	729,417
Other receivables and prepayments				
Prepayments to suppliers	11,631	1,894	44,830	247,116
Deposits	1,669	1,618	5,534	5,994
VAT recoverable	26,610	27,390	12,556	46,382
Loans receivables from third parties . . .	—	9,350	146,688	148,676
Loan receivable from a non-controlling shareholder of a subsidiary	—	—	25,112	25,617
Amounts due from related parties	3,020	—	14,707	—
Others	6,143	10,284	19,461	36,958
Deferred issue costs	—	—	2,484	4,234
	49,073	50,536	271,372	514,977
Less: impairment loss allowance for other receivables	—	(465)	(1,634)	(1,300)
	49,073	50,071	269,738	513,677
Total	204,439	743,095	1,167,282	1,243,094
Contract assets				
Contract assets for sales of products, analyzed as current	22,161	85,105	124,898	116,626
Less: impairment loss allowance	(618)	(2,018)	(6,533)	(5,613)
Contract assets, net	21,543	83,087	118,365	111,013

Our current trade, bills and other receivables increased from RMB204.4 million as of December 31, 2023 to RMB743.1 million as of December 31, 2024, primarily as a result of (i) an increase of RMB518.4 million in trade receivables as our business experienced significant expansion in 2024, resulting in increased sales of integrated ESS solutions and ESS products; and (ii) an increase of RMB19.3 million in bills receivables, primarily because our business expanded and we collected additional bills from certain of our customers in 2024.

Our current trade, bills and other receivables increased from RMB743.1 million as of December 31, 2024 to RMB1,167.3 million as of December 31, 2025, primarily due to (i) an increase of RMB205.1 million in trade receivables, in line with our business expansion; (ii) an increase in loans receivables from third parties of RMB137.3 million, primarily relating to the loans we extended to Yunnan Lingwei; (iii) an increase in prepayments to suppliers of RMB42.9 million, which primarily represented prepayments to suppliers for raw materials; (iv) an increase of RMB25.1 million in loan receivable from Emergen Energy, LLC (“**Emergen**”) (the 20% non-controlling shareholder of GridSpan Energy LLC (“**GridSpan**”), one of our U.S. subsidiaries, in which our Company holds an 80% interest)

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as of December 31, 2025; and (v) an increase in amounts due from related parties of RMB14.7 million, which primarily represented the amount due from Shenzhen Zhixin Yuntou New Energy Co., Ltd. (深圳市致信雲投新能源有限公司) (“**Zhixin Yuntou**”), a company controlled by Zhixin Boyan, an entity controlled by Mr. Wang and Ms. Zhang, as of December 31, 2025.

Loan to Emergen. The loan to Emergen is non-trade in nature, bears a fixed interest rate of 12.0% per annum, which is in line with prevailing market practice, according to Frost & Sullivan. Such loan was originally intended to support the joint venture arrangement between our Group and Emergen through GridSpan, under which GridSpan would invest in selected energy storage projects in the United States identified and transferred by Emergen. During the Track Record Period, GridSpan did not invest in any project under the original collaboration model. Subsequently, the collaboration model was revised. Instead of GridSpan investing in such projects, Emergen identifies and introduces potential projects to our Group, and we directly deploy or sell our integrated ESS solutions and products. As of the Latest Practicable Date, the loan remained outstanding as it was entered into in December 2025 with a term of one year from the date of loan disbursement and had not yet matured. The loan is expected to be repaid by the end of 2026. Our U.S. legal advisor is of the opinion that the arrangement between GridSpan, our U.S. subsidiary, and Emergen complies with the U.S. statutory laws typically applicable to arrangements similar to the loan to Emergen made on the terms and for the purposes stated in the agreements governing such loan.

Loan to Zhixin Yuntou. The loan to Zhixin Yuntou is non-trade in nature, bears a fixed interest rate of 4.0% per annum, which is in line with prevailing market practice, according to Frost & Sullivan. Such loan arrangement arose from ordinary course fund lending arrangements between our Group and Zhixin Yuntou as a related party to our Company. Zhixin Yuntou applied the loan for its daily working capital, investment in energy storage projects and general corporate purposes. Such amount had been fully settled on January 8, 2026.

Loan to Yunnan Lingwei. On March 20, 2024, we entered into a loan agreement with Yunnan Lingwei, pursuant to which we provided a short-term loan facility in the amount of RMB150.0 million to Yunnan Lingwei (an energy storage asset investment company in which our Company holds an 18% equity interest as of the Latest Practicable Date) to support its business operations. For each draw-down, Yunnan Lingwei is required to make repayment within one year from the draw-down date. We held 18% equity interest in Yunnan Lingwei as of the Latest Practicable Date. The loan facility expires on December 31, 2026 and bears a fixed interest rate of 4.0% per annum, which is in line with prevailing market practice, according to Frost & Sullivan.

Our Company had strategically provided short-term loans with an outstanding principal balance of RMB141.3 million and accrued interest receivable of RMB4.7 million as of April 30, 2026. Such loans were provided on a pro rata basis by our Company together with the majority shareholder of Yunnan Lingwei, in proportion to our respective shareholding interests. As of the Latest Practicable Date, the wholly owned subsidiaries of Yunnan Lingwei were developing the Four Yunnan Projects, with a total investment of over RMB1.0 billion, and the loans were extended specifically to support the construction and investment funding requirements of these projects. During the Track Record Period, we provided integrated ESS solutions and O&M entrusted power trading services in the Four Yunnan Projects at fair market prices and on normal commercial terms. Our Company’s decision to provide the loans was driven by its shareholder relationship with Yunnan Lingwei and its commercial interest in supporting the development of these projects. In terms of scale of operations, Yunnan Lingwei’s four large-scale energy storage stations in such Four Yunnan Projects generated annual electricity revenue of approximately RMB300 million in aggregate, reflecting the substantive nature of its business operations.

