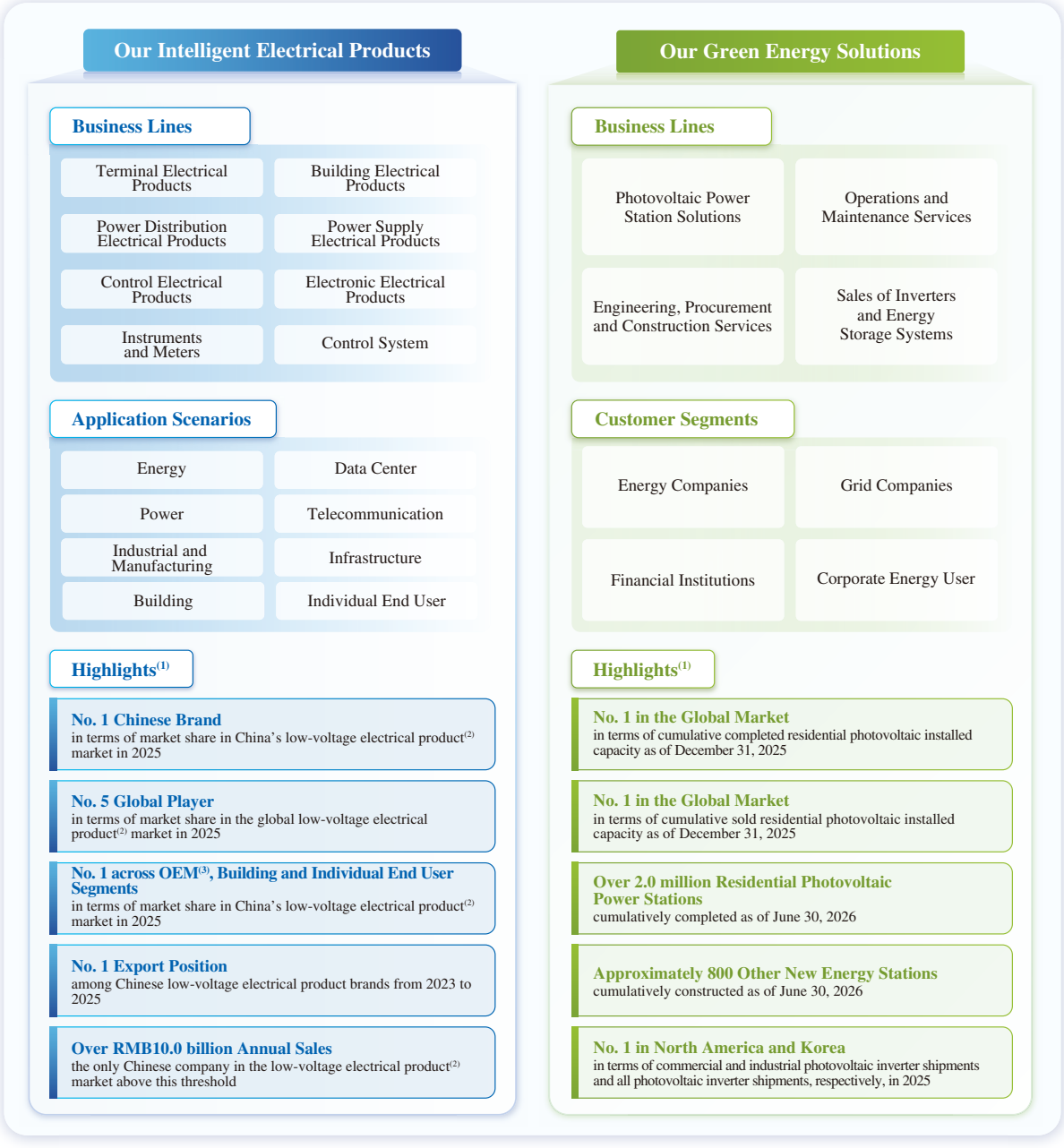
OVERVIEW

Who We Are

We are a leading global integrated power and energy solution provider from China. We have developed two complementary business segments: our intelligent electrical products and our green energy solutions. Together, these businesses allow us to serve key links of the power and energy value chain, including generation, storage, distribution and end use. We are committed to making energy safer, greener, more cost-effective and more user-friendly.



(1) According to the F&S Report.
(2) Our low-voltage electrical products include (i) terminal electrical products, (ii) power distribution electrical products, (iii) control electrical products, (iv) power supply electrical products, and (v) electronic electrical products.
(3) Refers to original equipment manufacturers in the discrete manufacturing sector.

Our Intelligent Electrical Products

As the last line of safety protection in the power system, our low-voltage electrical products are used to switch, control, protect, detect, convert and regulate electrical circuits, and play an essential role in ensuring electrical safety, operational continuity and energy efficiency. Our instruments and meters further support the measurement, metering, monitoring and management of electricity and other utility parameters, enabling more intelligent, digitalized and efficient power and utility management. We were among the early movers in expanding into industrial automation within China's electrical product industry, providing automated, digitalized and intelligent industrial control systems.

We have cultivated both the domestic and international electrical product markets in parallel.

- ***In China,*** we operate six production bases and had almost 400 domestic distributors for our intelligent electrical products as of June 30, 2026, covering 265 prefecture-level cities and municipalities, supported by a self-operated logistics network comprising more than 40 domestic logistics centers, enabling nationwide market coverage.

- ***In international markets,*** we have established a localized supply system through overseas production bases in Southeast Asia, West Asia and Africa, and, supported by over 20 overseas logistics centers as of June 30, 2026, we provide intelligent electrical products with performance and quality standards exceeding prevailing industry benchmarks to customers across five continents and more than 50 countries and regions.

Our electrical products are equipped with intelligent functionalities, including digital sensing, measurement, communication, and embedded protection and control capabilities, enabling monitoring, diagnosis and, where applicable, intelligent control as part of an integrated power distribution system. See "–Our Intelligent Electrical Products and Green Energy Solutions–Our Intelligent Electrical Products–Intelligent Attributes and System Capabilities of Our Electrical Products."

Our Green Energy Solutions

Our green energy solutions are designed to provide integrated zero-carbon energy solutions worldwide, covering the key stages of equipment supply, project construction, operations and maintenance, and asset transfer. We develop and construct photovoltaic power stations, or PV stations, and monetize them through two pathways: we may sell completed stations or portfolios of stations to third-party investors, in which case the related revenue is recognized under our PV station solutions, or we may retain certain stations to generate on-grid electricity income, which is recognized under our operations and maintenance services. We also provide maintenance services for customer-owned PV stations, and the related service fee income is also recognized under our operations and maintenance services.

In addition, we provide engineering, procurement and construction services, or EPC services, for new energy power station projects. We also manufacture and sell inverters and energy storage systems. Together, these offerings underpin the distinctive commercial model of our green energy solution business.

Driven by the rapid development of new power systems and deepening market demand, we are also actively developing innovative offerings such as intelligent microgrids and virtual power plants, and promoting and delivering more integrated energy solutions combining photovoltaic, wind power, energy storage and hydrogen energy to customers.

Our Digital Technology Foundation

We are implementing a digital transformation strategy built around "one cloud + two networks (一雲兩網)," which serves as the digital foundation for our future growth.

- At the center of this strategy is CHINT Cloud (正泰雲), which acts as our core digital technology and application platform by integrating internal data and supporting the development of our industrial ecosystem.

- Built on this foundation, our two networks comprise: (1) an industrial Internet of Things focused on smart manufacturing, which leverages equipment interconnection, digital twins and related technologies to optimize production and supply chain management; and (2) an energy Internet of Things focused on smart energy, which provides integrated generation-storage-distribution-consumption services and operation and maintenance support for residential PV stations and industrial and commercial parks.

Our Brands

Our CHINT brand has been deeply rooted in the power industry for decades and is closely associated with reliability, safety and durability. Intelligent electrical products remain the foundation of our corporate identity and the flagship of the CHINT brand, and we have also progressively extended the brand's recognition and reputation into the green energy sector. Complementing the CHINT brand, our NOARK brand primarily targets the mid-to-high-end and international segments of intelligent electrical products and received the 2025 Annual China Low-Voltage Electrical Product Market Fast Growth Award (2025年度中國低壓電器市場快速增長獎). In our residential PV station-related business, we have further developed a dedicated multi-brand matrix, including Chint Anneng (正泰安能), PVSTAR (光伏星), Xiao'an Daojia (小安到家), Lvdianjia (綠電家) and Anneng Zhidian (安能智電). According to the 2025 series of white papers on China's electrical product industry compiled under the guidance of the China Electrical Product Industry Association (中國電器工業協會), we were the only low-voltage electrical product company in China to receive the highest six-star industry rating for five consecutive years.

Our Financial Performance

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our revenue was RMB57,250.8 million, RMB64,524.4 million, RMB59,166.5 million, RMB29,630.7 million and RMB38,064.2 million, respectively, with net profit of RMB4,948.8 million, RMB5,211.3 million, RMB6,137.6 million, RMB3,440.1 million and RMB4,074.4 million and net profit margins of 8.6%, 8.1%, 10.4%, 11.6% and 10.7% in the same periods, respectively. Net cash generated from operating activities was RMB4,140.4 million, RMB15,205.7 million, RMB23,113.8 million, RMB7,138.1 million and RMB13,181.6 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

Our Environmental, Social and Governance Efforts and Achievements

We closely follow global sustainability trends and embed ESG principles across our operations. On the environmental front, we monitor greenhouse gas emissions, optimize energy use and promote energy conservation and emissions reduction throughout our production processes, while helping customers advance their low-carbon transition through green and intelligent manufacturing, photovoltaic and other new energy applications, and lifecycle-oriented product greening. On the social front, we foster a collaborative industrial ecosystem and a culture of shared value, pioneer inclusive photovoltaic models that support rural income generation, participate in public welfare and charitable initiatives, and place strong emphasis on employee rights and benefits, occupational health and safety, training and development, and workplace diversity. On the governance front, we have established a sound corporate

governance structure, robust business ethics and anti-corruption standards, and a comprehensive risk management framework. We also actively participate in ESG ratings and assessments, including Morgan Stanley Capital International ESG Ratings, the S&P Global Corporate Sustainability Assessment and the Carbon Disclosure Project, and our results have steadily improved in recent years. In 2025, we received an EcoVadis Silver Medal (EcoVadis 銀牌認證).

COMPETITIVE STRENGTHS

We believe the following competitive strengths differentiate us from our competitors.

One-Stop Integrated Power and Energy Solutions Underpinned by First-Mover Advantage and Deep Customer Trust

We provide integrated power and energy solutions through the combination of our two business segments.

- On the intelligent electrical product side, we have built one of the most comprehensive product portfolios among domestic players. This breadth of product coverage, together with our strong product quality, reliability and technical performance, enables us to address diversified customer needs and application scenarios. Our products also incorporate increasingly advanced intelligent features, which support intelligent monitoring, event recording and fault diagnosis and enhance electrical safety, power quality and system efficiency. As our product portfolio continues to evolve alongside industry trends, we are able to deepen our presence in existing markets and expand into adjacent opportunities.

- Our green energy solution business has built full industry-chain coverage and a distinctive commercial model that has been tested and validated by the market. We were among the earliest participants in China's new energy power generation industry and have operated through multiple policy and industry cycles, giving us deep insight into where the market is headed and where business opportunities emerge. Our green energy solution business covers the full life cycle of PV stations and features strong capabilities in industry-chain coverage, integrated investment, construction and operations, and one-stop system delivery across a range of new energy scenarios. Our diversified business mix also allows us to adapt more effectively to industry cycles by calibrating resource allocation, development priorities and growth strategies across sub-segments.

In recent years, we began shifting our new energy power station-related businesses toward a lighter-asset model. Through the develop-to-hold-to-transfer model, we have effectively reduced capital deployment risk and shortened the period between development and profit realization. Supported by our strong operation and maintenance teams and resource base, we are also able to preserve and enhance the life-cycle profitability of PV station assets, thereby increasing asset value.

Together, these capabilities allow us to enter customer ecosystems through energy and power infrastructure construction and equipment supply, and then deepen customer relationships through our coverage of key transmission, distribution and consumption nodes. By providing integrated solutions around the source-grid-load-storage architecture (源網荷儲), we continue to expand value per customer.

Continuous Product Innovation Driven by Strong Research and Development Capabilities

We are committed to independent research and development and sustained innovation, and have long maintained a high level of research and development investment within the industry. We have built a multidimensional research and development system that combines research institutes with front-line

manufacturing functions and integrates technology innovation with process improvement. As of June 30, 2026, our research and development team comprised 2,741 employees, representing 9.1% of our total workforce, and our research and development expenses were RMB1,179.2 million, RMB1,267.3 million, RMB1,326.0 million, RMB617.3 million and RMB619.1 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. These capabilities provide us with a strong technical foundation spanning application know-how, product design and manufacturing process expertise.

Our research and development framework adopts advanced integrated product development processes and embeds project management, product lifecycle management and research and development management into a workflow aligned with our product roadmap and market demand. We focus on intelligent product upgrades and the delivery of high-quality, customized integrated solutions through coordinated product portfolios. By continuously optimizing our research organization and key development processes, we have enhanced agility and shortened iteration cycles.

Our research and development efforts are centered on four key dimensions – new technologies, new materials, new processes and new products – and are supported by digital capabilities, electronic design and experimental research. We have built systematic technology reserves in areas including new materials for intelligent electrical products, such as graphene-related applications, and have established collaborative industry-academia-research-application networks with leading universities and institutions, including Tsinghua University, Xi'an Jiaotong University and Zhejiang University. We also collaborate with key direct sales customers such as State Grid and China Southern Power Grid on national-level science and technology innovation projects, including projects under China's national key research and development programs.

Extensive Channel Coverage and Expanding Direct Sales Capabilities Creating a Difficult-to-Replicate Market Barrier

Over nearly three decades of operations, we have built a broad customer base and a market presence that we believe is difficult to replicate.

- *In our intelligent electrical product business,* we have established one of the most comprehensive and robust sales networks in the industry, centered on provincial capitals and supported by county- and district-level coverage, together with matching logistics and service capabilities built through long-term investment and execution. Our distribution network covers China's principal provincial-level administrative regions, all direct-administered municipalities and provincial capitals, more than 90% of prefecture-level cities and selected affluent county-level cities. This extensive network has enabled us to achieve broad market penetration and efficient customer reach across a wide range of downstream applications.

  At the same time, we place strong emphasis on direct sales and have established solid relationships with leading enterprises across the power, industrial, building and infrastructure sectors, while continuing to expand coverage of fast-growing emerging customers such as data center infrastructure manufacturers and operators. We have built dedicated key account sales teams, together with product and solution and market promotion teams, to support focused customer development and technical marketing. Through customized product and scenario upgrades, participation in product standards formulation and our end-to-end delivery capabilities, we continue to deepen customer trust, strengthen relationships with major direct sales customers and expand our share of wallet.

- *In our green energy solution business,* we have also built extensive service supplier coverage, particularly in the residential photovoltaic market. The strong reputation and customer trust associated with the CHINT brand in county and township markets have materially reduced the cost and difficulty of market education for our green energy solution business. As of June 30, 2026, our new energy business had over 3,800 service suppliers, covering 29 provincial-level regions and over 1,700 districts and counties, who are responsible for rooftop sourcing and the construction and installation of residential photovoltaic systems. We were among the early pioneers in cultivating residential photovoltaic users and service suppliers in China, helping to shape the development model of the residential photovoltaic market.

  We have also developed mature business models, including Jindingbao (金頂寶) and Taiyibao (泰益寶), which help individual and corporate customers reduce upfront investment requirements, and Taishu (泰墅), which focuses on high-end residential energy management, thereby further unlocking market demand. Through management and training systems, digital tools and supply chain support, we continue to empower our service suppliers and reinforce the quality of CHINT-branded products and services at the customer interface.

Successful Overseas Replication of Our Business Model Supported by Effective Localization Strategies

We are accelerating globalization through a combination of focused regional expansion and product-and-service export, while continuing to strengthen our global research and development, manufacturing, sales and logistics footprint.

- *In our intelligent electrical product business,* we have maintained the No. 1 export position among Chinese low-voltage electrical product brands from 2023 to 2025, according to the F&S Report, and have achieved strong penetration in Europe and rapid growth in key markets such as Asia-Pacific and North America.

- *In our green energy solution business,* we have established strategic positions in selected overseas markets, particularly in Europe, where we have delivered landmark utility-scale power station projects in countries such as the Netherlands, Denmark, Romania and Portugal, demonstrating strong delivery capabilities in complex market environments. Our inverters and energy storage systems have also established leading positions in major markets including the United States, Korea and Europe.

Our globalization strategy emphasizes end-to-end localized operations across production, sales, research and development and product standards. For our intelligent electrical products and inverters and energy storage systems, we have established overseas production bases and logistics centers to support rapid local response and service, while enhancing supply chain resilience, cost efficiency and delivery stability. We have also established four major research and development centers globally, enabling close alignment between product development roadmaps and local market demand and supporting agile product upgrades. In addition, our products continue to undergo deep localization adaptation and generally have obtained major market certifications such as UL, CE and TÜV, with customization to local grid standards, operating environments and customer preferences.