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As of the Latest Practicable Date, the loan to Yunnan Lingwei had not been fully settled, primarily because we remained optimistic about the development prospects of its energy storage power stations and have allowed such funds to support the accelerated development and operation of the relevant projects. In addition, as we hold an 18% equity interest in Yunnan Lingwei, we expect to benefit proportionately from its future performance and returns, which aligned our interests with the continued growth of the projects.

According to the General Lending Provisions (《貸款通則》), only financial institutions may legally engage in the business of extending loans, and engaging in business of extending loans in violation of PRC national laws and regulations between companies that are not financial institutions are prohibited. According to the Provisions of the Supreme People’s Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (《最高人民法院關於審理民間借貸案件適用法律若干問題的規定》) (the “Private Lending Provisions”), the validity and legality of financing arrangements and lending transactions between non-financial institutions are recognized subject to certain conditions, such as the loans are use for business operation purposes and do not fall within the specified circumstances outlined in the Civil Code of the PRC (《中華人民共和國民法典》) and Private Lending Provisions.

During the Track Record Period and up to the Latest Practicable Date, (i) lending was not our primary business and all the arrangements are made based on genuine business operations; (ii) the interest rates of such loans did not exceed the rate provided by Private Lending Provisions; (iii) there were no disputes or controversies between us and such borrowers in relation to the loans; and (iv) the Group had not been subject to any administrative penalties, investigations, or enforcement actions and did not receive any notice from any regulatory authority with respect to the provision of the loans described above. Based on the basis above, our PRC Legal Advisor is of the view that the arrangements in respect of the loans provided to each of Zhixin Yuntou and Yunnan Lingwei are in compliance with the applicable PRC laws and regulations, and do not violate any applicable PRC laws and regulations in all material aspects.

Our current trade, bills and other receivables increased from RMB1,167.3 million as of December 31, 2025 to RMB1,243.1 million as of April 30, 2026, primarily due to (i) an increase of RMB202.3 million in prepayments to suppliers, mainly due to additional procurement in advance to secure a stable supply of core equipment and raw materials, in line with our expanding business scale; (ii) an increase of RMB33.8 million in VAT recoverable, primarily in line with ongoing procurement activities and operating expenditures; partially offset by a decrease of RMB162.4 million in trade receivables, mainly attributable to increased collections of outstanding balances from customers during the four months ended April 30, 2026.

Other receivables and prepayments during the Track Record Period primarily comprised (i) loan receivables from third parties, primarily relating to the loans we extended to Yunnan Lingwei, (ii) prepaid taxes arising from invoices issued to customers ahead of revenue recognition, and (iii) prepayments to suppliers for raw materials and professional services. The gross amounts of other receivables and prepayments increased from RMB49.1 million as of December 31, 2023 to RMB50.5 million as of December 31, 2024, RMB271.4 million as of December 31, 2025, and further to RMB515.0 million as of April 30, 2026, primarily driven by our rapid business expansion. In particular, the prepayments to suppliers increased from RMB1.9 million as of December 31, 2024 to RMB44.8 million as of December 31, 2025 and further to RMB247.1 million as of April 30, 2026, primarily for raw materials we procured to support the significantly increase in the sales volume of our ESS solutions and products. Others, mainly comprising prepaid taxes, increased from RMB6.1 million as of December 31, 2023 to RMB10.3 million as of December 31, 2024, to RMB19.5 million as of December 31, 2025, and further to RMB37.0 million as of April 30, 2026, primarily attributable to an increase in advance invoicing as business volume grew, resulting in higher prepaid taxes. These movements were consistent with our Group’s growth trajectory and reflected normal business practice.

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The following table sets forth, our trade receivables turnover days for the periods indicated:

	For the Year Ended December 31,			As of
	2023	2024	2025	April 30,
				2026
			(days)	
Trade receivables turnover days ⁽¹⁾	65	117	143	326

Note:

- (1) Trade receivables turnover days for the year (or period) equal the average of the beginning and ending gross amount of trade receivables for the year (or period) divided by revenue for the same year (or period) and multiplied by 365 days (or the number of days in the relevant period).

In 2023, 2024 and 2025, our trade receivables turnover days were 65 days, 117 days and 143 days, respectively. The increase in our trade receivables turnover days during the Track Record Period was mainly due to our concentrated recognition of revenue in the fourth quarter of the 2025, which led to a temporary increase in the year-end trade receivables balance; such change was in line with our business expansion and was reflective of the rapid growth of the industry. The turnover days increased significantly to 326 days in the four months ended April 30, 2026, mainly because revenue of RMB122.1 million from Hungary during the period, for which only a small advance payment had been received. The remaining balance resulted in a significant increase in trade receivables as of April 30, 2026, thereby increasing turnover days. Such turnover days are expected to decrease as the outstanding balance of completed projects are progressively settled in 2026. As confirmed by Frost & Sullivan, the relatively long turnover days are in line with prevailing market trend.

As of June 30, 2026, RMB38.3 million, or 5.6%, of our trade receivables as of April 30, 2026 had been subsequently settled, primarily because limited collections were received during May and June 2026. The majority of the outstanding balances had not yet reached their contractual payment milestones under the agreed credit terms and were therefore not yet due. Appropriate impairment provisions for trade receivables have been made in accordance to accounting standards, and no material issues of recoverability have been identified as of the Latest Practicable Date.

With respect to trade receivables, the low subsequent settlement rate during the Track Record Period did not indicate material recoverability risk, as the outstanding balances were owed by long-standing customers with sound credit profiles and strong ability to perform, with no instances of material default or deterioration in creditworthiness observed. We had in place a comprehensive receivables management framework covering regular reconciliation, dynamic monitoring of collection progress, and expected credit loss provisioning, and we were satisfied that the expected credit loss allowances recorded were adequate and that the trade receivables were recoverable in all material respects.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at FVTFL (current portion) mainly consist of wealth management products at fair value. All investments in wealth management products had maturity date within one year. As of December 31, 2023, 2024, 2025 and April 30, 2026, our investment in wealth management products was RMB5.0 million, nil, nil and nil, respectively. The balance of our investments in wealth management products was nil and nil as of December 31, 2024 and 2025 because we redeemed structured deposits upon maturity before December 31, 2024 and no wealth management products were purchased in 2025, respectively.

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Our financial assets subject to Level 2 and 3 fair value measurement mainly included unlisted financial products at FVTPL (current portion) and unlisted equity investments (non-current portion). These assets were measured mainly using discounted cash flows method and recent transaction method. See note 35 to the Accountants’ Report as set out in Appendix I to this document.

Our Investment Policy and Risk Management Measures

We aim to maintain a reasonable level of cash and cash equivalents to support our day-to-day operations, capital expenditures and R&D activities. We deploy surplus short-term funds in low-risk and/or highly-rated wealth management products issued by reputable financial institutions to optimize returns while safeguarding liquidity and principal. We do not engage in speculative trading activities. To regulate these investment activities, control risks, and safeguard our assets, we have established an external investment management system, under which all investments are subject to a rigorous evaluation and approval process.

Our internal control measures regarding investment activities include the following:

(i) Approval Hierarchy and Decision-Making Authority

We have implemented a hierarchical approval process based on the materiality and significance of the investment. No investment may be executed without authorization from the appropriate governing body: (i) **shareholders’ general meeting**: the shareholders’ general meeting is the highest decision-making body for material investments. Approval from the shareholders is strictly required for investments where the transaction amount, total asset values, or relevant financial ratios exceed 25% of our corresponding audited financial metrics, or as otherwise required by the relevant rules and our Articles of Association; (ii) **Board of Directors**: the Board is responsible for approving investments that meet specific materiality thresholds and formulating our overall investment strategies; and (iii) **chief executive officer**: for investment matters falling below the decision-making thresholds of the Board, the chief executive officer is authorized to approve such transactions, provided they are within the specific scope and limits authorized by the Board.

(ii) Special Controls for Financial and Securities Investments

We maintain heightened scrutiny over securities investments, entrusted wealth management, and derivatives. The Board and shareholders’ general meeting exercise prudent decision-making for securities investments, reasonably arranging and utilizing funds while focusing on our principal business and strictly controlling investment risks. Pursuant to the relevant policy, strictly defined decision-making procedures apply to the following activities:

- **Non-Delegation of Authority**: The authority to approve securities investments, entrusted wealth management, or derivative transactions is vested exclusively in the Board or the shareholders’ general meeting. The Board and shareholders do not delegate this specific approval authority to individual directors or senior management.
- **Investment Counterparty Selection**: For entrusted wealth management, we select qualified professional institutions with good credit standing, sound financial condition, no adverse integrity records, and strong profitability. We enter into written agreements with such institutions specifying the amount, term, investment types, rights, obligations, and liabilities.
- **Feasibility Analysis**: Prior to the execution of any such investment, the Board organizes an investment project evaluation team or engages qualified intermediaries to conduct a feasibility analysis, evaluating the potential returns and risks to ensure the investment aligns with our financial condition and complies with applicable regulations and internal policies.

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(iii) *Execution, Monitoring, and Post-Investment Management*

- **Implementation:** The chief executive officer is responsible for organizing the implementation of external investments after approval is granted. The finance department is responsible for raising funds, handling financial procedures including industrial and commercial registration, tax registration, and bank account opening, and executing payments.
- **Short-term Investment Planning:** For short-term investments, our investment analysts are required to pre-select investment opportunities based on macroeconomic conditions. They must compile an annual short-term investment plan based on the profitability and safety of the target. This plan is subject to review and approval by the chief executive officer, Board, or shareholders according to the prescribed limits.
- **Ongoing Tracking and Reporting:** During the investment holding period, the finance department is responsible for periodically monitoring the usage and balance of securities investment funds. If material changes occur in the investment project, such as significant losses, litigation, or arbitration, the responsible department must immediately report to the Board to facilitate timely decision-making.
- **Audit and Supervision:** We conduct comprehensive inventories of our long and short-term investments at the end of each financial year. Our audit department and finance department supervise investment projects and rectify any irregularities.
- **Disposal and Recovery:** Investment recovery, transfer, or write-off must be approved by the Board or shareholders’ general meeting according to prescribed thresholds.

After the [REDACTED], our investments in wealth management products will be subject to the compliance with Chapter 14 of the Listing Rules. We will strictly comply with our risk management policies and internal control measures, Articles of Association and the requirements under Chapter 14 of the Listing Rules when making investments in wealth management products after the [REDACTED].