Continuously Enhancing Business Competitiveness and Operating Efficiency Through Digital and Intelligent Transformation

We continue to strengthen our digital and intelligent capabilities and embed them across both manufacturing and business management. In manufacturing, these capabilities primarily support our intelligent electrical product business and, within our green energy solution business, our inverters and energy storage systems. We have built digital workshops across multiple product categories, and have strengthened control over key production processes through in-house design and manufacturing capabilities spanning automated production lines, molds and components. Our smart manufacturing demonstration bases apply digital twins, IoT, big data, AI and industrial Internet technologies to enhance digital design, intelligent production, smart management, collaborative manufacturing, green manufacturing and safe manufacturing.

By integrating AI into production processes, we have improved scheduling, quality inspection and predictive equipment maintenance. Our Haining production base received the Excellence-Level Smart Factory designation (卓越級智慧工廠稱號) from six PRC ministries, our Shanghai production base was named a Ministry of Industry and Information Technology model enterprise for service-oriented manufacturing (工信部服務型製造示範企業), and our Wenzhou production base was included in China's 2024 collection of typical manufacturing digital transformation cases and the Ministry of Industry and Information Technology's Digital Navigation enterprise list (數字領航企業). Multiple production bases have also obtained level-3 certifications under the Maturity Model of Intelligent Manufacturing Capability.

At the business management level, our digital and intelligent capabilities support both our intelligent electrical product business and our green energy solution business by enabling integrated management of procurement, production, research and development, sales, channel management, finance and human resources, and by supporting the remote monitoring and operational management of energy assets. We have established an integrated intelligent management system across our Group, under which data, information and orders flow across systems and business lines. Our intelligent business middle platform has become an important operational backbone, supporting resource sharing, business ecosystem development and improved execution and operating efficiency across our Group.

Cost Advantages Underpinned by Supply Chain Management, Lean Manufacturing and Economies of Scale

- ***Supply chain management.*** We have built an integrated supply chain system characterized by full-domain coordination and multilevel enablement. Leveraging our industry-chain coverage and refined management capabilities, we have meaningfully improved cost control. We continue to strengthen supply chain management and accelerate the rollout of our global supply chain by building efficient warehousing and logistics networks through global logistics centers. Our optimized warehousing solutions and comprehensive procurement management systems allow refined control, convenient dispatching and cost optimization across the full cycle of materials procurement and inventory turnover, systematically reducing supply chain costs and reinforcing our supply chain moat.

- ***Lean manufacturing.*** Our businesses extend along the industry chain, especially through effective control of higher value-added segments and selected in-house production of key components, giving us greater flexibility in both cost structure and pricing strategy. We continuously improve internal production management by applying advanced concepts such as Six Sigma quality process management and lean production. Together with technology and process improvement initiatives, these measures help us steadily reduce overall production costs.

- ***Economies of scale.*** We were the only PRC domestic company in China's low-voltage electrical product market with annual sales exceeding RMB10.0 billion. This creates meaningful scale benefits in procurement and production and enables us to dilute fixed costs on a unit basis. Across industry cycles, we also seek to leverage our position in the value chain to promote cost stability and rational allocation of cost pressures across different links, while using financial instruments where appropriate to hedge commodity raw material price fluctuations. These measures further reinforce our cost advantage.

GROWTH STRATEGIES

We intend to pursue the following strategies to continue growing our business and strengthening our market position.

Our Product Strategy

Further broaden and deepen our intelligent electrical product matrix to meet the expanding needs of the power and energy value chain

In our intelligent electrical product business, we will continue to strengthen industrial innovation and broaden and deepen our product matrix, while proactively positioning new growth drivers and building a more integrated, ecosystem-oriented development model.

- *In low-voltage electrical products,* we will focus on digital and intelligent components, system integration and energy efficiency services, with highly intelligent low-carbon DC distribution devices, highly intelligent and highly reliable industrial control devices, and highly intelligent, high-density integrated low-voltage assemblies serving as key growth engines. We will continue to consolidate and enhance our leadership in the global low-voltage electrical product industry, while further expanding into application scenarios such as intelligent manufacturing equipment, intelligent industrial control and intelligent operation and maintenance for data and energy centers, and continuing to serve key intelligent electrical application scenarios for smart grid construction and related fields.

- *In instruments and meters,* we will focus on higher-value-added products (such as smart carbon and energy metering, high-end electricity metering and ultrasonic fluid metering), optimize our product mix and seek to move into the first tier of the domestic industry.

- *In control systems,* we will focus on smart power plants, smart chemical production and green low-carbon retrofits for process industries, comprehensively upgrading our control system and safety instrumented system offerings, optimizing business mix and increasing the proportion of higher-value projects.

Provide more comprehensive green energy solutions to better serve customer needs and capture additional value

In our green energy solution business, we continuously update and deepen our product and service portfolio through technology upgrades, functional enhancement, commercial model innovation and more precise identification of customer needs. Going forward, we plan to further organize this business around three major sub-segments, namely solutions, equipment and integrated services.

1. *On the solutions side,* we will continue to leverage our long-standing industry experience to develop power station construction, transfer, and related equipment manufacturing businesses. In new energy power stations, we will continue to emphasize our light-asset strategy. In residential PV stations, we will further consolidate our core development platform and strive to maintain market leadership. At the same time, by using virtual power plants and energy-as-a-service platforms, we intend to capture opportunities arising from China's evolving energy utilization landscape and promote household-level customized green electricity solutions and surplus power feed-in (餘電上網) system businesses.

2. *On the equipment side,* building on our inverters and energy storage systems, we will continue to consolidate our overseas leadership while unlocking domestic market potential. We will further integrate our equipment capabilities with our power station footprint, promote photovoltaic-plus-storage solutions, helping customers address electricity consumption, output volatility and peak-valley tariff spreads in a more comprehensive manner. We will also explore value-added opportunities in energy management services. In distribution networks, we will focus on source-grid-load-storage integration opportunities and, based on virtual power plant technologies, explore coordinated energy solutions spanning multiple energy forms. In industrial park-level electricity consumption scenarios, we will pursue opportunities in zero-carbon parks, where consumption and grid-connection solutions can be combined with industrial decarbonization solutions. We will also focus on enterprise-level opportunities such as public charging stations.

3. *On the integrated services side,* we place high importance on the follow-on service demand created by our substantial installed base and intend to continue upgrading the value proposition of these businesses by leveraging our service capabilities and technical reserves. We are capturing opportunities in virtual power plant aggregation and entrusted power trading to create new profit pools. We are also gradually establishing a standardized and digitalized health diagnostics system for power stations and shifting from passive maintenance to proactive identification and preventive maintenance, thereby improving customer operating efficiency through measurable performance enhancements.

Our Market Strategy

Strengthen our coverage across distribution network and direct sales customers and reach customer needs with precision and timeliness

By strengthening our coverage of both distribution network customers and key account customers, we aim to diversify customer sources and increase both customer reach and value per customer.

- *In our intelligent electrical product business,* we will continue to leverage the scale advantage of our sales network and further develop a flatter online-offline distribution system, supported by efficient logistics and full-lifecycle service capabilities, to enhance customer reach. We will also deepen channel transformation and upgrading, strengthen our support and enablement of distributors, and help them expand downstream networks and end-customer coverage. At the same time, we will continue to expand direct sales by focusing on application scenarios such as industrial energy-saving and decarbonization retrofits, intelligent rail transit and integrated urban utility tunnels, AI data centers, high-tech and high-growth OEM sectors, and smart buildings.

- *In our green energy solution business,* relying on our broad market network and customer resources, we intend to explore integrated business models for user-side energy storage, power operations and maintenance and power trading, targeting small and medium-sized users and building a service closed loop covering green power supply, load aggregation, load management, virtual power plant

operation, power trading and user-side maintenance. We will continue to use our digital capabilities and intelligent platforms in areas such as PV station monitoring, return analysis and targeted value-added service delivery based on customer electricity use behavior, thereby enhancing our responsiveness to end demand and the quality of PV station operations.

We will continue to strengthen relationships with major state-owned enterprises, establish embedded technical collaboration with leading customers in emerging technology sectors, explore new international cooperation models such as participation in Belt and Road projects (一帶一路), and use flagship projects in key sectors, including representative overseas green transition projects and landmark data center projects, to drive broader customer penetration.

Implement internationalization and localization and capture growth opportunities in overseas markets

We are committed to extending into overseas markets the experience we have accumulated in China in operating a broad product portfolio and building deep market networks.

- *In our intelligent electrical product business,* we will consolidate our existing operations in Europe while focusing on opportunities arising from the construction and upgrading of power distribution networks, and steadily increase our market share. In North America, we will focus on opportunities arising from AI data center development and expand sales through product and technology innovation in selected sub-segments. In Asia-Pacific and Africa, we will focus on smart grids, clean energy, digitalized industry, green infrastructure and urban development, and drive growth through hub-and-spoke regional expansion. In Latin America, we will focus on industrial infrastructure, mining and new energy opportunities.

- *In our green energy solution business,* we aim to accelerate the growth of overseas revenue from new energy power station businesses, maintain and strengthen our strategic position in Europe, expand steadily in Asia-Pacific and achieve commercialization of benchmark projects in Latin America. We will also continue to enhance our overseas operation and maintenance platforms and service capabilities, adopt differentiated strategies for markets at different stages of development, and capture new source-side opportunities such as off-grid computing power, mining diesel replacement and off-grid hydrogen production. In addition, our subsidiary Chint Power will continue to consolidate its leading positions in existing overseas sub-segments while scaling new business opportunities, with a focus on higher-power products in North America, higher-value-added products in Korea, full-scenario photovoltaic-storage solutions and high-power string products in Europe, and large high-voltage and utility-scale storage markets in Japan.

Across both businesses, we will continue to deepen our localization strategy in overseas markets by improving localized organizations and management processes, strengthening manufacturing localization around overseas production bases, expanding localized sales, technical and service teams, and deepening cooperation with local suppliers and service providers to build stable regional supply chains. We will also continue to enhance our integrated delivery capabilities and upgrade our cross-border e-commerce platform operating model to support coordinated international development across regions, industries and product lines.

Our Strategic Development Priorities

Continue to empower manufacturing and product value through digital and intelligent capabilities

We intend to make digital and intelligent capability one of the long-term core engines of our business development.

- *At the production level,* we will continue to invest in digital and intelligent upgrades, using our technology middle platform to support business growth. Through digital workshop transformation, deeper integration of digitalization and intelligentization, more flexible production models and the use of intelligent production lines, data connectivity and quality traceability tools, we aim to systematically improve production efficiency, product consistency and delivery reliability. We also leverage the industrial Internet of Things and the energy Internet of Things to centralize and share research and development and business resources and reinforce coordinated development across businesses. Through our middle-platform support architecture, we aim to improve quality, reduce costs, increase efficiency and deepen the linkage between middle-office capabilities and front-line businesses.

- *At the management system level,* we will continue to enhance the intelligence of our existing management systems through both intelligent upgrading and lightweight reconfiguration, while exploring the use of AI technologies to empower system modules and accelerate the cultivation and iterative upgrading of our middle-platform capabilities. We will continue to advance the Digital Chint Jingwei Project (數字正泰經緯工程), strive to connect business flows and data flows more effectively, promote capability integration across business links, and support the further upgrading of our digital transformation strategy while lowering overall operating costs.

Maintain a stable level of research and development investment, consolidate our existing market leadership and position early in high-potential new markets

We remain committed to innovation-driven development and to continuously exploring the commercialization prospects of new technologies, new models and new business formats. Looking ahead, we plan to establish regional application technology centers in industrial and talent clusters and build a globally distributed, multi-center collaborative research and development system.

- *In our intelligent electrical product business,* we have established differentiated development paths across low-voltage electrical products, instruments and meters, and control systems, among others, each guided by market demand and supported by core technology research and development. We aim to create new products, new platforms and new solutions with high technical content, advanced functionality and strong reliability for increasingly demanding operating environments. We are committed to achieving product upgrades featuring higher breaking capacity, stronger reliability, greater intelligence and more compact form factors. We are also developing new products across multi-scenario servo systems, motor protection, upgraded soft-start systems and integrated drive-and-control platforms, while exploring technologies such as AI, digital interconnection, digital twins, edge computing and wireless passive sensing to build a digital-intelligent interconnection technology platform.

- *In our green energy solution business,* we are working to enhance the intelligence of both products and services, integrating research and development, technology reserves, application and product layout more effectively. We are independently developing hardware products such as grid-forming energy storage systems, building an intelligent energy management system base platform, improving and validating advanced technology routes, providing integrated photovoltaic-storage solutions across DC, AC and medium- to high-voltage scenarios, and reserving frontier technologies such as virtual power plant cluster dispatch and control.

For fast-growing market segments such as AI data centers, we are taking a forward-looking approach and have established a dedicated data and computing center application technology institute (數據算力中心應用技術研究院). Our intelligent electrical product business addresses the distribution and consumption sides of this scenario, while our green energy solution business supports the generation side, allowing us to serve this rapidly growing application holistically.

- *In intelligent electrical products,* we are positioning around AC uninterruptible power supply equipment, DC uninterruptible power supply and solid-state transformers (SST), and using these technology breakthroughs to support commercialization of core projects. We are also building capabilities in modularization, prefabrication and green power direct connection (綠電直連). This allows us to capture opportunities arising from the transition of intelligent electrical products in AI data centers from AC to DC and from low voltage to 800V technologies, as well as the incremental demand created by domestic cloud vendors and overseas computing infrastructure contractors.

- *In our green energy solution business,* leveraging favorable policies such as green power direct connection and aligning with the trend toward greener electricity consumption by computing infrastructure, we are focusing on the electricity demand of AI training data centers in central and western China and AI inference data centers in eastern China, in order to develop green energy solution businesses related to low-carbon computing power. Overseas, we will also seek to leverage our new energy stations in key European markets, including Portugal, to explore cooperation opportunities with major data center infrastructure operators that have demand for stable green power supply. We aspire to become an integrated solution provider for green power supply and distribution systems in the AI data center field and a benchmark one-stop digital and intelligent solutions brand in this sector.

Become a leading enabler of the green transformation of the power and energy sector and a platform enterprise

We aim to establish ourselves as a platform-oriented and empowering enterprise, fully leveraging our full-industry-chain coverage and scale advantages to provide customers with one-stop integrated energy solutions, become a leader in the green transformation of the power and energy sector, and build a platform enterprise capable of continuously empowering both internal and external stakeholders. We will continue to connect the value chain from individual products to integrated solutions, while further enhancing research and development capability, product technology content and global customer service capability. We will continue to strengthen market research on a global basis, reinforce coordination mechanisms among product and market teams, middle- and back-office functions, and domestic and international headquarters and continental centers, and promote cross-industry-chain solutions, long-term major customer cooperation and coordinated delivery of integrated projects.

- *Internally,* we will establish centralized management platforms for customer, procurement, logistics and related functions to achieve more intensive resource sharing.

- *Externally,* we will continue to empower partners digitally and deepen the quality of collaboration. We will also strengthen cooperation with energy companies, grid companies, financial institutions, local governments and major direct sales customers, with the goal of evolving from single-project development toward systematic, regional energy solution planning and implementation, thereby forming a more open, collaborative and platformized development model.

OUR INTELLIGENT ELECTRICAL PRODUCTS AND GREEN ENERGY SOLUTIONS

The following table sets forth a breakdown of our revenue by business segment for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Intelligent electrical products	**20,138,543**	**35.2**	**20,921,764**	**32.4**	**21,918,678**	**37.0**	**11,724,974**	**39.6**	**12,146,794**	**31.9**
– Terminal electrical products	6,085,778	10.6	6,851,313	10.6	7,223,394	12.2	3,854,578	13.0	4,193,175	11.0
– Power distribution electrical products	5,873,733	10.3	5,729,669	8.9	5,928,101	10.0	3,326,547	11.2	3,125,883	8.2
– Control electrical products	3,446,710	6.0	3,552,495	5.5	3,800,122	6.4	2,029,669	6.9	2,279,908	6.0
– Instruments and meters	1,920,439	3.3	1,975,301	3.0	2,053,974	3.5	1,065,399	3.6	1,034,117	2.7
– Building electrical products	1,463,522	2.6	1,590,528	2.5	1,741,415	2.9	892,232	3.0	903,748	2.4
– Others[1]	1,348,361	2.4	1,222,458	1.9	1,171,672	2.0	556,549	1.9	609,963	1.6
Green energy solutions	**36,604,032**	**63.9**	**42,992,916**	**66.6**	**36,296,111**	**61.3**	**17,491,577**	**59.0**	**25,485,403**	**67.0**
– Photovoltaic power station solutions	24,760,740	43.3	24,816,532	38.4	18,309,067	30.9	9,550,374	32.2	17,691,437	46.5
– Engineering, procurement and construction services	2,537,584	4.4	6,020,987	9.3	1,722,185	2.9	153,831	0.5	219,330	0.6
– Operations and maintenance services	6,022,750	10.5	7,880,640	12.2	11,057,598	18.7	5,577,497	18.8	5,260,975	13.8
– Sales of inverters and energy storage systems	1,252,847	2.2	1,646,274	2.6	2,390,075	4.0	917,353	3.1	1,013,712	2.7
– Others[2]	2,030,111	3.5	2,628,483	4.1	2,817,186	4.8	1,292,522	4.4	1,299,949	3.4
Others[3]	**508,239**	**0.9**	**609,722**	**1.0**	**951,715**	**1.7**	**414,189**	**1.4**	**431,992**	**1.1**
Total	**57,250,814**	**100.0**	**64,524,402**	**100.0**	**59,166,504**	**100.0**	**29,630,740**	**100.0**	**38,064,189**	**100.0**

(1) Primarily represent power supply electrical products, control systems and electronic electrical products.