Restricted Bank Deposits and Cash and Cash Equivalents

Our restricted bank deposits (current portion) are mainly funds held in dedicated bank accounts that are specifically set aside for securing credit facilities and guaranteeing banking facilities for the repayments of bank borrowings, bills payables and letters of credit that are due within one year from the end of the respective periods by us, as well as for issuing banker’s acceptance. Our cash and cash equivalents are mainly bank deposits and cash. Our restricted bank deposits and cash at banks bear interest at floating rates based on daily bank deposit rates.

The balance of our restricted bank deposits (current portion) amounted to RMB79.0 million, RMB30.2 million, RMB624.8 million and RMB652.7 million as of December 31, 2023, 2024 and 2025 and as of April 30, 2026, respectively.

Our cash and cash equivalents amounted to RMB52.2 million, RMB77.8 million, RMB262.4 million and RMB175.9 million as of December 31, 2023, 2024 and 2025 and as of April 30, 2026.

The bank balances are deposited with creditworthy banks with no recent history of default. We had assessed the credit risk of cash and cash equivalents and restricted cash as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively, to be minimal as they were placed in reputable financial institutions. Our Directors confirm that our cash and cash equivalents were maintained at a prudent level for the purpose of satisfying the requirements for our daily business operations.

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Trade, Bills and Other Payables

Our trade, bills and other payables (current portion) primarily represent the payables by us to third parties, mainly our suppliers for raw materials.

The following table sets forth a breakdown of our trade, bills and other payables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Trade payables	294,468	892,098	1,168,734	956,000
Bills payables	126,349	63,780	653,743	643,567
	420,817	955,878	1,822,477	1,599,567
Salaries and wages payables	3,066	7,350	10,955	4,314
Other taxes payables	6,916	6,126	17,267	26,550
Payables for purchases of property, plant and equipment	1,392	11,773	16,610	15,339
Payables for product insurances	—	5,391	—	—
Other payables	5,916	4,403	1,299	6,771
Accrued [REDACTED] and issue costs	—	—	[REDACTED]	[REDACTED]
	17,290	35,043	48,276	53,820
	438,107	990,921	[REDACTED]	[REDACTED]

As of December 31, 2023, 2024 and 2025 and April 30, 2026, the balance of our trade, bills and other payables amounted to RMB438.1 million, RMB990.9 million, RMB1,870.8 million and RMB1,653.4 million, respectively.

Our trade, bills and other payables increased from RMB438.1 million as of December 31, 2023 to RMB990.9 million as of December 31, 2024, and further to RMB1,870.8 million as of December 31, 2025. Such increase was in line with our continued business expansion in 2024 and 2025 as we stepped up procurement of core equipment and raw materials to ensure production continuity and supply chain stability. Our trade, bills and other payables decreased from RMB1,870.8 million as of December 31, 2025 to RMB1,653.4 million as of April 30, 2026, primarily because we made payments to settle previous outstanding balances.

Our trade payables are normally settled within 180 days from the time when the goods are received from the suppliers, which is in line with industry norm, according to Frost & Sullivan. The following table sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Within 180 days	285,292	708,439	776,428	577,654
181 days to one year	2,980	27,516	218,307	110,735
Over one year	6,196	156,143	173,999	267,611
	294,468	892,098	1,168,734	956,000

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The following table sets forth our trade payables turnover days for the periods indicated:

	For the Year Ended December 31,			For the Four Months Ended April 30,
	2023	2024	2025	2026
Trade payables turnover days ⁽¹⁾	205	230	240	627

Note:

- (1) Trade payables turnover days for the year (or period) equal the average of the beginning and ending trade payables for the year (or period) divided by cost of sales for the same year (or period) and multiplied by 365 days (or the number of days in the relevant period).

In 2023, 2024 and 2025, our trade payables turnover days were 205 days, 230 days and 240 days, respectively. Our trade payables turnover days increased during the Track Record Period primarily attributable to the increase in our total purchase amounts as our business expanded, which resulted in longer settlement cycles in practice. In addition, during the downward cycle of battery cell prices, suppliers were generally more willing to accept extended payment terms under prevailing market conditions. In the four months ended April 30, 2026, our trade payables turnover days increased to 627 days, which primarily reflected the timing of our substantial pre-production inventory purchases for projects scheduled for the second half of 2026, for which payments were not yet due as at April 30, 2026. The trade payables turnover days are expected to revert to historical level as we complete the relevant payments. See “— Trade, Bills and Other Receivables and Contract Assets” in this section. As confirmed by Frost & Sullivan, the relatively long turnover days are in line with prevailing market trend.

As of June 30, 2026, RMB333.5 million, or 34.9%, of our trade payables as of April 30, 2026 had been subsequently settled, which is consistent with our normal payment terms, as majority of the payables were not yet due for settlement.

Contract Liabilities

Our contract liabilities mainly represent amounts received in advance for sales of products or solutions. Our contract liabilities decreased from RMB37.9 million as of December 31, 2023 to RMB26.4 million as of December 31, 2024, primarily due to the recognition of revenue upon the subsequent completion in 2024 of our deployment of integrated ESS solutions in a number of projects launched in 2023 and completed in 2024. Our contract liabilities increased from RMB26.4 million as of December 31, 2024 to RMB144.1 million as of December 31, 2025, primarily because our higher business volume in 2025 resulted in greater advance payments received from certain customers for our integrated ESS solutions in 2025 according to the relevant payment arrangements. Our contract liabilities increased from RMB144.1 million as of December 31, 2025 to RMB212.4 million as of April 30, 2026, primarily due to increased customer advances in line with our business expansion.

As of June 30, 2026, RMB83.9 million, or 39.5%, of our contract liabilities as of April 30, 2026 had been subsequently settled, which is consistent with our project delivery cycle, considering that substantial majority of the projects are scheduled for completion in second half of 2026.

Provision

Provision was made for estimated warranty claims in respect of the sales of energy storage systems under the sales agreements, which were still under warranty at the end of each period of the Track Record Period. These claims are normally expected to be settled according to the terms of sales contracts.

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The following tables set forth the breakdown of our provision as at the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Current:				
Product warranties	244	487	966	1,246
Non-current:				
Product warranties	445	1,159	3,019	3,741
Total	689	1,646	3,985	4,987

Certain Key Items of Non-current Assets and Non-current Liabilities

Property, Plant and Equipment

Our property, plant and equipment primarily consist of (i) leasehold improvements, (ii) machinery, (iii) office equipment, motor vehicles and others, and (iv) construction in progress. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our property, plant and equipment amounted to RMB51.9 million, RMB83.8 million, RMB109.1 million and RMB120.5 million, respectively.

The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Leasehold improvements	10,123	6,723	2,859	4,817
Machinery	20,916	40,398	39,122	39,582
Office equipment, motor vehicles and others	4,915	7,147	7,419	8,057
Construction in progress	15,990	29,506	59,711	68,068
	51,944	83,774	109,111	120,524

Our property, plant and equipment increased from RMB51.9 million as of December 31, 2023 to RMB83.8 million as of December 31, 2024, primarily due to (i) an increase in machinery of RMB19.5 million, which is largely driven by our increased production capacity; and (ii) an increase in construction in progress of RMB13.5 million relating to the commencement of construction of factories.

We had construction in progress of RMB16.0 million, RMB29.5 million, RMB59.7 million and RMB68.1 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. See “Business — Properties — Construction-in-Progress” for details of our factories under construction.

Our property, plant and equipment increased from RMB83.8 million as of December 31, 2024 to RMB109.1 million as of December 31, 2025, primarily because of an increase of RMB30.2 million in the construction-in-progress for our factories under construction, partially offset by a decrease of RMB3.9 million as reduced costs for leasehold improvements.

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Our property, plant and equipment increased from RMB109.1 million as of December 31, 2025 to RMB120.5 million as of April 30, 2026, primarily because of an increase of RMB8.4 million in construction in progress primarily for the battery racks and packs production lines under construction in the Jiaying transitional factory, as well as an increase of RMB2.0 million in leasehold improvements for renovation and fit-out works in line with our business operations.

Right-of-Use Assets

During the Track Record Period, we leased various lands, properties and machineries from independent third parties for our operations. Lease contracts were generally entered into for a fixed term of one to fifty years.

Our right-of-use assets increased from RMB31.6 million as of December 31, 2023 to RMB37.6 million as of December 31, 2024. Such increase was primarily relating to the acquisition of leasehold land of RMB10.9 million for our factory in Liaoning RelyEZ, our subsidiary. Our right-of-use assets increased from RMB37.6 million as of December 31, 2024 to RMB41.9 million as of December 31, 2025, primarily relating to the acquisition of leasehold land of RMB16.2 million for a construction in progress in Zhenjiang, Jiangsu Province. Our right-of-use assets increased from RMB41.9 million as of December 31, 2025 to RMB46.7 million as of April 30, 2026, primarily relating to the renewal of our leases for properties in Jiangsu Province and acquisition of leasehold properties for office purposes.

In assessing whether there is any indication that our Group’s non-financial assets such as property, plant and equipment and right-of-use assets may be impaired, we consider both external and internal sources of information as set out in the relevant accounting standards.

The sales of our ESS solutions and products face certain level of seasonal fluctuations, which can be attributed to various factors, including the fluctuation of the downstream demand and the timing of commissioning and customer acceptance check, that can affect the timing of revenue recognition the sales of ESS solutions and products. During the Track Record Period, we generally recognized a significant portion of revenue in the fourth quarter of each year during the Track Record Period due to the above factors. Taking these factors into considerations, our Directors are of the view that no impairment indicator was identified during the Track Record Period for the non-financial assets, including property, plant and equipment and right-of-use assets, of our Group and our Company.

Financial Assets at Fair Value through Profit or Loss (Non-current Portion)

Our financial assets at FVTPL (non-current portion) primarily represent our equity interests in a private entity established in the PRC. Our Directors believe these investments are for long-term strategic purposes and not for trading, and elect to present subsequent changes in fair value of these equity investments in profit or loss. Accordingly, these equity investments are classified as at FVTPL. We recorded equity investments classified as at FVTOCI of nil, RMB10.8 million, RMB12.3 million and RMB13.0 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively, primarily due to the increase in the fair value of our investment in Yunnan Lingwei, an entity we held minority interest in.

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LIQUIDITY AND CAPITAL RESOURCES

Cash Flows Analysis

During the Track Record Period, we have financed our operations and other capital requirements primarily through cash generated from our business operations, bank borrowings and equity financing. Upon the completion of the [REDACTED], we expect to meet our working capital needs primarily through cash generated from operating activities, bank loans and the net [REDACTED] from the [REDACTED].