(2) Primarily represent metal products and non-photovoltaic power revenue.

(3) Primarily represent sales of parts and components, other miscellaneous income and revenue from leases.

Our Intelligent Electrical Products

Systematically engineered for performance and durability, our intelligent electrical product offerings are mainly organized into the following key categories:

- *Terminal electrical products*, including miniature circuit breakers, residual current operated circuit breakers, self-recovering overvoltage and undervoltage protectors, isolators, surge protective devices and dedicated protective devices for surge protective devices. These products are designed to provide circuit protection, leakage protection, abnormal-voltage disconnection, isolation and surge protection.

- *Power distribution electrical products*, including air circuit breakers, molded case circuit breakers, isolators, residual current operated circuit breakers, active power quality products, automatic transfer switch appliances and related accessories. These products are designed to support reliable power intake, distribution, switching, protection, transfer and power quality management, and are widely used in distribution boards and switchgear cabinets.

- *Control electrical products*, including contactors, thermal relays, motor protectors, relays and related control accessories. These products are designed to support frequent switching, motor starting and control, overload and phase-loss protection, signaling and control functions, and stable performance under varied operating conditions.

- *Instruments and meters*, including single-phase smart energy meters, three-phase smart energy meters, intelligent terminals, DIN-rail meters, ultrasonic gas meters and ultrasonic water meters. These products enable real-time operating data acquisition, event recording, fault monitoring and alarm, multi-tariff metering, communication and remote management, and support system-level digitalized energy and utility management when deployed with distribution, monitoring and other management platforms.

- *Building electrical products*, including distribution boxes and wires. These products are designed to provide safe, reliable and user-friendly power connection, distribution and control in residential and commercial buildings.

The following table sets forth a breakdown of our revenue generated from intelligent electrical product segment by product type for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Intelligent electrical products										
– Terminal electrical products	6,085,778	30.2	6,851,313	32.7	7,223,394	33.0	3,854,578	32.9	4,193,175	34.5
– Power distribution electrical products	5,873,733	29.2	5,729,669	27.4	5,928,101	27.1	3,326,547	28.4	3,125,883	25.7
– Control electrical products	3,446,710	17.1	3,552,495	17.0	3,800,122	17.3	2,029,669	17.3	2,279,908	18.8
– Instruments and meters	1,920,439	9.5	1,975,301	9.5	2,053,974	9.4	1,065,399	9.1	1,034,117	8.5
– Building electrical products	1,463,522	7.3	1,590,528	7.6	1,741,415	7.9	892,232	7.6	903,748	7.5
– Others[1]	1,348,361	6.7	1,222,458	5.8	1,171,672	5.3	556,549	4.7	609,963	5.0
Total revenue of intelligent electrical products	**20,138,543**	**100.0**	**20,921,764**	**100.0**	**21,918,678**	**100.0**	**11,724,974**	**100.0**	**12,146,794**	**100.0**

(1) Primarily represent power supply electrical products, control systems and electronic electrical products.

The following table sets forth a breakdown of the sales volume for the key categories of our intelligent electrical products for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(Units in thousands)				
Terminal electrical products	414,568	451,406	429,183	239,569	235,575
Power distribution electrical products	98,799	86,424	83,305	45,909	42,526
Control electrical products	173,917	205,856	215,598	100,874	91,203
Instruments and meters	18,122	15,875	15,281	9,868	8,597
Building electrical products	266,247	291,059	202,361	103,092	102,630

Intelligent attributes and system capabilities of our electrical products

Our electrical products integrate multi-dimensional digital sensing, high precision measurement, comprehensive embedded protection and control functions and communication capabilities. In conjunction with edge data transmission and computing modules, they form intelligent system solutions with capabilities such as full-state sensing, edge computing and, where applicable, autonomous decision-making, intelligent control, intelligent operation and maintenance, intelligent interaction, efficiency analysis and safety protection, enabling such products to be monitored, diagnosed and, where applicable, configured or controlled as part of an intelligent power distribution system. These products are capable of collecting and recording operating data and events (such as electrical parameters, operating status and fault/trip information), supporting condition monitoring and maintenance planning. Our supporting software platforms enable unified data acquisition, analysis and visualization, support device interconnectivity and interoperability, and provide functions such as intelligent alerts, predictive maintenance and remote operation and maintenance, offering an integrated hardware-and-software intelligent electrical solution that enhances system reliability and operating efficiency.

Terminal electrical products

The following table sets forth the details of our major terminal electrical products during the Track Record Period.

Major product	Photo	Specification	Function
Miniature circuit breakers		Typically available in frame sizes of 40/63/80/125, with 1P, 1P+N, 2P, 3P, 3P+N and 4P configurations; rated operational voltage of AC230–400V; rated current range of 1–125A; rated insulation voltage of 500V; breaking capacity of 4.5–10kA; and B/C/D trip characteristics	Used to provide overload and short-circuit protection for terminal circuits and, under normal operating conditions, may also be used for infrequent switching of electrical lines

BUSINESS

Major product	Photo	Specification	Function
Residual current operated circuit breakers		Typically available in frame sizes of 32/40/63/125, with 1P+N, 2P, 3P, 3P+N and 4P configurations; rated operational voltage of AC230–400V; rated current range of 6–125A; rated insulation voltage of 500V; breaking capacity of 4.5–10kA; B/C/D trip characteristics; and rated residual operating current range of 10–300mA	Used to provide overload, short-circuit and leakage protection and, under normal operating conditions, may also be used for infrequent switching of electrical lines
Self-recovering overvoltage and undervoltage protectors		Typically configured with rated voltage of AC230V; rated current options of 32A, 40A, 50A, 63A and 80A; overvoltage cut-off value of 275V; undervoltage cut-off value of 161V; overvoltage recovery value of 253V; undervoltage recovery value of 196V; and delayed reconnection time of 30±10 seconds	Used to disconnect circuits rapidly and safely when the supply line experiences overvoltage or undervoltage conditions, thereby preventing abnormal voltage from reaching terminal appliances, and to automatically reconnect the circuit after voltage returns to normal levels
Isolators		Typically available in 1P, 2P, 3P and 4P configurations; rated operational voltage of AC230–400V; rated current range of 20A, 32A, 40A, 63A, 80A, 100A and 125A; rated insulation voltage of 500V; and rated impulse withstand voltage of 6kV	Primarily used as the main switch in terminal combination electrical apparatus, and may also be used to control various low-power appliances and lighting circuits in commercial and household settings
Surge protective devices		Typically available in Class I, Class II and Class III test categories; maximum discharge current range of 20–160kA; maximum continuous operating voltage range of 255–440V; nominal discharge current range of 10–80kA; and 1P, 1P+N, 2P, 3P, 3P+N and 4P configurations	Used for lightning protection and surge protection in incoming cabinets and other low-voltage power distribution scenarios
Dedicated protective devices for surge protective devices		Typically available in Class I+II and Class II test categories; rated operational voltage of 230/400V; 1P, 2P, 3P and 4P configurations; impulse discharge current range of 12.5–25kA; nominal discharge current range of 10–60kA; maximum discharge current range of 20–120kA; and rated short-circuit breaking capacity of 65/100kA	Used as dedicated backup protection devices for low-voltage surge protective devices, addressing the safety issues that may arise when conventional miniature circuit breakers or fuses are used as backup protection for surge protective devices

Power distribution electrical products

The following table sets forth the details of our major power distribution electrical products during the Track Record Period.

Major product	Photo	Specification	Function
Air circuit breakers		Typically configured with rated operational voltage of AC380–690V, rated operational current range of 400A–6300A, rated ultimate short-circuit breaking capacity of 50–120kA, and available in withdrawable and fixed types	Used to provide overload, short-circuit and undervoltage protection for the main circuits of low-voltage power distribution systems, and to support intelligent switching, selective power distribution and fault isolation to ensure safe and stable operation of main circuits
Molded case circuit breakers		Typically configured with frame current range of 63A–1600A, operational voltage of up to AC690V and ultimate breaking capacity of up to 70kA	Used to provide protection for lines and equipment in the event of overload, short circuit or undervoltage in distribution systems, and may also be used to provide overload, short-circuit and undervoltage protection for infrequent motor starting
Isolators		Typically configured with rated operational voltage of up to 690V and rated operational current range of 16A–3150A	Used in low-voltage power distribution equipment for infrequent manual connection and disconnection of circuits and for power source isolation
Residual current operated circuit breakers		Typically configured with frame current range of 125A–630A and available in Type A and Type AC residual current configurations	Used in distribution circuits to integrate leakage protection, overload protection and short-circuit protection, thereby helping to prevent electric shock, fire caused by leakage and damage arising from overload or short circuit, while also providing isolation functions to support safe and stable operation of distribution systems
Active power quality products		Typically configured with compensation capacity of 30kvar–100kvar for SVG products or 50A–150A for active filtering products, with overall system efficiency of approximately 97%	Used to improve power quality through functions such as reactive power compensation, harmonic filtering and three-phase imbalance correction; different power units may be deployed individually or in combination to meet varying capacity and environmental requirements

Major product	Photo	Specification	Function
Automatic transfer switch appliances		Typically configured with rated operational current range of 10A–630A and utilization categories of AC-33B/ AC-33iB	Used to monitor power supply circuits and automatically transfer one or more load circuits from one power source to another, typically comprising one or more transfer switch appliances together with other necessary electrical components

Control electrical products

The following table sets forth the details of our major control electrical products during the Track Record Period.

Major product	Photo	Specification	Function
Contactors		Typically configured with rated operational current (Ie) ranging from 6A to 630A; operating ambient temperature range of -35°C to 70°C; and CCC and CE certifications	Used for frequent starting and control of AC motors, remote making and breaking of circuits, and, when combined with appropriate thermal overload relays, forming electromagnetic starters
Thermal relays		Typically configured with adjustable current setting range of 0.1A to 630A; trip class of 10A; and plug-in or standalone installation options	Used for overload and phase-loss protection of AC motors operating at 50Hz/60Hz, with voltage of up to 690V, in continuous-duty or intermittent-duty applications
Motor protectors		Typically configured with adjustable current setting range of 0.1A to 80A; trip class of 10A; and plug-in or standalone installation options	Used in circuits with AC voltage of up to 690V and current of up to 80A for overload, phase-loss and short-circuit protection of three-phase squirrel-cage asynchronous motors, as well as infrequent motor starting control; may also be used for feeder protection, infrequent load switching and isolation purposes
Relays		Typically configured with coil voltage ranges of DC5V to DC220V and AC6V to AC415V; contact forms including 2Z, 3Z, 4Z and 2ZH (two high-current contact groups); electrical/ mechanical life of approximately 120,000/20,000,000 operations; and ambient temperature range of -35°C to 70°C	Used in industrial control, machine tools, household appliances and other applications for signal transmission, indication and control purposes

Instruments and meters

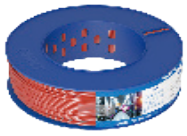
The following table sets forth the details of our major instruments and meters during the Track Record Period.

Major product	Photo	Specification	Function
Single-phase smart energy meter		Rated voltage of 220V; current specification of 0.25–0.5(60)A; low circuit power consumption; supports LCD display and multiple communication interfaces	Used for real-time measurement of voltage, current, power, power factor and other grid parameters; supports bidirectional active energy metering, time-of-use billing and storage of daily and monthly frozen energy data; capable of recording events such as programming, power outage and cover opening
Three-phase smart energy meter		Active accuracy class B and reactive accuracy class 2; rated voltage of 3×220/380V; current specification of 0.2–0.5(60)A; low circuit power consumption under communication and non-communication states	Used for bidirectional time-of-use metering of active, reactive and four-quadrant energy; supports demand recording and phase-specific energy measurement; provides real-time monitoring of phase voltage, current, power, power factor and frequency, together with fault monitoring and alarm functions for voltage loss, current loss, phase failure and overload
Intelligent terminal		Reference voltage of 3×220/380V; reference current of 0.015–0.075(6) A; active accuracy class C and reactive accuracy class 2; reference frequency of 50Hz	Used for multi-source data acquisition and metering, including electric energy, status signals and AC analog values; supports demand calculation, data freezing and event recording; enables configurable storage of historical daily/ monthly data and load curves, proactive event reporting, communication parameter maintenance, power quality statistics and operating status monitoring
DIN-rail meter		DIN35mm standard rail-mounted installation; multiple voltage configurations, including 3×220/380V, 3×57.7/100V, 3×380V and 3×100V; current input through transformer-connected or direct-connected modes; segment LCD display; RS485 communication supporting ModBus-RTU and DL/T645–2007 protocols	Used for active energy metering and real-time measurement of voltage, current, power, power factor and frequency in compact rail-mounted applications, including distribution boxes and related assemblies requiring communication-enabled monitoring

Major product	Photo	Specification	Function
Ultrasonic gas meter		Accuracy class 1.5; operating temperature range of -25°C to 55°C; protection rating of IP65; explosion-proof class T4; maximum working pressure of 15kPa; communication through NB or 4G; operating voltage of DC3.6V	Used for gas metering and remote management applications; supports NB communication and remote valve control; capable of detecting abnormal low-flow and excess-flow conditions through ultrasonic metering sensitivity; incorporates built-in temperature and pressure sensors for compensation
Ultrasonic water meter		Accuracy class 2; pressure rating of MAP10; upstream and downstream flow field sensitivity classes of U10 and U5, respectively; temperature class T30; protection rating of IP68	Used for water metering applications requiring stable and accurate measurement; supports submerged installation; adopts advanced flow measurement and intelligent data correction technologies to enhance metering accuracy and stability; low pressure loss helps reduce energy consumption in pipeline networks

Building electrical products

The following table sets forth the details of our major building electrical products during the Track Record Period.

Major product	Photo	Specification	Function
Distribution boxes		Available in configurations generally ranging from four to 60 circuits; designed to house and protect circuit devices and internal wiring	Used for centralized power distribution, circuit segregation, safety protection and enclosure protection in residential and commercial electrical systems
Wires		Available in a range of conductor cross-sections, including 1.5 mm^2, 2.5 mm^2, 4 mm^2, 6 mm^2, 10 mm^2 and 16 mm^2; designed with insulation and, where applicable, flame-retardant or fire-resistant features	Used for electrical power distribution, providing current-carrying capacity, insulation protection, heat dissipation performance and enhanced safety in building electrical systems

Our Green Energy Solutions

The following table sets forth a breakdown of our revenue generated from green energy solutions for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Green energy solutions										
– Photovoltaic power station solutions	24,760,740	67.6	24,816,532	57.7	18,309,067	50.4	9,550,374	54.6	17,691,437	69.4
– Engineering, procurement and construction services	2,537,584	6.9	6,020,987	14.0	1,722,185	4.7	153,831	0.9	219,330	0.9
– Operations and maintenance services	6,022,750	16.5	7,880,640	18.3	11,057,598	30.5	5,577,497	31.9	5,260,975	20.6
– Sales of inverters and energy storage systems	1,252,847	3.4	1,646,274	3.8	2,390,075	6.6	917,353	5.2	1,013,712	4.0
– Others[1]	2,030,111	5.6	2,628,483	6.2	2,817,186	7.8	1,292,522	7.4	1,299,949	5.1
Total revenue of green energy solutions	**36,604,032**	**100.0**	**42,992,916**	**100.0**	**36,296,111**	**100.0**	**17,491,577**	**100.0**	**25,485,403**	**100.0**

(1) Primarily represent metal products and non-photovoltaic power revenue.

Photovoltaic power station solutions

Sales of residential PV stations to third-party investors accounted for substantially all of the relevant revenue from our PV station solutions during the Track Record Period. We also generated an immaterial portion of revenue from sales of residential PV stations to individual homeowners and sales of residential photovoltaic equipment. Our sales of residential PV stations to third-party investors utilize an innovative and industry-leading business model known as the develop-to-hold-to-transfer model. Under this model, we develop and construct residential PV stations, and subsequently monetize them through sales to third-party investors, upon which we recognize the related sales revenue. To the extent that such completed but unsold residential PV stations generate on-grid electricity prior to transfer, or where we continue to hold residential PV stations under our cooperative co-build arrangements, the related electricity revenue contributes to the revenue from our operations and maintenance services. See "–Operations and Maintenance Services." This platform-based model provides us with flexible monetization pathways between asset sales and electricity generation income, enhances capital efficiency and scalability, and has been instrumental in establishing our leadership in the residential photovoltaic sector in China.