The table below sets forth a summary of our cash flows for the periods indicated:

	For the Year Ended December 31,			For the Four Months Ended April 30,	
	2023	2024	2025	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (Unaudited)	(RMB'000)
Net cash from (used in) operating activities	61,832	(40,882)	803,269	45,504	(449,802)
Net cash used in investing activities . .	(95,176)	(7,445)	(846,262)	(121,060)	(70,842)
Net cash from financing activities . . .	73,569	74,166	227,624	59,871	434,219
Net increase in cash and cash equivalents	40,225	25,839	184,631	(15,685)	(86,425)
Effect of changes in exchange rates . .	—	(170)	(9)	—	(135)
Cash and cash equivalents at beginning of the year	11,929	52,154	77,823	77,823	262,445
Cash and cash equivalents at end of the year.	52,154	77,823	262,445	62,138	175,885

Net Cash from (Used in) Operating Activities

In 2025, our net cash from operating activities was RMB803.3 million. This net cash inflow was primarily attributable to profit before tax of RMB174.9 million, as adjusted by non-cash and other items to arrive at an operating cash flows before movements in working capital of RMB217.0 million. Our negative movements in working capital primarily reflected (i) an increase in trade, bills and other receivables of RMB314.0 million; (ii) an increase in inventories of RMB40.7 million; and (iii) an increase in contract assets of RMB39.8 million.

In 2024, our net cash used in operating activities was RMB40.9 million. This net cash outflow was primarily attributable to profit before tax of RMB114.8 million, as adjusted by non-cash and other items to arrive at an operating cash flows before movements in working capital of RMB153.4 million. Our negative movements in working capital primarily reflected (i) an increase in trade, bills and other receivables of RMB550.6 million; (ii) an increase in inventories of RMB115.2 million; and (iii) an increase in contract assets of RMB62.9 million; partially offset by an increase in trade, bills and other payables of RMB550.2 million.

In 2023, our net cash from operating activities was RMB61.8 million. This net cash inflow was primarily attributable to profit before tax of RMB44.1 million, as adjusted by non-cash and other items to arrive at an operating cash flows before movements in working capital of RMB71.5 million. Our negative movements in working capital primarily reflected (i) an increase in trade, bills and other

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receivables of RMB112.8 million; (ii) an increase in inventories of RMB125.1 million; and (iii) a decrease in contract liabilities of RMB51.6 million; partially offset by an increase in trade, bills and other payables of RMB298.1 million.

In the four months ended April 30, 2026, our net cash used in operating activities was RMB449.8 million. This net cash outflow was primarily attributable to profit before tax of RMB23.7 million, as adjusted by non-cash and other items to arrive at an operating cash flows before movements in working capital of RMB41.3 million, and our negative movements in working capital primarily reflected (i) an increase in inventories of RMB228.0 million; (ii) a decrease in trade, bills and other payables of RMB217.1 million; and (iii) an increase in trade, bills and other receivables of RMB98.1 million; partially offset by an increase in contract liabilities of RMB68.4 million.

Net Cash Used in Investing Activities

In 2025, our net cash used in investing activities was RMB846.3 million, primarily attributable to (i) placements of restricted bank deposits of RMB712.1 million; and (ii) loans to third parties of RMB217.6 million; partially offset by (i) repayment of loans from third parties of RMB83.1 million, and (ii) withdrawal of restricted bank deposits of RMB76.7 million.

In 2024, our net cash used in investing activities was RMB7.4 million, primarily attributable to (i) placements of restricted bank deposits of RMB217.9 million; (ii) purchases of financial assets at FVTPL of RMB214.8 million; (iii) advance to a related party of RMB71.4 million; and (iv) loan to a third party of RMB57.9 million; partially offset by (i) withdrawal of restricted bank deposits of RMB266.7 million; (ii) proceeds from disposal of financial assets at FVTPL of RMB209.4 million; and (iii) repayment from a related party of RMB74.4 million.

In 2023, our net cash used in investing activities was RMB95.2 million, primarily attributable to (i) placements of restricted bank deposits of RMB130.6 million; (ii) purchases of financial assets at FVTPL of RMB113.1 million; and (iii) purchases of property, plant and equipment of RMB33.6 million; partially offset by (i) proceeds from disposal of financial assets at FVTPL of RMB108.2 million; and (ii) withdrawal of restricted bank deposits of RMB75.1 million.

In the four months ended April 30, 2026, our net cash used in investing activities was RMB70.8 million, primarily attributable to (i) placements of restricted bank deposits of RMB376.5 million; (ii) purchases of property, plant and equipment of RMB62.4 million; and (iii) purchases of intangible assets of RMB0.7 million; partially offset by (i) withdrawal of restricted bank deposits of RMB351.6 million; and (ii) repayment from a related party of RMB14.0 million.

Net Cash from Financing Activities

In 2025, our net cash from financing activities was RMB227.6 million, which was primarily attributable to proceeds from bank and other borrowings of RMB255.4 million and the issuance of new Shares of RMB100 million, partially offset by repayments of bank and other borrowings of RMB110.3 million.

In 2024, our net cash from financing activities was RMB74.2 million, which was primarily attributable to proceeds from bank and other borrowings of RMB150.7 million, partially offset by repayments of bank and other borrowings of RMB58.3 million.

In 2023, our net cash from financing activities was RMB73.6 million, which was primarily attributable to: (i) proceeds from bank and other borrowings of RMB60.0 million; and (ii) proceeds from capital injection by shareholders of RMB55.0 million; partially offset by repayments of bank and other borrowings of RMB24.4 million.

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In the four months ended April 30, 2026, our net cash from financing activities was RMB434.2 million, which was primarily attributable to: (i) proceeds from bank and other borrowings of RMB372.6 million; and (ii) proceeds from issue of new shares of RMB100.0 million; partially offset by repayments of bank and other borrowings of RMB31.0 million.