The operation of this model comprises two distinct phases:

- *Phase 1: project development and construction.* In this phase, we act as the central platform, orchestrating resource development and asset construction. We enter into service agreements with service suppliers, who are responsible for rooftop sourcing and the construction and installation of the residential photovoltaic systems, and we pay service fees to them. All necessary photovoltaic materials are supplied by us. We are responsible for securing a grid connection agreement with the local grid company to ensure the system is connected to the grid and can generate electricity.

- *Phase 2: asset monetization and transfer.* This phase is designed to realize the value of the developed assets and recycle capital. We package portfolios of residential photovoltaic assets and sell them to third-party investors (such as financial institutions or infrastructure investment funds) via asset sale/transfer agreements. This facilitates rapid monetization and capital recovery. Upon payment of the consideration, the investors acquire the photovoltaic assets and receive the subsequent electricity sales revenue.

Our third-party investor customers primarily include large state-owned energy companies and financial institutions. Depending on market demand, customer preference and transaction arrangements, we delivered residential PV stations through (1) order-based asset delivery and (2) inventory-based delivery (either by asset transfer or, in certain cases, by equity transfer of a project company).

- *Order-based asset delivery.* Under this model, customers typically first enter into an asset sale agreement with us, and we then develop, construct and deliver the residential PV stations in accordance with the agreed scope and timetable. This model allows for rapid expansion without the need to consolidate substantial heavy assets on our balance sheet for extended periods, resulting in superior capital efficiency and high scalability.

- *Inventory-based delivery (asset or equity transfer).* Under this model, customers were primarily large state-owned energy companies. We typically completed the development and construction of a portfolio of residential PV stations in advance. The customer would then identify the scope of PV stations proposed to be acquired and, after completing its due diligence, valuation and audit procedures, enter into an asset sale or transfer agreement with us. Delivery was typically effected either by transferring the relevant PV station assets to the third-party investor or, where the PV stations were developed and held through our project companies, by transferring the equity interests in the relevant project company.

The following table sets forth the movement in our residential PV stations sold to third-party investors and individual homeowners as of/for the periods indicated.

	As of/for the year ended December 31,			As of/for the six months ended June 30,
	2023	**2024**	**2025**	**2026**
	(MW)			
Opening reserves of photovoltaic installed capacity[1][2]	9,716	14,069	19,293	26,686
Add: completed photovoltaic installed capacity during the indicated period	12,527	13,601	14,356	5,792
Less: sold photovoltaic installed capacity during the indicated period[4]	(8,174)	(8,377)	(6,964)	(6,457)
Closing reserves of photovoltaic installed capacity as of the indicated date[2][3]	**14,069**	**19,293**	**26,685**	**26,021**
Photovoltaic installed capacity under construction[5] as of the indicated date	2,375	2,503	2,044	1,822

(1) Opening reserves of photovoltaic installed capacity for 2023 represent reserves as of January 1, 2023, and opening reserves for 2024, 2025 and the six months ended June 30, 2026 equal closing reserves as of the prior year-end.

(2) Opening reserves and closing reserves of photovoltaic installed capacity represent completed but unsold residential PV stations.

(3) To the extent that such completed but unsold residential PV stations generate on-grid electricity prior to transfer, or where we continue to hold residential PV stations under our cooperative co-build arrangements, the related electricity revenue contributes to the revenue from our operations and maintenance services. See "–Operations and Maintenance Services."

(4) Sold photovoltaic installed capacity during the indicated period is directly relevant to our PV station solutions, under which sales of residential PV stations to third-party investors accounted for substantially all of the relevant revenue during the Track Record Period.

(5) Photovoltaic installed capacity under construction represents estimated installed capacity.

The sold photovoltaic installed capacity of 6,457 MW in the six months ended June 30, 2026 primarily reflected the acceleration of residential PV station sales following the increase in construction and resulting build-up of reserves in 2025, which, according to the F&S Report, was consistent with the prevailing industry trend.

Our develop-to-hold-to-transfer model is inherently capital intensive. It requires substantial upfront capital expenditures for the development and construction of photovoltaic assets prior to their monetization, thereby exposing us to liquidity and financing risks. The elongated payback periods characteristic of these projects further accentuates this risk. See "Risk Factors–Risks Relating to Our Green Energy Solution Business–Our PV station solutions require significant initial capital outlays and depend on timely monetization and transfer of PV station assets; failure to execute this model could materially and adversely affect our liquidity and results of operations."

Major terms of the equity transfer agreements

We entered into an equity transfer agreement in relation to the transfer of the target equity. Major terms of the equity transfer agreement include:

- *Subject matter.* We agreed to sell, and the transferee agreed to acquire, the target equity together with all rights and interests attaching thereto, including all rights and benefits arising from or attributable to the target equity from the agreed benchmark date.

- *Consideration.* We and the transferee agreed on an equity transfer consideration as set out in the equity transfer agreement, subject to any adjustment mechanisms expressly provided thereunder.

- *Payment.* The equity transfer consideration is generally payable by the transferee to us in one lump sum within 10 working days from the date of execution of the equity transfer agreement.

- *Debt and liability arrangements.* We and the transferee agreed that the target company's creditor and debt items as of the benchmark date would be dealt with in accordance with the agreed arrangements under the equity transfer agreement. We undertake that the debts and liabilities disclosed in the benchmark-date statements and related schedules constitute the target company's debts and liabilities as of the benchmark date and are incurred in the ordinary course of business.

- *Transition-period restrictions.* During the transition period, we and the target company are subject to customary conduct-of-business restrictions. Without the transferee's consent, the target company is generally restricted from taking actions outside the ordinary course of business, including, among others, changing its registered capital, engaging in new businesses beyond its existing business scope, incurring new borrowings or financing arrangements (except as expressly permitted), amending its articles of association, changing or increasing employee remuneration or benefits policies, changing key management personnel, entering into settlements or waivers in litigation or dispute matters, or taking other actions that may adversely affect the interests of the transferee or the target company.

- *Transition-period financial review and profit/loss allocation.* We and the transferee agreed to conduct a financial review of the target company for the period from the benchmark date to the closing date and prepare the agreed handover-date statements. Subject to the agreement, the operating profits or losses of the target company during the transition period are generally for the account of the transferee, provided that losses caused by our breach of our transition-period obligations are borne by us.

Engineering, procurement and construction services

We also provide engineering, procurement and construction services, or EPC services, for new energy power station projects to third-party investors and/or project owners. Depending on the project scope and customer requirements, we undertake one or more stages of a project, which may include (1) preliminary project assessment and engineering design, (2) equipment selection and procurement, (3) on-site construction and installation management, (4) testing, commissioning and assisting with grid-connection and acceptance procedures, and (5) handover and warranty support. Our EPC services are typically delivered on a project-by-project basis, and we coordinate with third-party contractors, suppliers and other partners, as appropriate, to meet project schedules, quality standards and safety requirements. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, we completed 595.7 MW, 2,192.0 MW, 758.6 MW, 54.8 MW and 56.2 MW under our EPC services, respectively.

Our EPC projects are managed through standardized project management and quality control procedures, covering key aspects such as project planning, construction progress control, site safety management, materials and equipment inspection, and milestone acceptance. Depending on the underlying contract structure, we may engage subcontractors for certain construction, installation or specialized works, while maintaining overall project coordination and supervision responsibilities.

We typically enter into EPC contracts with project owners on a project-by-project basis. Although specific terms may vary depending on project type, customer requirements and commercial arrangements, the major terms of EPC contracts typically include the following:

- *Scope of works.* We are generally responsible for one-stop EPC services, including, among other things, rooftop resource development and homeowner cooperation or lease arrangements, project filings and grid-connection application procedures, survey and design, procurement of equipment and materials (except where certain customer-supplied materials are agreed), installation and construction, testing and commissioning, grid connection, inspection and acceptance, handover, training, archive and document handover and warranty services.

- *Contract price.* Contract price is generally determined on a fixed unit-price or other agreed pricing basis, subject to final settlement based on actual installed and/or grid-connected capacity, the confirmed station list and other agreed adjustment mechanisms.

- *Project term and milestones.* The project term generally commences upon notice from the customer that the conditions for commencement have been satisfied, and typically contains phased development and grid-connection milestones, with overall completion within an agreed period.

- *Payment terms.* Progress payments are generally made on a batch basis after customer review and confirmation of completed or accepted stations. A portion of the contract price is typically retained as quality retention money and released after expiry of the relevant warranty period or, in some cases, replaced by a bank guarantee.

- *Performance security.* We may be required to provide performance security, typically in the form of a performance bond calculated as a percentage of the provisional contract price.

- *Quality standards and acceptance.* Projects are generally required to comply with agreed technical and quality standards. Acceptance typically includes both online or system acceptance and site acceptance, and we are generally required to rectify any non-compliant PV stations within the agreed period.

- *Ownership transfer.* Title to the relevant stations generally remains with us prior to delivery and transfers to the customer upon completion of agreed handover or transfer confirmation procedures. The right to electricity revenue may also transfer from the agreed delivery date.

- *Warranty.* We generally provide an overall defect liability or warranty period of two years. For domestic EPC contracts, the warranty period is typically two years, although a longer period may be agreed at the request of the project owner, in which case the related costs are generally reflected in our pricing. For overseas EPC contracts, the defects warranty period generally commences upon provisional acceptance and expires 24 months thereafter.

- *Insurance and safety.* We are generally responsible for procuring agreed construction- and pre-delivery operation-related insurance, including installation all-risks and third-party liability insurance, and for complying with agreed safety, environmental protection and site management obligations.

- *Variations and adjustments.* Contract price, capacity, site or other commercial arrangements may be adjusted in agreed circumstances, subject to customer confirmation or separate agreement.

- *Subcontracting.* We may subcontract certain portions of the work to qualified third parties where permitted, but remain responsible for the performance of the subcontracted works.

- *Termination and dispute resolution.* Our EPC contracts generally contain customary termination, liquidated damages and dispute resolution provisions, including consultation and, failing resolution, submission to the competent PRC court or other agreed dispute resolution forum.

New contract value represents the aggregate monetary value of EPC contracts entered into during a given period. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our new EPC contract value was RMB2,184.2 million, RMB2,647.0 million, RMB830.0 million, RMB775.8 million and RMB538.6 million, respectively. The decreases in our new EPC contract value in 2025 and the six months ended June 30, 2026 were primarily attributable to decreased market demand.

Backlog represents the estimated aggregate contract value of our ongoing EPC projects as of a given date. Such estimated contract value may fluctuate from time to time due to changes in project scope, variations, or adjustments to contractual terms, and our backlog is also affected by the award of new EPC contracts. As of December 31, 2023, 2024 and 2025 and June 30, 2026, the backlog of our ongoing EPC projects was RMB7,589.4 million, RMB3,808.9 million, RMB2,918.1 million and RMB3,218.3 million, respectively. Revenue attributable to our backlog is recognized over the course of construction and, where applicable, upon completion and acceptance of the relevant projects. The backlog figures are calculated on the basis that the relevant contracts will be performed in accordance with their terms.

Project payments and financing arrangements under EPC services

Our EPC contracts generally adopt milestone-based payment arrangements, although specific terms may vary depending on project size, customer profile, bargaining power, competitive conditions and project characteristics. Depending on the contract structure, we may be required to provide bid bonds, performance bonds and/or advance payment guarantees, and we may also be required to satisfy specified documentation and acceptance procedures before invoicing and collection. Accordingly, our EPC payment profile is generally front- and mid-loaded through progress payments but may include a lag in the collection of retention amounts, which may affect our cash flows and working capital position.

The execution of EPC projects typically requires upfront expenditures for equipment procurement, subcontracting and construction activities before full collection of contract consideration. We manage EPC working capital requirements through a combination of internal resources and external financing arrangements, which may include bank borrowings and other credit facilities, bill financing and supplier credit, subject to applicable laws and regulations and the terms of the relevant financing documents. The availability, cost and terms of such financing are influenced by factors such as our credit profile, market conditions, interest rates, counterparty credit quality, contract terms, and the level of our outstanding receivables. In addition, where customers request extended payment terms or where project milestones are delayed, we may experience increased working capital needs and may need to deploy additional financing to support project execution, which could increase financing costs and affect our liquidity.

Subcontracting

In line with market practice in China, we typically engage subcontractors to perform certain portions of the construction and installation works in connection with our EPC projects, while we remain responsible for overall project management, quality control, progress control and coordination. Our subcontractors are generally independent third parties. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, we incurred subcontracting charges of RMB1,619.3 million, RMB1,045.3 million, RMB531.3 million, RMB199.4 million and RMB148.1 million, respectively.

We generally select subcontractors through tendering and/or competitive selection processes, taking into account, among other factors, their qualifications and licensing status (where applicable), track record and past performance, personnel and technical capability, financial strength, safety and compliance record and proposed subcontract fees. Our subcontracting agreements typically set out the principal commercial and operational terms, including scope of work, technical standards and quality requirements, delivery time and project schedule, payment terms, project management requirements, safety and environmental protection obligations, insurance, performance security (where applicable), and liabilities and compensation, which generally reflect, and are aligned with, the requirements under the relevant main contract and project specifications. The duration of each subcontracting arrangement typically depends on the progress, scope and specific needs of the relevant project.

We adopt a range of measures to manage and monitor the performance of our subcontractors to ensure compliance with applicable progress, quality and safety requirements. These measures generally include recording and reporting subcontractors' daily construction progress and on-site construction safety through engineering daily reports, supplemented by supervision logs; upon overall completion of a project, issuing a completion acceptance report signed by relevant parties; and, where any issues are identified, issuing rectification and remediation reports. We generally formulate the key construction and technical plans for relevant projects and manage their implementation by subcontractors. Pursuant to our subcontracting agreements, we are generally entitled to require rectification and/or claim compensation if subcontractors fail to meet prescribed requirements in respect of quality, delivery time, technical standards, or safety and environmental protection standards.

As advised by our PRC Legal Advisor, as the main contractor we may be liable to our customers and third parties for certain wrongdoing or non-performance of our subcontractors, and we generally have rights of recourse against subcontractors in accordance with the subcontracting agreements and applicable laws. As of the Latest Practicable Date, we had 25 qualified subcontractors on our approved list, which we review and update on a periodic basis. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material delay in the work of our subcontractors that led to any material adverse impact on our operations, nor did we incur any significant damages, penalties or other material liabilities arising from misconduct or contractual violations of our subcontractors.

Operations and maintenance services

Our operations and maintenance services revenue principally comprises (1) our share of electricity revenue from residential PV stations under our cooperative co-build arrangements and (2) maintenance service fees for customer-owned residential PV stations. In addition, we generated an insignificant amount of electricity revenue from our self-owned ground-mounted PV stations and commercial and industrial PV stations during the Track Record Period.

Share of electricity revenue

Given that the development and construction of residential PV stations involve upfront capital expenditure, certain individual homeowners with limited financial resources or lower risk appetite prefer to cooperate with us under a cooperative co-build model, under which we are responsible for the investment and ongoing operation of the residential PV station and share the operating proceeds with the homeowner. Under this model, we leverage our service suppliers to source and engage individual homeowners and develop residential PV stations. After an individual homeowner enters into a cooperation agreement with us, the homeowner typically provides rooftop resources, and we provide the turnkey PV station materials and organize the survey, design, installation and grid-connection of the PV station. We invest in the residential PV station and assume full lifecycle management responsibilities. Upon completion and grid connection, the grid company purchases the on-grid electricity generated by the PV station, and we share the operating proceeds with the homeowner, typically through revenue sharing arrangements or, in certain cases, by paying rooftop rent. In certain cases, PV stations developed under the cooperative co-build arrangements may subsequently be sold to third-party investors, and prior to such sale, we receive the electricity revenue generated by such PV stations in accordance with the relevant contractual arrangements.

The following table sets forth the details of the PV stations under our cooperative co-build arrangements for the periods indicated.

Location	Photovoltaic installed capacity	On-grid electricity generation	Tariff
	(MW)	*(MWh)*	*(RMB/MWh)*
For the year ended December 31, 2023			
Northeast China[(1)]	620	375,442	258
North China[(2)]	2,579	2,838,037	301
East China[(3)]	5,655	5,739,252	341
South China[(4)]	296	145,315	372
Central China[(5)]	4,699	4,448,752	312
Northwest China[(6)]	213	120,522	269
Southwest China[(7)]	7	420	312
For the year ended December 31, 2024			
Northeast China[(1)]	1,510	1,264,312	263
North China[(2)]	3,378	3,708,608	291
East China[(3)]	5,594	7,076,221	334
South China[(4)]	1,332	913,086	373
Central China[(5)]	6,329	5,825,963	329
Northwest China[(6)]	942	507,606	263
Southwest China[(7)]	208	87,234	306
For the year ended December 31, 2025			
Northeast China[(1)]	2,243	2,353,109	276
North China[(2)]	5,559	5,786,620	290
East China[(3)]	6,625	7,419,888	343
South China[(4)]	1,906	1,747,911	373
Central China[(5)]	8,115	8,035,073	339
Northwest China[(6)]	1,826	1,625,874	272
Southwest China[(7)]	411	351,096	310
For the six months ended June 30, 2026			
Northeast China[(1)]	2,694	1,624,514	261
North China[(2)]	5,559	3,831,353	271
East China[(3)]	5,994	3,831,603	316
South China[(4)]	1,706	947,649	332
Central China[(5)]	7,958	3,607,189	270
Northwest China[(6)]	1,760	1,021,632	239
Southwest China[(7)]	351	207,124	288

(1) Northeast China included Liaoning, Jilin and Heilongjiang.

(2) North China included Beijing, Tianjin, Shanxi, Hebei and Inner Mongolia.

(3) East China included Shanghai, Jiangsu, Anhui, Zhejiang, Shandong, Jiangxi and Fujian.

(4) South China included Guangdong, Guangxi and Hainan.

(5) Central China included Hunan, Hubei and Henan.

(6) Northwest China included Shaanxi, Gansu, Ningxia, Qinghai and Xinjiang.

(7) Southwest China included Guizhou, Sichuan, Yunnan, Tibet and Chongqing.

Maintenance service fees

For individual homeowners with stronger financial capacity who wish to own residential PV station assets, as well as other market investors that acquire and hold residential PV stations, we deliver the relevant PV stations to such customers and provide ongoing after-sales maintenance services. Given the long operating life of residential PV stations and the professional requirements for routine management and maintenance, customers typically have continued demand for reliable maintenance support after acquiring a PV station. We provide such services through a combination of our self-developed remote monitoring platform and our agent network. Our remote monitoring platform enables real-time monitoring of operating status, and our agent network supports a responsive maintenance service framework, under which agents conduct on-site inspections, fault diagnosis and rectification in accordance with our standards, enabling us to respond promptly to low-efficiency or faulty stations and enhance power generation efficiency.

Sales of inverters and energy storage systems

We have established a leading technological product system encompassing photovoltaic inverters and energy storage, underpinned by core patented technologies that serve downstream applications in solar power generation and integrated energy solutions.

Our photovoltaic inverters comprehensively employ advanced neutral-point-clamped and active neutral-point-clamped topologies, and actively integrate next-generation power electronic devices such as silicon carbide. Built on a fully digital control platform utilizing the latest DSP technology and enhanced by proprietary algorithms – including SVPWM and DPWM modulation, smooth switching control, and narrow pulse elimination – our inverters deliver high efficiency, exceptional reliability and stable performance. They are equipped with intelligent functions such as DC arc fault detection, intelligent trip protection, anti-PID technology for photovoltaic modules, SVG functionality and I-V curve scanning, which effectively enhance system reliability and create additional value for customers.

Designed for robust performance in challenging grid environments, our inverters demonstrate reliable dynamic and static operation even in ultra-weak grid conditions with a short-circuit ratio as low as 1.15, and exhibit favorable series compensation characteristics. Capable of stable operation with photovoltaic capacity ratios of up to 2.0, they incorporate advanced harmonic suppression to ensure consistent power quality. Leveraging multi-level power topology structures, innovative device design and application, and intelligent modulation and control technologies, our inverters achieve a maximum conversion efficiency of up to 99.0% and a China efficiency of up to 98.5%, with all models exceeding 98.0% efficiency. Additional features include support for 1.1x long-term overload capacity, large-power designs up to 350 kW, compatibility with both copper and aluminum cables, IP66 and C5 protection ratings, multi-MPPT configurations for complex terrains, high-current string inputs, and intelligent operation and maintenance through flexible communication solutions. The following image serves as an illustration of our photovoltaic inverters.

Furthermore, we provide liquid-cooled energy storage systems, including a 5 MWh product based on a standard 20-foot container. The system is characterized by high energy density, high performance and high safety. It adopts a physical separation design between the power conversion and step-up compartment and the DC battery compartment to enhance overall safety, and, through its highly integrated battery pack design, achieves energy density and system capacity superior to industry benchmarks. It incorporates pack-level fire detection and suppression, forming a comprehensive safety framework compliant with stringent international standards. Through innovative thermal management design, the system delivers superior heat dissipation, extended lifespan and higher efficiency, alongside full electrical protection. Compared to conventional solutions, it offers lower energy consumption, a reduced footprint, shorter installation and commissioning time, lower system and logistics costs, and an extended service life.

OUR CORE TECHNOLOGIES

We have established a robust, interdisciplinary technology foundation that drives innovation across our dual-core business ecosystem. Our research and development strategy is vertically integrated, aligning closely with our operational segments to power end-to-end smart energy solutions.

Core Technologies for Our Intelligent Electrical Products

Our core technologies for intelligent electrical products are centered on safety, intelligence and reliability, and underpin the digital and physical foundation of modern power distribution systems.

- *Advanced protection and arc-extinguishing technologies.* We possess core electrical safety technologies and underlying know-how in advanced contact system design, magnetic blow-out arc-extinguishing, gas-generating arc control and dynamic insulation coordination. For certain products, our advanced contact system design enables the moving contact, when repelled open by electrodynamic force during high-current interruption, to drive the contact spring to rotate and trip the operating mechanism through an intermediate linkage, thereby reducing transmission links and shortening the interruption time. In addition, by utilizing the principle that the contact spring moves past the rotational center of the shaft in the reverse direction, the moving contact can achieve self-locking after repulsion and reach its maximum contact gap after opening. We also employ a proprietary scheme combining horizontal and vertical arc-extinguishing chambers in series to achieve multi-stage arc segmentation. For certain products, the maximum single-pole arc voltage can exceed 3kV, and a single pole can interrupt 3kA at DC1500V. Together with magnetic blow-out and gas-generating arc control technologies designed to satisfy compact-size and high-breaking-capacity requirements, and dynamic insulation coordination technology featuring double insulation in both the housing and base, which enables both top and bottom incoming line connections without derating and facilitates more convenient wiring, these technologies support stable high-breaking capacity, extended mechanical and electrical life, and reliable performance across diversified application environments, including residential communities, new energy scenarios and data centers.

- *High-precision electromechanical actuation and automation control technologies.* We have established systematic technical capabilities in electromagnetic and permanent-magnet actuator design, kinematic optimization of operating mechanisms and intelligent control coordination. We also apply mainstream vector control technology, under which the control process of an AC motor is modeled in a manner analogous to that of a DC motor, enabling precise and independent control of motor magnetic field and torque. These technologies support millisecond-level response speed, repeatable switching performance under high-frequency operating conditions, and seamless integration into industrial Internet of Things and building automation systems, serving key OEM customers and smart infrastructure projects.

- *Embedded sensing, metering and edge intelligence technologies.* We integrate high-precision sensing modules covering current, voltage, temperature and arc-fault detection, as well as energy metering chipsets and edge computing capabilities, into our products. This enables real-time operating status monitoring, potential fault identification and early warning, product life prediction, granular energy consumption analysis, predictive maintenance alerts and localized autonomous control, transforming traditional passive electrical components into intelligent nodes at the edge of the grid.

- *System-level integration and digital connectivity technologies.* Through standardized communication interfaces and unified data models, we enable unified access and semantic modeling for multiple types of electrical equipment, energy equipment and industrial control devices, thereby establishing an open architecture system. Based on digital twin modeling of devices and a software-defined architecture, we abstract our intelligent electrical product families into orchestratable digital capability units, allowing different devices to operate collaboratively within a unified system framework and to integrate seamlessly with broader energy management platforms, building management systems and industrial control networks.

- *Reliability engineering and digital-intelligent manufacturing upgrades.* We apply platform-based reliability design and systematic design-for-manufacturing methodologies, combined with failure mode and effects analysis and multi-physics simulation, to enhance product consistency and design robustness at the source. We have also established a full-process validation system covering research and development and mass production, including highly accelerated life testing, highly accelerated stress screening, accelerated aging simulation, and comprehensive testing for temperature rise, mechanical life and dielectric withstand performance. In parallel, we continue to upgrade our intelligent production lines by integrating automated optical inspection, robotic precision assembly, online performance testing and quality traceability functions, while linking such production upgrades with digitalized procurement and supply chain management, intelligent warehousing and digitalized logistics scheduling. Through the deep integration of next-generation information technologies, such as big data and AI, with advanced manufacturing technologies, we aim to achieve full-process controllability and traceability, stable production and high-quality delivery.

Core Technologies for Our Green Energy Solutions

This technology stack is architected for efficiency, integration and lifecycle value maximization across the entire solar and storage value chain.

- *Full-lifecycle PV station engineering and system integration.* We deploy integrated digital engineering tools for optimal plant design (AI-assisted yield simulation and BOS optimization), robotic construction management, and seamless grid-compliance integration. Our capabilities cover the full spectrum from C&I rooftop systems to utility-scale plants, ensuring LCOE (levelized cost of energy) minimization and rapid project bankability.

- *Next-generation power electronics and inverter platforms.* Our inverter technology leverages advanced multi-level topologies (3L-NPC/ANPC) and wide-bandgap semiconductors (SiC). Powered by a fully digital control platform using proprietary algorithms – including adaptive MPPT (maximum power point tracking), advanced grid-forming controls, and harmonic suppression – our inverters achieve industry-leading efficiency (up to 99.0% peak, >98.5% China efficiency). They feature robust grid support for ultra-weak grids (SCR as low as 1.15), high photovoltaic penetration (capacity ratio up to 2.0p), and smart functions such as I-V curve diagnosis and anti-PID (potential induced degradation).

- *Advanced energy storage system architecture and safety*. We offer integrated, liquid-cooled BESS solutions based on a modular cell-to-pack-to-system design philosophy. Our systems feature physical and thermal runaway propagation prevention through compartmentalization, pack-level multi-sensor fusion for early fault detection, and AI-driven thermal management for optimal lifespan and efficiency. This results in a high-energy-density product with enhanced safety credentials and lower levelized cost of storage.

- *AI-powered smart operations and maintenance and asset performance management*. Our proprietary smart operations and maintenance platform utilizes computer vision (for drone-based inspection), IoT sensor networks, and machine learning algorithms for predictive analytics. This enables remote health monitoring, yield optimization, automated fault dispatch, and performance benchmarking, significantly reducing downtime and improving the ROI of photovoltaic assets throughout their operational life.

RESEARCH AND DEVELOPMENT

We have established a robust research and development capability designed to support innovation across our dual-core business ecosystem, enabling us to respond to evolving customer requirements and regulatory standards across multiple end markets and geographies. We maintain a dedicated team of research and development personnel supported by competitive remuneration and welfare benefits, and we invest in structured training programs to upskill key personnel and maintain organizational capability continuity. As of June 30, 2026, our research and development team consisted of 2,741 employees, representing 9.1% of our total employees. During the Track Record Period, our research and development expenses were RMB1,179.2 million, RMB1,267.3 million, RMB1,326.0 million, RMB617.3 million and RMB619.1 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 2.1%, 2.0%, 2.2%, 2.1% and 1.6% of our revenue in the same periods, respectively.

Our research and development strategy emphasizes platform-based capability building and application-oriented commercialization. We continuously advance a multi-party innovation platform that integrates industry, academia, research institutions, government initiatives and end-user applications. We maintain ongoing technical cooperation with leading universities, including Tsinghua University, Xi'an Jiaotong University and Zhejiang University, as well as with industry research and development institutions. In parallel, we work with industry customers on customized product development and on the formulation, revision, upgrading and implementation of product standards. Our collaboration priorities include key equipment for new energy, power electronics, large AI models, talent development and commercialization of research and development outcomes, and we have jointly developed new products with partners.

We have established advanced testing and validation capabilities. Our laboratory center has obtained certifications and recognitions from multiple authoritative institutions, including CNAS (China), UL WTDP (United States), CSA WMTC (Canada) and VDE (Europe), supporting our product qualification and international market access. We also place emphasis on innovation governance and intellectual property management. We were awarded a level-4 evaluation certificate for ISO 56005 innovation and intellectual property management capability.

Our research and development efforts have resulted in continuous product innovation and technical recognition. During the Track Record Period, a number of new products achieved internationally leading or internationally advanced technical levels. We also achieved domestic leadership for certain products. We received a range of science and technology innovation recognitions, including National Standard Innovation Enterprise (國家級標準創新型企業) and participation in a National High-end Equipment Manufacturing Standardization Pilot Project (國家高端裝備製造業標準化試點專案), among other honors. Certain products, such as the NXBLE-32/63 residual current operated circuit breaker, have received provincial-level product accolades, including recognition as Zhejiang Manufacturing Premium (浙江製造精品) and Zhejiang Province Excellent Industrial New Product (浙江省優秀工業新產品).

INTELLECTUAL PROPERTY RIGHTS

We believe that our intellectual property rights are critical to our ability to maintain our market position and support the long-term development of our intelligent electrical products and green energy solutions. We rely on a combination of intellectual property rights, including patents, trademarks, copyrights, know-how and trade secrets, as well as contractual arrangements, to protect our technological achievements, product designs, brands and proprietary processes. Our intellectual property portfolio primarily consists of patents, trademarks, copyrights, trade secrets, and other intellectual property rights relating to, among others, power distribution and control products, electrical components, intelligent electrical solutions, and photovoltaic-related technologies. See "Appendix VI–Statutory and General Information–Further Information About Our Business–Our Intellectual Property Rights."

We have adopted a range of measures to protect our intellectual property rights, including: (1) establishing internal policies and procedures to manage, implement and protect our intellectual property rights throughout the entire lifecycle of research and development, manufacturing and commercialization; (2) organizing dedicated personnel and/or relevant working mechanisms to guide, manage, supervise and monitor our intellectual property-related work; (3) making timely applications, registrations and filings for patents, trademarks, copyrights and other intellectual property rights; (4) monitoring the status of our intellectual property portfolio and taking appropriate actions when potential conflicts or infringement risks are identified; and (5) incorporating confidentiality, intellectual property ownership, service invention assignment and other protective clauses into employment agreements and other relevant contractual arrangements with employees, consultants and business partners. During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business.

In addition to patents, we maintain and use trademarks, domain names, software and technical documentation, and other proprietary rights associated with our brands and product offerings. We also protect proprietary technology and know-how that may not be suitable for patent protection through internal confidentiality controls and contractual safeguards. Where appropriate, we may enter into licensing, cooperation or other arrangements in the ordinary course of business, and we seek to include provisions addressing ownership, permitted use, confidentiality and infringement handling to protect our interests.

OUR SALES NETWORK

Sales Network for Intelligent Electrical Product Business

For our intelligent electrical product business, we primarily reach downstream customers through a broad distribution network. Our distributors act as sales channel partners by purchasing our intelligent electrical products for resale and providing regional sales coverage and customer services. In addition, certain distributors may, in the ordinary course of business, engage sub-distributors to extend their downstream coverage, broaden geographic reach and enhance service responsiveness. We generally do not enter into direct agreements with or directly manage or control sub-distributors; however, under our distributorship arrangements, our distributors are generally responsible for supervising the conduct of their directly transacting sub-distributors and ensuring compliance with our channel management requirements. We may also have a certain level of visibility over sub-distributor activities through our distributor ordering and transaction system (i.e., TaiLeGou (泰樂購), which is commonly used by sub-distributors to place orders with primary distributors) and through our sales team's routine market visits. Our downstream customers include, among others, panel builders, OEMs and real estate developers.

We engage in direct sales to certain customers in the ordinary course of business. In our intelligent electrical product business, direct sales are primarily made to selected key account customers, including certain leading customers in the power and telecommunications industries and other sizeable manufacturing and infrastructure customers, where direct engagement is conducive to supporting project requirements, improving responsiveness, providing technical support and after-sales services, and strengthening customer relationships.

The following table sets forth a breakdown of our intelligent electrical product revenue by distribution channel for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Direct sales	9,093,143	45.2	9,252,905	44.2	10,795,817	49.3	5,404,481	46.1	5,592,114	46.0
Distributorship	11,045,400	54.8	11,668,859	55.8	11,122,861	50.7	6,320,493	53.9	6,554,680	54.0
Total revenue of intelligent electrical products	**20,138,543**	**100.0**	**20,921,764**	**100.0**	**21,918,678**	**100.0**	**11,724,974**	**100.0**	**12,146,794**	**100.0**

Distributorship arrangements for intelligent electrical product business

We enter into distributorship agreements with our distributors for intelligent electrical product business on an annual basis. We generally adopt two principal types of distributorship arrangements: (1) product distributorship agreements, under which distributors are granted non-exclusive rights to distribute specified categories of our intelligent electrical products within designated geographic areas and business segments; and (2) industry-specific distributorship agreements, under which distributors with relevant experience in a particular industry are granted non-exclusive rights to distribute specified products for use in the relevant authorized industry, typically on the basis of customer/project registration and authorization. Under the latter arrangement, customer/project opportunities that are duly registered and approved in accordance with our procedures may receive customer/project attribution protection under the relevant contractual arrangements and our channel management requirements, subject to our approval and adjustment rights.

We and our distributors generally maintain a seller-and-buyer relationship. Our distributors typically purchase our products on a buy-out basis, and risk of loss generally passes upon delivery to the carrier or upon pick-up, as applicable, while title generally transfers upon full payment of the relevant purchase price. We generally do not impose minimum purchase obligations on our distributors, although many distributors agree annual sales targets or performance indicators. Failure to meet agreed targets may affect the rebates, discounts or other incentives available to distributors and, in certain circumstances, may also affect the continuation or renewal of the relevant distributorship arrangement. We may provide special pricing or project-specific pricing support in certain circumstances, subject to our internal approval procedures, customer/project restrictions and channel management requirements. We may also grant credit limits or temporary credit support to distributors based on their credit profile and business needs, and where the applicable credit limit is exceeded or payment becomes overdue, further purchases may be required to be settled on a full-payment basis and/or may be subject to suspension of supply.