WORKING CAPITAL SUFFICIENCY

Historically, we financed our working capital needs primarily through cash flow from operating activities and financing activities. Taking into account the financial resources available to our Group, including the cash flow from operating activities, existing borrowings, available banking facilities and the estimated net [REDACTED] from the [REDACTED], our Directors are of the view, after due and careful inquiry, that we have sufficient available working capital for our present requirements for at least the next 12 months from the date of this document.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,	As of June 30,
	2023	2024	2025	2026	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (Unaudited)
Current:					
Bank and other borrowings .	46,524	139,056	187,378	533,477	805,793
Lease liabilities	8,083	8,107	9,989	12,166	12,216
Redemption liabilities	47,115	55,361	—	—	—
	<u>101,722</u>	<u>202,524</u>	<u>197,367</u>	<u>545,643</u>	<u>818,009</u>
Non-current:					
Bank and other borrowings .	326	—	36,750	32,300	136,800
Lease liabilities	21,919	15,496	6,454	10,382	8,871
	<u>22,245</u>	<u>15,496</u>	<u>43,204</u>	<u>42,682</u>	<u>145,671</u>
Total	<u>123,967</u>	<u>218,020</u>	<u>240,571</u>	<u>588,325</u>	<u>963,680</u>

Bank and Other Borrowings

Our bank and other borrowings were RMB46.9 million, RMB139.1 million, RMB224.1 million and RMB565.8 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. Our bank and other borrowings further increased to RMB942.6 million as of June 30, 2026, primarily to support our expected project deployment in 2026. In light of the recent increase in lithium-ion battery cell prices and tightening supply, our Group strategically increased pre-purchases of raw materials, including lithium-ion battery cells. As of June 30, 2026, we had unutilized bank facilities of RMB149.8 million. Our fixed-rate borrowings had effective interest rates per annum ranging from 3.65%–12.69%, 1.30%–12.69%, 1.80%–4.00% and 1.83%–3.50% as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. The fluctuation in our bank and other borrowings during the Track Record Period was primarily due to an increase in our capacity requirement in light of our business expansion and development as well as certain borrowings between us and a non-wholly owned subsidiary of us that are non-trade in nature and interest-free. See note 24 to the Accountants’ Report in Appendix I to this document for details.

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Lease Liabilities

Our lease liabilities primarily represented our obligations related to the leasing of office and factory premises by our subsidiaries during the Track Record Period.

Our lease liabilities decreased from RMB30.0 million as of December 31, 2023 to RMB23.6 million as of December 31, 2024, and further to RMB16.4 million as of December 31, 2025, primarily due to the lease payments made during 2024 and 2025, respectively. Our lease liabilities increased from RMB16.4 million as of December 31, 2025 to RMB22.5 million as of April 30, 2026, primarily due to the renewal of our leases for properties in Jiangsu Province in 2026 with extended expiry date to December 31, 2028, resulting in a higher lease liability balance. Our lease liabilities decreased from RMB22.5 million as of April 30, 2026 to RMB21.1 million as of June 30, 2026, primarily reflecting regular lease payments made in the ordinary course, and no additional leases were entered into during the period.

Redemption Liabilities

On December 1, 2025, the obligations of our Company arising from the redemption rights and liquidation preferences attached to the Series A Shares were terminated pursuant to a supplementary agreement to the shareholders’ agreement entered into between the Company and each of the respective investors. Pursuant to such agreement, Mr. Wang, Ms. Zhang, or an entity controlled by them rather than our Company or any of our Company’s subsidiaries will be responsible for the relevant obligations arising from these redemption rights and liquidation preferences. Thus, we do not expect to record any redemption liabilities since December 1, 2025.

Statement of Indebtedness

Our Directors confirm that, save as disclosed above, as of the Latest Practicable Date, there were no material covenants on any of our outstanding debt, and there was no breach of covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans or other borrowings, nor any default in repayment or breach of covenant, during the Track Record Period and up to the Latest Practicable Date.

Save as disclosed above, and apart from intra-group liabilities and normal trade payables, as of June 30, 2026, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other material contingent liabilities. Our Directors confirm that there has not been any material change in our indebtedness since March 31, 2026 and up to the Latest Practicable Date.

CAPITAL EXPENDITURES

Our historical capital expenditures have primarily been related to purchases of property, plant and equipment and purchases of intangible assets. Our capital expenditures were RMB33.7 million, RMB35.9 million, RMB22.1 million and RMB63.1 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively.

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The following table sets forth our capital expenditures for the periods indicated:

	For the Year Ended December 31,			For the Four Months Ended April 30,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Purchases of property, plant and equipment	33,550	35,873	21,551	62,437
Purchases of intangible assets	134	—	553	698
Total	33,684	35,873	22,104	63,135

We will continue to make capital expenditures to support the expected growth of our business and expansion plans. We expect to finance our capital expenditures through cash generated from operations, shareholder contributions, bank loans and the net [REDACTED] from the [REDACTED]. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, results of operations and financial condition, our business plans, market conditions and various other factors. See “Future Plans and Use of [REDACTED]” for details.

CAPITAL COMMITMENTS

Our capital commitments are related to acquisition of property, plant and equipment. We expect to satisfy our capital commitments using cash from financing activities, net [REDACTED] to be received from the [REDACTED] and bank borrowings available to us.