Our distributors generally manage their own inventory and regularly share inventory information with us. There is generally no unrestricted contractual right of return or exchange. In limited circumstances, such as product quality issues, excess products obtained under approved special pricing arrangements or certain termination-related inventory situations, returns, exchanges or repurchases may be addressed in accordance with the relevant agreements or on a case-by-case basis. During the Track Record Period, such repurchases accounted for an immaterial portion of our revenue (typically less than 1% of the revenue generated from intelligent electrical product business).

Major terms of our standard distribution arrangements with our distributors generally include:

- *Duration.* The term of our distribution agreements is typically one year.

- *Authorization and scope.* Product distributorship agreements generally grant non-exclusive rights to distribute specified product categories within designated geographic territories and business segments. Industry-specific distributorship agreements generally grant non-exclusive rights to distribute specified products in authorized industries, typically on the basis of approved customer/project registration and authorization. We generally reserve the right to adjust the authorized scope, territories, industries, products or customer/project authorization in accordance with the relevant agreements.

- *Sub-distributors.* Distributors may develop sub-distributors in the ordinary course of business. We generally do not enter into direct agreements with or directly manage such sub-distributors; however, our distributors are generally responsible for supervising their directly transacting sub-distributors and ensuring compliance with applicable channel management requirements.

- *Sales targets, rebates and pricing support.* Depending on the type of arrangement, distributors may agree annual, quarterly or monthly sales targets or other performance indicators. Distributors may be entitled to rebates, discounts or other incentives if applicable conditions are satisfied. We may also grant special pricing or project-specific pricing support subject to prior approval, supporting materials and applicable customer/project restrictions.

- *Payment and credit support.* Payment is generally made by bank transfer or other accepted methods. Depending on credit assessments and business needs, we may grant credit limits or temporary credit support, and purchases exceeding the applicable limit generally require prepayment of the excess amount. Overdue amounts may be subject to occupation charges or other remedial measures under the relevant agreements and policies.

- *Orders, delivery, risk and title.* Orders are generally placed through our designated systems. We may deliver products through carriers or permit self-pick-up, and partial deliveries may be made unless otherwise agreed. Risk of loss generally passes upon delivery to the carrier or upon pick-up, as applicable, while title generally transfers upon full payment of the relevant purchase price.

- *After-sales service, warranty and returns.* We undertake to provide products meeting applicable quality standards and generally provide warranty coverage for 24 or 36 months from the production date, depending on product characteristics and use environment, subject to the relevant contractual exclusions. Within the applicable warranty period, remedies generally include repair, replacement or other agreed remedial measures for qualifying defects. Distributors are generally not entitled to unrestricted returns or exchanges, except in limited circumstances such as product quality issues or otherwise as agreed.

- *Channel management and compliance.* Distributors are generally required to comply with their authorized territories, industries, customer/project scope and sales channels, as well as applicable laws, anti-corruption, export control, brand use and market order management rules. Absent our written approval, they are generally restricted from unauthorized cross-region sales, unauthorized e-commerce sales, sales outside approved customer/project scope or unauthorized overseas sales. We may also conduct audits or inspections of relevant records, inventory and logistics arrangements.

- *Intellectual property and termination.* Distributors may use our trademarks, trade names and other branding only within the scope of our authorization and subject to our brand use policies. Distribution arrangements may terminate upon expiry or earlier in accordance with the relevant agreements, including for material breach, overdue payment, unauthorized transfer, loss of qualifications, false information or other specified circumstances. Upon expiry or termination, distributors are generally required to cease using our trademarks and other intellectual property and stop holding themselves out as our authorized distributors.

Our distributors are generally selected based on criteria that may include, among others, (1) the breadth and quality of their sales network and customer coverage, (2) their financial condition and credit profile, (3) their sales capabilities and market development strategy, (4) their logistics, warehousing and delivery capabilities, (5) their after-sales and customer service capabilities, and (6) their compliance record and operational capabilities. The following table sets forth the movement in the number of our distributors for our intelligent electrical product business for the periods indicated.

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Number of distributors at the beginning of the period	510	516	566	557
Number of new distributors	6	65	34	17
Number of exiting distributors[(1)]	–	(15)	(43)	(31)
Number of distributors at the end of the period	**516**	**566**	**557**	**543**

(1) In 2024, 2025 and the six months ended June 30, 2026, 15, 43 and 31 distributors exited our distribution network, respectively, primarily because (i) certain distributors had failed for consecutive years to meet the sales targets stipulated in their distribution agreements with us, (ii) certain distributors materially breached relevant terms of their distribution agreements with us, and (iii) upon expiry of the relevant distribution agreements, certain distributors elected not to renew such agreements due to their own business or operational considerations.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, save for Jinan Haotai Electrical Equipment Co., Ltd. (濟南豪泰電氣設備有限公司), Shandong Chint Electric Co., Ltd. (山東正泰電器有限公司), Baoding Chint Mechanical & Electrical Sales Co., Ltd. (保定正泰機電銷售有限公司) and Xiamen Jinjian Mechanical & Electrical Equipment Co., Ltd. (廈門金建機電設備有限公司), all of our distributors were independent third parties, and besides the ordinary course sales arrangement with us, there was no other relationship between our distributors and each of our Company, our subsidiaries, our Shareholders who own 5% or more of the total issued Shares, Directors or senior management or any of their respective associates. See "Connected Transactions–Relevant Connected Persons."

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material abuses or improper use of our name or trademarks by our distributors that could adversely affect our reputation, business operations or financial condition. During the Track Record Period and up to the Latest Practicable Date, we had no material unresolved disputes or lawsuits with our distributors.

Sales Network for Green Energy Solutions

Our sales and distribution arrangements for our green energy solution business vary by business line. For our PV station solutions, we primarily engage customers through direct sales. We typically negotiate directly with customers in relation to commercial terms, project scope and delivery arrangements, and, where applicable, obtain projects through tendering and bidding processes. Our EPC services are also primarily secured through direct customer engagement and direct negotiation, under which we discuss and agree with customers on the relevant technical requirements, project scope, pricing and implementation timetable. In addition, our operations and maintenance services are principally obtained through direct negotiation with customers based on their service needs and the scope of the relevant power station portfolio.

For our sales of inverters and energy storage systems, we primarily sell directly to customers in both China and overseas markets. In certain overseas markets, we also engage a limited number of distributors, which purchase our products for resale and provide local market coverage and customer support. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had nil, three, five and three distributors for our inverters and energy storage systems, respectively. We believe this sales model enables us to maintain direct relationships with customers while selectively leveraging the local market reach and service capabilities of distributors in certain overseas markets.

PRICING

Our pricing policies are designed to support our market positioning and reflect the value of our products and solutions, while remaining competitive and responsive to market conditions. Pricing arrangements differ by business segment. For our intelligent electrical products, prices are typically set by reference to product type and technical specifications and may, where appropriate, be tailored on a customer- or project-specific basis to the needs of distributors and selected key account customers. Such pricing may be adjusted having regard to, among others, raw material prices and product costs, specific customer requirements and competitive conditions, our gross margin levels and customer acceptance, and remains subject to our internal pricing and discount approval procedures. For our green energy solutions, pricing is generally project-based and depends on the applicable model and scope, including equipment configuration, engineering and integration requirements, site conditions, project schedule, warranty and service obligations, payment terms and the allocation of responsibilities and risks among parties.

MARKETING

We implement marketing initiatives designed to strengthen our brand, support product and solution sales and enhance customer engagement across our intelligent electrical product and green energy solution businesses. Our marketing strategy focuses on (1) maintaining and enhancing brand recognition and customer confidence in product quality and reliability, (2) expanding penetration in key application scenarios and customer segments, (3) supporting distributors with standardized marketing materials and training, and (4) leveraging technical service capability to drive repeat purchases and long-term customer relationships.

- *Intelligent electrical products.* Our marketing activities for intelligent electrical products are primarily directed at downstream business customers. We typically conduct (1) product launches and marketing events for new and upgraded products, (2) technical seminars, training sessions and on-site demonstrations to support product selection and application, (3) participation in industry exhibitions, conferences and professional forums to strengthen market visibility, (4) joint marketing and promotional activities with distributors to support regional market development, and (5) marketing support tools and materials, including catalogues, solution brochures, application guides and case studies. We also leverage customer service and after-sales touchpoints, including technical consultation and troubleshooting, to reinforce product performance perception and enhance customer stickiness.

- *Green energy solutions.* Our marketing activities for green energy solutions are generally project- and customer-driven and are primarily targeted at third-party investors. We focus on (1) engagement with key customers through business development teams and industry channels, (2) participation in photovoltaic and energy-related exhibitions, conferences and forums to build market presence, and (3) showcasing reference projects and performance data, where available and appropriate, to support customer decision-making.

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our selling and marketing expenses were RMB2,241.4 million, RMB2,643.7 million, RMB2,572.3 million, RMB1,230.1 million and RMB1,194.0 million, respectively, representing 3.8%, 4.1%, 4.3%, 4.2% and 3.1% of our revenue for the same periods, respectively.

CUSTOMERS

We serve a broad base of downstream customers across our dual-core business ecosystem. Our customer profile reflects the differing commercial models of these two segments, primarily with standardized product sales and channel coverage for intelligent electrical products, as well as project-based delivery for green energy solutions.

In 2023, 2024, 2025 and the six months ended June 30, 2026, our revenue from the five largest customers in each period during the Track Record Period in total was RMB20,715.5 million, RMB25,480.3 million, RMB23,891.3 million and RMB12,281.3 million, respectively, accounting for 36.2%, 39.5%, 40.4% and 32.3% of our total revenue in the same periods, respectively. In the same periods, our revenue from the single largest customer in each period during the Track Record Period was RMB7,825.7 million, RMB9,841.9 million, RMB8,512.9 million and RMB3,452.4 million, respectively, accounting for 13.7%, 15.3%, 14.4% and 9.1% of our total revenue in the same periods, respectively.

The following tables set forth the details of the five largest customers in each period during the Track Record Period.

Customers	Products provided	Background	Year of commencement of business relationship	Payment method	Credit period	Revenue	Percentage of total revenue
						(RMB in thousands)	*(%)*
For the year ended December 31, 2023							
Customer A	sales of residential PV stations and operations and maintenance services	a comprehensive energy enterprise group established in 2015	2021	bank transfer/ notes payable	five to 60 days	7,825,726	13.7
Customer B	sales of residential PV stations and operations and maintenance services	an industrial finance institution established in 1985 and transitioning toward new energy as a strategic focus	2022	bank transfer/ notes payable	five to 60 days	4,192,266	7.3
Customer C	sales of residential PV stations and operations and maintenance services	a company established in 2021 principally engaged in residential PV stations and related services	2022	bank transfer/ notes payable	seven to 60 days	4,189,091	7.3
CHINT Group	electrical accessories, power strips and electrical components	a globally renowned provider of smart energy system solutions established in 1984	2004	bank transfer/ notes payable	75 to 90 days	2,291,023	4.0
Customer D	sales of residential PV stations and operations and maintenance services	a company established in 2023 principally engaged in solar power generation technology services, sales of PV equipment and research and development of emerging energy technologies	2023	bank transfer/ notes payable	five to 60 days	2,217,401	3.9

Customers	Products provided	Background	Year of commencement of business relationship	Payment method	Credit period	Revenue	Percentage of total revenue
						(RMB in thousands)	*(%)*
For the year ended December 31, 2024							
Customer B	sales of residential PV stations and operations and maintenance services	an industrial finance institution established in 1985 and transitioning toward new energy as a strategic focus	2022	bank transfer/ notes payable	five to 60 days	9,841,931	15.3
Customer E	sales of residential PV stations and operations and maintenance services	a company established in 2023 and engaged in solar power generation technology services and sales of PV equipment	2023	bank transfer/ notes payable	five to 60 days	8,232,745	12.8
Customer-Supplier A	electricity, low-voltage electrical products, and instruments and meters	a company established in 2002 with investment in, construction and operation of power grids as its core business	2009	bank transfer	10 to 90 days	2,800,001	4.3
CHINT Group	electrical accessories, power strips and electrical components	a globally renowned provider of smart energy system solutions established in 1984	2004	bank transfer/ notes payable	75 to 90 days	2,683,226	4.2
Customer F	sales of residential PV stations and operations and maintenance services	a company established in 2017 whose principal businesses cover finance leasing, asset securitization and distributed photovoltaics	2023	bank transfer/ notes payable	seven to 60 days	1,922,368	3.0
For the year ended December 31, 2025							
Customer G	sales of residential PV stations and operations and maintenance services	a large wholly state-owned comprehensive multinational enterprise group established in 1979	2022	bank transfer/ notes payable	15 to 90 days	8,512,910	14.4
Customer E	sales of residential PV stations and operations and maintenance services	a company established in 2023 and engaged in solar power generation technology services and sales of PV equipment	2023	bank transfer/ notes payable	five to 60 days	5,416,129	9.2
Customer-Supplier A	electricity, low-voltage electrical products, and instruments and meters	a company established in 2002 with investment in, construction and operation of power grids as its core business	2009	bank transfer	10 to 90 days	5,130,551	8.7
CHINT Group	electrical accessories, power strips and electrical components	a globally renowned provider of smart energy system solutions established in 1984	2004	bank transfer/ notes payable	75 to 90 days	2,780,130	4.7
Customer B	sales of residential PV stations and operations and maintenance services	an industrial finance institution established in 1985 and transitioning toward new energy as a strategic focus	2022	bank transfer/ notes payable	five to 60 days	2,051,625	3.5
For the six months ended June 30, 2026							
Customer B	sales of residential PV stations and operations and maintenance services	an industrial finance institution established in 1985 and transitioning toward new energy as a strategic focus	2022	bank transfer/ notes payable	five to 60 days	3,452,378	9.1
Customer-Supplier A	electricity, low-voltage electrical products, and instruments and meters	a company established in 2002 with investment in, construction and operation of power grids as its core business	2009	bank transfer	10 to 90 days	2,570,940	6.8
Customer H	sales of residential PV stations and operations and maintenance services	a company established in 2010 whose principal businesses cover finance leasing, asset securitization and distributed photovoltaics	2023	bank transfer	generally within five days	2,486,351	6.5
Customer I	sales of residential PV stations and operations and maintenance services	a company established in 1984 whose principal businesses cover finance leasing, asset securitization and distributed photovoltaics	2025	bank transfer	30 days	2,205,425	5.8
Customer F	sales of residential PV stations and operations and maintenance services	a company established in 2017 whose principal businesses cover finance leasing, asset securitization and distributed photovoltaics	2023	bank transfer/ notes payable	seven to 60 days	1,566,157	4.1

To the best of our knowledge, save for CHINT Group, all of our five largest customers in each period during the Track Record Period were independent third parties. As of the Latest Practicable Date, save for CHINT Group, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each period during the Track Record Period.

SUPPLIERS

Our operations require the procurement of a broad range of raw materials, components and services to support both our intelligent electrical product business and our green energy solution business. For our intelligent electrical products, key inputs include, among others, copper, silver, steel and plastics. For our green energy solutions, our procurement focuses on core materials and components for photovoltaic and energy storage products and related system integration, including power-electronic components (such as insulated gate bipolar transistors, magnetic components, certain chips, and multi-layer ceramic capacitors) and energy storage cells, as well as balance-of-system items used in PV station development (such as modules, inverters, mounting structures, meter boxes and cables) and certain ancillary systems (such as liquid cooling and fire protection), as applicable. In addition, for our PV station solutions, we engage service suppliers for rooftop sourcing and the construction and installation of residential photovoltaic systems, and, in our EPC services, we may engage subcontractors for certain construction and installation works while remaining responsible for overall project management, quality control, progress control and coordination.

We maintain an internal supplier management and procurement framework designed to support stable supply, quality assurance and cost competitiveness. Under this framework, we generally (1) maintain an approved supplier pool, (2) evaluate prospective suppliers against criteria such as product quality, delivery capability, production capacity, pricing competitiveness, compliance track record and financial condition, and (3) conduct ongoing performance assessments (including periodic review of delivery, quality and service responsiveness) and take remedial measures where appropriate.

Major Suppliers

The purchases from our top five suppliers in each period during the Track Record Period were RMB13,905.7 million, RMB7,789.8 million, RMB8,222.5 million and RMB4,520.8 million, respectively, representing 24.9%, 14.7%, 14.9% and 19.2% of our total purchase amount in the same periods, respectively. The purchases from our largest supplier in each period during the Track Record Period were RMB7,921.3 million, RMB4,549.6 million, RMB4,485.6 million and RMB1,994.5 million, respectively, representing 14.2%, 8.6%, 8.1% and 8.5% of our total purchase amount in the same periods, respectively. The following tables set forth the details of our top five suppliers in each period during the Track Record Period.

Supplier	Purchase amount	Percentage of total purchase amount	Year of commencement of business relationship	Credit period	Payment method	Type of supplier
	(RMB in thousands)	*(%)*				
For the year ended December 31, 2023						
CHINT Group	7,921,321	14.2	2004	75 to 120 days	bank transfer/notes payable	photovoltaic modules
Supplier A	1,604,454	2.9	2019	90 days	bank transfer/notes payable	photovoltaic modules
Supplier B	1,567,587	2.8	2022	90 to 180 days	bank transfer/notes payable	photovoltaic modules
Supplier C	1,515,063	2.7	2019	90 to 180 days	bank transfer/notes payable	photovoltaic modules
Supplier D	1,297,229	2.3	2021	90 days	bank transfer/notes payable	photovoltaic modules

Supplier	Purchase amount	Percentage of total purchase amount	Year of commencement of business relationship	Credit period	Payment method	Type of supplier
	(RMB in thousands)	*(%)*				
For the year ended December 31, 2024						
CHINT Group	4,549,644	8.6	2004	75 to 120 days	bank transfer/notes payable	photovoltaic modules
Supplier B	877,305	1.7	2022	90 to 180 days	bank transfer/notes payable	photovoltaic modules
Supplier E	815,935	1.5	2001	90 days	bank transfer/notes payable	silver contact points and contact welding processing services
Customer-Supplier A	810,718	1.5	2021	nine days	bank transfer/notes payable	electricity
Supplier F	736,226	1.4	2022	180 days	bank transfer/notes payable	photovoltaic modules
For the year ended December 31, 2025						
CHINT Group	4,485,566	8.1	2004	75 to 120 days	bank transfer/notes payable	photovoltaic modules
Supplier B	989,743	1.8	2022	90 to 180 days	bank transfer/notes payable	photovoltaic modules
Supplier E	978,158	1.8	2001	90 days	bank transfer/notes payable	silver contact points and contact welding processing services
Customer-Supplier A	914,774	1.7	2021	nine days	bank transfer/notes payable	electricity
Supplier F	854,242	1.5	2022	180 days	bank transfer/notes payable	photovoltaic modules
For the six months ended June 30, 2026						
CHINT Group	1,994,523	8.5	2004	75 to 120 days	bank transfer/notes payable	photovoltaic modules
Supplier E	1,031,749	4.4	2001	90 days	bank transfer/notes payable	silver contact points and contact welding processing services
Supplier B	542,520	2.3	2022	90 to 180 days	bank transfer/notes payable	photovoltaic modules
Supplier G	477,379	2.0	1996	90 days	bank transfer/notes payable	silver contact points and contact welding processing services
Supplier C	474,609	2.0	2019	90 to 180 days	bank transfer/notes payable	photovoltaic modules

To the best of our knowledge, save for CHINT Group, all of our five largest suppliers in each period during the Track Record Period were independent third parties. As of the Latest Practicable Date, save for CHINT Group, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our top five suppliers in each period during the Track Record Period.

OVERLAPPING CUSTOMERS AND SUPPLIERS

Among our top five customers during the Track Record Period, CHINT Group and Customer-Supplier A were also our suppliers. We primarily purchased photovoltaic modules from CHINT Group, with purchase amounts of RMB7,921.3 million, RMB4,549.6 million, RMB4,485.6 million and RMB1,994.5 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. We primarily purchased electricity from Customer-Supplier A, with purchase amounts of RMB581.5 million, RMB810.7 million, RMB914.8 million and RMB388.2 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively.

Certain of our top five suppliers during the Track Record Period were also our customers. We sold intelligent electrical products to CHINT Group. The sales and purchases with CHINT Group were conducted under separate business arrangements. The revenue generated from CHINT Group was RMB2,291.0 million, RMB2,683.2 million, RMB2,780.1 million and RMB1,486.0 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. Customer-Supplier A purchased electricity generated from residential PV stations under cooperative co-build arrangements and, to a lesser extent, procured certain intelligent electrical products from us. The revenue generated from Customer-Supplier A was RMB1,767.5 million, RMB2,800.0 million, RMB5,130.6 million and RMB2,570.9 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively.

The overlapping transactions above were conducted in the ordinary course of business, on normal commercial terms and based on arm's length commercial negotiations between the relevant parties. Our Directors confirm that such overlapping arrangements were not mutually conditional and did not involve any non-commercial arrangement, and that the relevant sales and purchases were genuine transactions reflecting the respective business needs of the parties.

PRODUCTION

We conduct in-house manufacturing primarily for our intelligent electrical products and, within our green energy solution business, for our inverters and energy storage systems, supported by manufacturing facilities and production management systems designed to meet product quality, delivery and cost efficiency requirements. For our other green energy solution businesses, we primarily focus on project development, system integration and service delivery rather than self-manufacturing.

Our principal manufacturing footprint for intelligent electrical products is located in Wenzhou, Zhejiang Province. With respect to our inverters and energy storage systems, our manufacturing footprint comprises production bases in Shanghai and Wenzhou, Zhejiang Province. In addition, we operate an overseas manufacturing facility in Rayong, Thailand. The following table summarizes the details of our major production bases.

Production base	Approximate gross floor area (sq.m.)	Product line focus	Key products
Intelligent electrical products			
Wenzhou Yueqing Daqiao Industrial Park	68,200	Terminal electrical products and supporting components	Miniature circuit breakers and supporting components
Wenzhou Yueqing Intelligent Industrial Control Park	95,000	Industrial control electrical products, terminal electrical products and PCBA-related supporting products	Contactors, relays and PCBAs
Wenzhou Longwan Binhai Industrial Park	257,807	Power distribution electrical products, capacitors and voltage stabilizers	Molded case circuit breakers, air circuit breakers, voltage stabilizers and instrument transformers
Wenzhou Yueqing Key Components Manufacturing Base	75,334	Stamping components, heat-treatment components and other key supporting parts	Stamping components, heat-treatment components and other supporting parts
Wenzhou Metering Industrial Park	123,364	Smart electricity meters, gas meters, water meters, industrial control instruments and grid-connection boxes	Energy metering products
Shanghai Songjiang Production Base	24,166	Power distribution electrical products, terminal electrical products and supporting accessory products	Miniature circuit breakers, air circuit breakers, molded case circuit breakers and related products

Production base	Approximate gross floor area (sq.m.)	Product line focus	Key products
Inverters and energy storage systems			
Shanghai 215 Plant	9,700	PCBA-related supporting processes and inverters assembly and testing	Inverters
Shanghai 209 Plant	4,800	Energy storage system production and new product/pilot manufacturing	Energy storage systems
Wenzhou Taishun Plant	4,800	Residential PV inverters and string inverter production	Inverters
Rayong, Thailand Plant	4,000	Inverter and energy storage converter production	Inverters and energy storage converters

We formulate production schedules based on market demand, sales forecasts and inventory levels. We have implemented comprehensive internal production and operational policies to ensure compliance with all applicable national and international standards. Regular inspections, maintenance and a stringent reporting system for equipment incidents are integral parts of our production base management.

Our Production Processes

The production process for our self-manufactured products varies by product category. In particular, intelligent electrical products, on the one hand, and inverters and energy storage systems, on the other hand, follow different production processes.

General production process for intelligent electrical products

Under normal circumstances, the end-to-end cycle from generation of the production plan to customer receipt typically ranges from approximately three to 10 days for our intelligent electrical products, although the actual timing may vary depending on product type, material availability, order volume and delivery destination. The general production process for our intelligent electrical products typically comprises the following steps:

- *Order intake, review and production planning (typically two hours).* Upon receipt of a customer order, we conduct an internal order review through our order management system to confirm key order details, including product model, specifications, quantity, delivery requirements, inventory availability and production capacity. Following completion of such review, a production plan is generated and released to the relevant production, procurement and warehouse functions.

- *Procurement and kitting of materials and components (typically one to seven days).* Based on the approved production plan and the relevant bill of materials, we arrange for the procurement, collection and internal allocation of the required raw materials, components and ancillary parts. This stage is intended to ensure that the necessary materials are available and complete before production commences, and the duration may vary depending on material availability and procurement lead times.

- *Manufacturing, assembly and execution of the production plan (typically one to three days).* After the relevant materials are in place, our production lines carry out manufacturing, assembly and related processing procedures in accordance with the production plan, process standards and applicable quality requirements. The production cycle may vary depending on product type, order size and the complexity of the relevant manufacturing procedures.

- *Finished goods inspection and warehousing (typically two hours).* Upon completion of manufacturing, finished products are subject to inspection and testing in accordance with our quality control procedures to verify compliance with the relevant specifications and standards. Products that pass inspection are packaged and transferred into finished goods inventory pending shipment.

General production process for inverters and energy storage systems

Our inverter production process typically includes the following key steps:

- *Production planning and equipment setup (typically 72 hours).* We select production equipment based on process requirements and future product planning, taking into account compatibility, feasibility, maintainability and operability. Our inverter workshop is designed with a high degree of automation.

- *Functional circuit testing (FCT) of PCBAs (typically one hour).* In accordance with testing requirements formulated by our research and development team, PCBAs are subjected to automated FCT after serial number scanning. Test reports are automatically generated and stored, which helps identify defective PCBAs at an early stage and improve product consistency.

- *Structural assembly (typically four hours).* Structural assembly, including the installation of inductors, sheet metal parts, power boards and other components, is carried out through a combination of manual assembly and automated or semi-automated production technologies, such as automatic turning, automatic transfer and automatic carrier return, to improve efficiency and reduce defects caused by manual factors.

- *Dielectric withstand testing (typically 0.2 hours).* Finished products are subjected to automated dielectric withstand testing after serial number scanning, with test results automatically determined and recorded to ensure compliance with applicable safety requirements.

- *Functional testing (typically one hour).* Automated test equipment is used to conduct functional testing. Test items are automatically matched to product specifications through serial number scanning, and the results are automatically judged and recorded.

- *Aging testing (typically two hours).* Products are placed in a testing room with an ambient temperature generally ranging from 40°C to 60°C and operated continuously at full load for not less than 120 minutes. The process is automatically monitored, and test reports are stored to ensure product reliability prior to delivery.

- *Factory testing (typically 0.5 hours).* After aging testing, products are subjected to factory testing to verify that product performance continues to meet design and functional requirements.

- *Packaging and warehousing (typically 0.6 hours).* Packaging is supported by automated equipment such as gantry robotic arms and automatic strapping machines, and AGVs are used for automatic warehousing to improve efficiency and support shipment needs.

Our energy storage system production process typically includes the following key steps:

- *Production layout and information management (typically 60 hours).* We organize production in accordance with process flow requirements and adopt MES-integrated information systems to support intelligent plant-wide management, improve data authenticity and reliability, and optimize the movement of personnel, materials and information within and across workshops.

- *PACK and cabinet production organization (typically 36 hours).* PACK refers to the integrated assembly of multiple lithium-ion battery cells, connected in series or parallel, along with a battery management system, thermal management, and structural components. Our energy storage production process generally covers PACK production, cabinet assembly and testing, and temporary storage of components and materials.

- *Cell testing and sorting (typically 10 minutes).* Battery cells are automatically scanned and tested for open-circuit voltage. Defective cells are automatically identified and removed, and the relevant cell information and test data are uploaded to the MES system.

- *Module polarity testing (typically 10 minutes).* Automated polarity testing equipment is used to verify module polarity and detect reverse polarity, helping to reduce the risk of short circuits during subsequent busbar installation and improve production efficiency.

- *Busbar assembly (typically 0.2 hours).* Busbars are assembled to establish the required electrical connections among battery cells and to form the required series and parallel configuration. Busbars also function as voltage and temperature sampling points, with corresponding data collection connections protected after welding and dispensing.

- *Laser welding (typically 0.2 hours).* Laser welding is used as a critical process for joining busbars and cell output terminals, helping to support mechanical strength, conductivity, product safety and consistency.

- *Semi-automated PACK assembly (typically 0.6 hours).* To improve assembly efficiency and consistency, we use semi-automated PACK production lines supported by robotic arms, conveyor lines and other automation equipment for multiple assembly stages.

- *End-of-line (EOL) testing (typically 10 minutes).* EOL testing is a key quality control step and typically includes module capacity testing (on a sampling basis), direct current resistance testing, open-circuit voltage and state-of-charge determination and recording, and confirmation of the cell monitoring unit.

- *Cabinet assembly and testing (typically 68 hours).* Battery modules are integrated into cabinets and subjected to assembly and testing procedures in accordance with product specifications before final packaging and delivery.

Production Capacity and Utilization

We continuously monitor and optimize the capacity utilization of our production bases. Capacity planning is based on market forecasts, customer orders and strategic expansion plans. The following table sets forth the details of the production capacities and utilization rates of our major products during the Track Record Period.

	Production capacity[1]				Production volume				Utilization rate[2]			
Major products	2023	2024	2025	Six months ended June 30, 2026	2023	2024	2025	Six months ended June 30, 2026	2023	2024	2025	Six months ended June 30, 2026
	(Units in thousands, except for MW for inverters and MWh for energy storage systems)								*(%)*			
Intelligent electrical products[3]												
Terminal electrical products	347,530	380,519	415,435	210,525	390,659	460,065	394,083	200,855	112.4	120.9	94.9	95.4
Power distribution electrical products	105,224	89,382	88,158	40,146	95,744	85,576	82,954	38,222	91.0	95.7	94.1	95.2
Control electrical products	175,360	211,551	220,893	80,564	172,122	205,990	214,743	82,753	98.2	97.4	97.2	102.7
Instruments and meters	16,019	19,827	15,266	10,766	17,974	15,650	14,080	8,277	112.2	78.9	92.2	76.9
Building electrical products	298,910	300,869	200,681	120,399	304,107	277,371	170,426	101,763	101.7	92.2	84.9	84.5
Green energy solutions												
Inverters	8,820	8,820	8,820	4,410	7,077	7,704	6,225	2,568	80.2	87.4	70.6	58.2
Energy storage systems	593	793	793	500	186	466	767	573	31.4	58.8	96.7	114.6

(1) Production capacity for our intelligent electrical products is calculated based on the actual operating days of each production line in each period during the Track Record Period, operating at 10 hours per day. For our inverter and energy storage system production lines, production capacity is calculated based on 26 production days per month and 20 production hours per day during the Track Record Period.

(2) Utilization rate is calculated by dividing the production volume of a given period by the production capacity of the same period.

(3) During the Track Record Period, the utilization rate for the production of certain categories of our intelligent electrical products exceeded 100.0%, primarily due to market demand and increased order volumes. We responded by optimizing production scheduling, including arranging additional shifts and, where appropriate, implementing controlled overtime to increase output. We continued to apply our quality control standards throughout the production process, and we did not identify any adverse impact on product quality attributable to such higher utilization.

LOGISTICS AND INVENTORY MANAGEMENT

We maintain logistics and inventory management arrangements designed to support timely order fulfilment, service responsiveness and efficient working capital management across our intelligent electrical product business and our green energy solution business. Our logistics and inventory management practices differ by business line, reflecting (1) standardized product distribution with broad customer coverage and direct sales of customized products to selected key account customers in our intelligent electrical product business, and (2) project-based delivery and site-specific scheduling in our green energy solution business.

For our intelligent electrical product business, our suppliers are generally responsible for delivering raw materials and components to our production bases, while we are responsible for dispatching finished products from our production bases and warehouses to distributors, selected key account customers and other downstream customers. Our logistics strategy is designed to be flexible to meet delivery requirements, and we determine delivery arrangements by taking into account factors such as delivery timetables, shipment size and cost efficiency. We typically adopt a combination of (1) self-managed warehousing and distribution resources and (2) third-party logistics service providers. For our green energy solution business, logistics is generally organized around project delivery plans, which may involve the transportation and on-site delivery of photovoltaic modules, inverters, energy storage systems, balance-of-system equipment and other materials, as applicable, and coordination with project owners, contractors and site management teams to meet installation schedules and acceptance milestones.

We manage inventory through internal controls and operational processes aimed at balancing product availability against inventory risk. In our intelligent electrical product business, inventory typically consists of raw materials, work-in-progress and finished goods. We may maintain certain inventory levels to support stable supply and rapid service response. Inventory planning generally takes into account a range of factors, including market sales forecasts, distributor demand, delivery requirements of selected key account customers, product lifecycle considerations, the relationship between historical inventory levels and delivery performance, historical order patterns, production capacity planning and constraints, and procurement lead times for key raw materials and components. We also dynamically optimize overall inventory levels and product mix in response to changes in fulfilment requirements. In our green energy solution business, inventory is more closely linked to specific project schedules and procurement plans, and inventory planning typically considers project delivery milestones, site conditions and acceptance requirements.

QUALITY CONTROL

Product quality and reliability are critical to our competitiveness and brand reputation. We have established a quality management framework designed to provide quality assurance throughout the full lifecycle of our products and services.

- *Quality management system and certifications.* We integrate quality management into our standardized management system and have obtained and maintained a number of quality-related management system certifications, including ISO 9001:2015 quality management system certification, ISO 10012:2003 measurement management system certification, QC 080000:2017 hazardous substance process management system certification and ISO 22163:2023 railway applications quality management system certification. We implement internal procedures and working standards to support the consistent execution of quality requirements across our manufacturing sites and our project delivery processes.