The following table sets forth our capital commitments as at the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Contracted for but not provided in the Historical Financial Information	18,256	34,272	10,633	45,357

KEY FINANCIAL RATIOS

The table below sets forth key financial ratios as of the dates or for the periods indicated:

	As of/for the Year Ended December 31,			As of/for the Four Months Ended April 30,
	2023	2024	2025	2026
Return on equity ⁽¹⁾	85.6%	81.5%	47.8%	N/A ⁽²⁾
Return on assets ⁽³⁾	8.3%	9.1%	7.3%	N/A ⁽²⁾
Current ratio ⁽⁴⁾	1.0	1.0	1.1	1.2
Quick ratio ⁽⁵⁾	0.6	0.8	1.0	0.9
Gearing ratio ⁽⁶⁾	1.1	1.0	0.5	1.0

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Notes:

- (1) Return on equity equals net profit for the year divided by the average of the beginning and ending balances of total equity for the year.
- (2) The four-month figure is not applicable and it is not comparable to an annual figure.
- (3) Return on assets equals net profit for the year divided by the average of the beginning and ending balances of total assets for the year.
- (4) Current ratio equals our current assets as of the end of the year/period divided by current liabilities as of the end of the same year/period.
- (5) Quick ratio equals our current assets excluding inventories as of the end of the year/period divided by the current liabilities as of the end of the same year/period.
- (6) Gearing ratio equals total debt as of the end of the year/period divided by total equity as of the end of the same year/period. Total debt includes bank and other borrowings and lease liabilities.

Return on Equity

Our return on equity decreased from 85.6% as of December 31, 2023 to 81.5% as of December 31, 2024, and further to 47.8% as of December 31, 2025, primarily because the increase in our total equity outpaced the increase in our net profit.

Return on Assets

Our return on assets increased from 8.3% as of December 31, 2023 to 9.1% as of December 31, 2024, primarily because the increase in our net profit outpaced the increase in our total assets. Our return on assets decreased from 9.1% as of December 31, 2024 to 7.3% as of December 31, 2025, mainly due to the increase in our total assets outpacing the increase in our net profit.

Current Ratio

Our current ratio was relatively stable at 1.0 and 1.0 as of December 31, 2023 and 2024, respectively. Our current ratio increased from 1.0 as of December 31, 2024 to 1.1 as of December 31, 2025, and further to 1.2 as of April 30, 2026, primarily because the increase in our current assets outpaced the increase in our current liabilities, for the reasons set out in “— Description of Selected Key Items from our Consolidated Statement of Financial Position — Current Assets and Current Liabilities” above in this section.

Quick Ratio

Our quick ratio increased from 0.6 as of December 31, 2023 to 0.8 as of December 31, 2024, to 1.0 as of December 31, 2025, and further to 0.9 as of April 30, 2026, primarily due to the increase in our current assets, specifically our trade, bills and other receivables, which outpaced the increase in current liabilities, for the reasons set out in “— Description of Selected Key Items from our Consolidated Statement of Financial Position — Current Assets and Current Liabilities” above in this section.

Gearing Ratio

Our gearing ratio was 1.1, 1.0, 0.5 and 1.0 in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. Such continuous decrease during the Track Record Period was primarily due to the continued increase in our total equity, which outpaced the growth of our interest-bearing debt as our business grew in scale.

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RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. We have certain transactions and balances with the related parties during the Track Record Period, details of which are set out in note 36 to the Accountants’ Report in Appendix I to this document. Our Directors believe that our transaction with related party during the Track Record Period was conducted in the ordinary course of business, and it did not distort our track record results or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The main risks arising from our financial instruments are market risk, credit risk and liquidity risk. Our Directors review and agree on policies for managing each of these risks. We regularly monitor our exposure to these risks to ensure appropriate measures are implemented on a timely and effective manner. See note 35 to the Accountants’ Report set out in Appendix I to this document.

DIVIDENDS

No dividend was declared or paid by our Company during the Track Record Period, nor has any dividend been proposed since the end of the Track Record Period. Our Group currently does not have a formal dividend policy. We may declare and pay dividends after taking into account our results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as we may deem relevant. We may distribute dividends by way of cash or stock. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant PRC laws and regulations. Any proposed distribution of dividends shall be determined by our Board and must be approved by our shareholders at a general meeting. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the discretion of our Board and subject to the approval of Shareholders’ meeting.

DISTRIBUTABLE RESERVES

As of April 30, 2026, our reserves available for distribution to our Shareholders, which represent the retained profits of our Company, amounted to RMB600.7 million.

[REDACTED]

Our [REDACTED] mainly include [REDACTED] fees and commissions and professional fees paid to legal advisers and service providers for their services rendered in relation to the [REDACTED]. We expect to incur a total of HK\$[REDACTED] million of [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED], being the mid-point of the indicative [REDACTED] between HK\$[REDACTED] and HK\$[REDACTED], and assuming that the [REDACTED] or any option that may be granted under the Pre-[REDACTED] Share Option Incentive Scheme is not exercised) until the completion of the [REDACTED], which accounts for [REDACTED]% of the gross [REDACTED] from the [REDACTED]. Up to April 30, 2026, we incurred RMB[REDACTED] million in [REDACTED]. We estimate that approximately RMB[REDACTED] million will be charged to our consolidated income statement after April 30, 2026, and the remaining balance of approximately RMB[REDACTED] million is expected to be recognised as a deduction in equity directly upon

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the [REDACTED]. [REDACTED] represent professional fees and other fees incurred in connection with the [REDACTED], including [REDACTED] commission. The [REDACTED] above are the best estimate as of the Latest Practicable Date and for reference only and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material adverse change in our financial or trading position or prospects since April 30, 2026, being the date on which our latest audited consolidated financial statements were prepared, and there is no event since April 30, 2026 which would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

DISCLOSURE UNDER RULE 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See Appendix II to this document for details on our unaudited [REDACTED] adjusted net tangible assets.