- *Product development and validation.* We incorporate quality requirements into product development through design reviews, engineering verification and product validation activities, with a focus on safety, reliability and compliance with applicable standards. Prior to mass production and market launch, we typically conduct testing and validation activities commensurate with the relevant product category and application scenario.

- *Manufacturing quality control.* In manufacturing, we apply quality control measures across key stages of production. These measures include confirmation of production prerequisites prior to commencement of manufacturing, as well as mechanisms for the identification, labeling and control of key processes and special processes. We strictly enforce process discipline and regularly organize routine self-inspections and cross-inspections in relation to production process control and on-site management. In addition, through the implementation of our manufacturing execution system, we collect process quality data on a real-time basis, analyze and respond to abnormalities in a timely manner, and continuously enhance our production process control capabilities.

- *Project quality control for green energy solutions.* For our green energy solutions, we implement quality management measures across the project lifecycle. These measures typically cover survey and design, raw material control, construction management, project inspection and commissioning, and operation and maintenance management, and may be supported by digital tools to enhance process control and field execution.

- *After-sales service, complaints handling and continuous improvement.* We maintain after-sales and customer support arrangements to address product and project quality issues, including handling customer feedback and complaints, providing technical support, and conducting failure analysis and corrective actions as appropriate. Customer feedback and field quality data are typically used to support continuous improvement in product design, supplier quality and manufacturing processes.

As a result of our adherence to quality control procedures, we did not experience any material sales returns, material product liability or major legal claims due to product safety and quality control issues, and we did not recall any products during the Track Record Period and up to the Latest Practicable Date.

TRANSFER PRICING ARRANGEMENT

During the Track Record Period, we principally conducted our operations through our Company and subsidiaries in Chinese Mainland and overseas. Our major intra-group transactions primarily consisted of the intra-group supply of components, semi-finished products and finished products among our PRC and overseas subsidiaries, including onward sales by certain overseas sales entities to our overseas project companies.

We adopt the arm's length principle for pricing intra-group transactions with reference to applicable transfer pricing laws and regulations in the relevant jurisdictions and the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, or the OECD Transfer Pricing Guidelines. Based on the nature of the relevant intra-group transactions, we primarily apply the transactional net margin method and the comparable uncontrolled price method. In general, where comparable uncontrolled prices reflected in similar third-party transactions are available, transfer prices are determined by reference to such prices; where reliable market prices are not available, transfer prices are determined by ascertaining that the relevant group entity earns an arm's length level of profitability commensurate with its functions performed and risks assumed.

We engaged a transfer pricing consultant to assist us to perform transfer pricing review whether our major intra-group transactions during the Track Record Period were conducted on an arm's length basis pursuant to the transfer pricing guidelines of the OECD based on the information provided by us for our review and approval. Upon consultation with the transfer pricing consultant, our Directors are of the view that our major intra-group transactions during the Track Record Period were conducted in accordance with the arm's length principle in material respects.

THIRD-PARTY PAYMENT ARRANGEMENTS

During the Track Record Period, certain of our customers settled amounts due to us through third-party payors pursuant to third-party payment arrangements, or the Third-party Payment Arrangements. In 2023, 2024, 2025 and the six months ended June 30, 2026, the aggregate amounts settled through the Third-party Payment Arrangements were RMB344.7 million, RMB280.7 million, RMB302.7 million and RMB124.4 million, respectively, representing 0.6%, 0.4%, 0.5% and 0.3% of our total revenue for the same periods, respectively. The Third-party Payment Arrangements arose in the ordinary course of our business for various commercial, administrative and settlement-related reasons, primarily including payments made by: (1) entities affiliated with our customers, including their subsidiaries and other entities under common control with them; (2) public-sector customers through designated treasury centers or other governmental payment entities or accounts; and (3) individuals affiliated with our customers, such as their employees, owners, legal representatives or relatives, on behalf of the relevant customers. According to the F&S Report, the Third-party Payment Arrangements arising from each of the foregoing categories are in line with common industry practice. As advised by our PRC Legal Advisor, the Third-party Payment Arrangements accepted by our Company and our PRC subsidiaries did not contravene any mandatory provisions of applicable PRC laws and regulations.

Our Directors confirm that, during the Track Record Period, we did not proactively initiate any Third-party Payment Arrangement. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, (1) all settlements under the Third-party Payment Arrangements were based on genuine transactions; (2) the settlement amounts under the Third-party Payment Arrangements matched the relevant transaction amounts; (3) no relevant customer claimed any interest in payments made or received through the Third-party Payment Arrangements; and (4) we did not receive any refund requests, or encounter any disputes or material claims, in connection with the Third-party Payment Arrangements.

We have adopted internal control policies governing the Third-party Payment Arrangements and issued notices to our employees requiring that payments be made directly by the relevant contractual counterparties and that Third-party Payment Arrangements be discontinued. In exceptional circumstances where a Third-party Payment Arrangement is necessary, our employees are required to prepare a written explanation of the circumstances giving rise to the proposed arrangement, obtain approval in accordance with our internal authorization procedures and obtain written authorization from the relevant contractual counterparty. Notwithstanding these measures, the Third-party Payment Arrangements may expose us to various risks. See "Risk Factors–Risks Relating to Our General Operations and Industry–We are subject to various risks relating to third-party payments."

EMPLOYEES

As of June 30, 2026, we had 28,125 domestic employees and 1,961 overseas employees. The following table sets forth a breakdown of our employees by function as of the same date.

	Number of employees	% of total
Production department	17,727	58.9
Sales department	3,814	12.7
Technical department	4,699	15.6
Finance department	1,001	3.3
General administrative department	2,845	9.5
Total	**30,086**	**100.0**

Our success deeply rests with our ability to attract, retain and motivate qualified talents, with the belief that our high-quality talent pool is one of our core strengths and competitive advantages. We recruit talents using high standards and rigorous procedures and through various methods, including campus recruitment, online recruitment, internal referrals and third-party recruiters, to select the best-fit personnel for the corresponding positions in response to our various talent demands. We invest in continuing training programs, including regular and tailor-made internal and external training, for our employees to improve their professional knowledge and management skills, upgrade their skillsets and keep abreast of the industry standards in their respective positions. Pre-employment induction training and orientation are provided to all new hires. We offer competitive remuneration packages to our employees, which are generally based on their qualifications, industry experience, position and performance. We regularly evaluate the performance of our employees and reward well-performing employees with bonuses and promotions. We have maintained a good relationship, and expect to maintain an amicable relationship in the future, with our employees. During the Track Record Period and up to the Latest Practicable Date, there were no material strikes which had an adverse impact on our operations and no material disputes between our Group and our employees.

We are required by PRC social insurance and housing provident fund laws and regulations to make contributions for mandatory social insurance and housing provident funds for our employees. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. This arose for various reasons, and we believe the primary reason was that certain employees were unwilling to make contributions based on the full applicable contribution base. See "Risk Factors–Risks Relating to Our General Operations and Industry–We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations."

INSURANCE

We maintain insurance policies in the ordinary course of business to manage certain operational and commercial risks arising from our business. While we believe our insurance coverage is consistent with industry practice and our risk management objectives, and we have maintained insurance policies covering, among others, export credit, cargo transit, employer's liability, warehousing and product liability risks, which generally cover the principal losses or liabilities that may arise in our business, our policies remain subject to customary limitations and exclusions. For our green energy solution business, we may also procure project-related insurance on a project-by-project basis, or be named as an additional insured under policies procured by counterparties, depending on the applicable contract arrangements and customer requirements. To the extent any loss arises from uninsured or underinsured events, we believe the resulting adverse effect on our financial condition and results of operations would be limited. During the Track Record Period, we did not make any material insurance claims in relation to our business.

PROPERTIES

Our headquarters office is located in Yueqing, Zhejiang Province, China. We own and lease properties in China and overseas. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which require a valuation report with respect to all the Group's interests in land or buildings, for the reason that, as of June 30, 2026, we had no single property with a carrying amount of 15% or more of our total assets.

Owned Properties

As of June 30, 2026, we owned a portfolio of properties in China that principally supports our manufacturing, office and related operational needs. In particular, our Company and Major Subsidiaries held 17 land use rights in China with individual site areas exceeding 10,000 sq.m., with an aggregate site area of approximately 917,443 sq.m., and 15 buildings in China with individual gross floor areas exceeding 10,000 sq.m. for which title certificates had been obtained, with an aggregate gross floor area of approximately 1,226,410 sq.m. These owned properties are primarily industrial properties used for manufacturing, office and related ancillary purposes. Save for one property that had been mortgaged in favor of a state-owned bank in China to secure a borrowing, the land use rights and buildings described above were not subject to third-party encumbrances.

As of June 30, 2026, our Company and Major Subsidiaries had several ancillary structures in China with an aggregate area of approximately 3,000 sq.m. which had not obtained title certificates, because certain construction approval procedures had not been completed during construction. These ancillary structures were built on land for which we hold the relevant land use rights, are of relatively low construction value, are used only as auxiliary production and supporting facilities, do not involve our core production process, and were not subject to any ownership disputes as of the Latest Practicable Date. As of the same date, our Company and Major Subsidiaries had one building in China, primarily for office use, with a gross floor area of approximately 44,612.60 sq.m. which had obtained the relevant underlying land title and construction approvals and had completed the construction completion filing. As of the Latest Practicable Date, the application for this building's title certificate was in process.

Leased Properties

As of June 30, 2026, our Company and Major Subsidiaries leased 13 operating buildings in China with individual gross floor areas exceeding 5,000 sq.m., with an aggregate gross floor area of approximately 112,189 sq.m. These leased buildings were used primarily as offices and warehouses. As of the Latest Practicable Date, certain leases had not been registered with the relevant authorities in China. See "Risk Factors–Risks Relating to Our General Operations and Industry–We lease various buildings as premises primarily for our offices and warehouses. Any non-renewal of leases, substantial increase in rent, or any third party or government challenge to our leasehold interest may affect our business and financial performance."

LICENSES, APPROVALS AND PERMITS

We are required to maintain various licenses, permits and approvals in order to operate our business. During the Track Record Period and up to the Latest Practicable Date, our material licenses, permits and approvals included power business permit (power generation), permit for installation (repair and testing) of electric power facilities, safety production permit (construction), construction enterprise qualification certificate, and pollutant discharge permit. We continually monitor our compliance with the requirements related to licenses, permits and approvals in order to ensure that we have all such licenses, permits and approvals which are necessary to operate our business.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received a number of awards and recognitions in connection with our business. Some of the significant awards and recognitions we have received are set forth below.

Awards and recognition	Awarding parties	Year of award
Second Prize of the Science and Technology Progress Award of the China Instrument and Control Society (中國儀器儀表學會科技進步獎二等獎)	China Instrument and Control Society	2025
Zhejiang Provincial Outstanding Industrial New Product (浙江省優秀工業新產品)	Department of Economy and Information Technology of Zhejiang Province	2025
China Electrical Product Industry Innovation Enterprise (中國電器工業創新企業)	China Electrical Product Industrial Association	2025
5A Level Standardized Good Behavior Enterprise (5A級標準化良好行為企業)	China Association for Standardization	2025
National-level Standards Innovation Enterprise (國家級標準創新型企業)	State Administration for Market Regulation (Standardization Administration of China)	2024
National Standardization Pilot Project for High-end Equipment Manufacturing (國家高端裝備製造業標準化試點項目)	Standardization Administration of China and the Ministry of Industry and Information Technology of China	2024
Global Top 500 New Energy Enterprises (全球新能源企業500強)	China Institute of Energy Economics Research, jointly with China Energy News and other institutions	2024
Zhejiang Provincial Science and Technology Leading Enterprise (浙江省科技領軍企業)	Department of Science and Technology of Zhejiang Province	2023
First Prize of the China Machinery Industry Science and Technology Award (中國機械工業科學技術一等獎)	China Machinery Industry Federation and Chinese Mechanical Engineering Society	2023

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings against our Company or any of the Directors which had caused a material and adverse effect on our business, results of operations or financial condition.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China. During the Track Record Period and as of the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, and we did not experience any material non-compliance incident, which, taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, results of operations or financial condition. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative penalties in Chinese Mainland.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is responsible for the overall effectiveness of our risk management strategy, establishing our internal control system and reviewing its effectiveness. We have established and we maintain risk management and internal control systems consisting of policies and procedures that are appropriate for our business operations, and we are dedicated to continuously improving and implementing these systems to ensure our policies and implementation are effective and sufficient.

In preparation for the **[REDACTED]**, we have engaged an independent third-party consultant (the "Internal Control Consultant") to perform a review over selected areas of our internal controls over financial reporting in April 2026 (the "**Internal Control Review**"). The scope of the Internal Control Review performed by the Internal Control Consultant was agreed between us and the Internal Control Consultant. The selected areas of our internal controls over financial reporting that were reviewed by the Internal Control Consultant included entity-level controls and business process level controls, including: (1) sales, accounts receivable and collection; (2) procurement, accounts payable and payment; (3) inventory management; (4) production and costing; (5) research and development; (6) human resource and payroll; (7) fixed assets and construction management; (8) cash and treasury management; (9) insurance; (10) financial reporting and disclosure controls; (11) taxes; (12) intangible assets and intellectual properties; (13) IT general controls; (14) contract management; (15) investment management; and (16) inter-company transaction.

The Internal Control Consultant performed the follow-up reviews in April 2026 to review the status of the management actions taken by us to address the findings of the Internal Control Review (the "**Follow-up Review**"). The Internal Control Consultant did not have any further recommendation in the Follow-up Review. The Internal Control Review and the Follow-up Review were conducted based on information provided by our Group and no assurance or opinion on internal controls was expressed by the Internal Control Consultant.

Having considered the report prepared by our Internal Control Consultant, the Directors have confirmed that all of the major recommendations provided by the Internal Control Consultant have been followed and corrective actions have been taken accordingly to address our internal control deficiencies and weaknesses. Our Directors are of the view that our enhanced internal control measures are adequate and effective to ensure compliance with relevant laws and regulations going forward.

DATA SECURITY AND PRIVACY

During the use of our intelligent electrical products and green energy solutions (including any products, systems or platforms incorporating digital, smart or data-enabled functionalities), we collect users' personal information both directly through the products and services we operate and indirectly through agents and service providers. We satisfy our notice obligations and obtain users' consent by continually improving and refining our privacy policy and by making its text accessible through relevant interfaces. In connection with our sales, distribution and after-sales service arrangements, subject to the prior notice to and/or consent of, as applicable, our customers, distributors and other business counterparties, we may collect, store and maintain limited business contact and delivery information (such as name, telephone number, address and delivery details) to the extent necessary for order fulfilment, logistics, invoicing, customer support and warranty services, and in compliance with applicable laws and regulations relating to data privacy and data security.

We have taken measures to maintain the confidentiality of such information to ensure regulatory compliance. Specifically, we perform de-identification on raw data stored, during which we redact personally identifiable data, such as name and phone number of a specific customer or distributor. Since the collection, storage, usage, retention and transmission of information that can be identified as specific individuals or reflect the relevant activities of specific individuals are all subject to relevant data protection laws and regulations, the de-identification of raw data is necessary for us to efficiently protect personal data of our customers and distributors. We also set up an access control system for personal information in our internal system so that it cannot be viewed without proper authorization or exported in bulk. We set up firewalls to prevent information loss or leakage caused by cyber-attacks. In addition, we from time to time examine the security of our data storage system. We strictly restrict the range of data that our employees are authorized to access based on their title and function. We have entered into confidentiality agreements with our employees to prevent improper use or disclosure of information.

In addition, we continue to pay close attention to the legislative and regulatory developments in cybersecurity and data protection and conduct routine cybersecurity and data protection compliance check and rectification to keep pace with regulatory development. In particular, we have established a comprehensive set of internal cybersecurity and data protection rules and policies. We have also formulated the overarching data security management policy, user personal information protection management policy and network security management policy, which provide the principal management rules on cybersecurity and data protection. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material unauthorized use of customers' or distributors' personal information.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

To further advance sustainable development, systematically implement ESG principles and continually enhance our ESG performance, we have established a three-tier ESG governance structure covering the governance, management and implementation levels. This structure is designed to promote coordinated development in environmental protection, social responsibility and corporate governance, respond effectively to stakeholder concerns and support our long-term sustainability goals.

Our Board serves as the leadership and decision-making body for ESG initiatives. It is primarily responsible for determining the direction, strategy and objectives of our Company's ESG agenda, as well as reviewing and approving major ESG-related matters, such as our Company's ESG management policies. Our Board's strategy and sustainable development committee acts as the research and guidance body for ESG matters. Its main functions include researching, analyzing and evaluating ESG-related issues, providing guidance for the day-to-day implementation of ESG initiatives and overseeing the preparation of the ESG report. Our sustainable development office is responsible for implementing decisions made at the governance level, translating strategies and plans into specific project initiatives, organizing internal knowledge-building and training, coordinating the preparation of ESG reports and coordinating participation in external ESG ratings. The relevant ESG topic groups' responsibilities include ESG data collection, operation of dedicated management systems, identification and mitigation of ESG-related risks, advancement of energy efficiency and decarbonization technologies, feedback on the implementation of internal policies and processes, and facilitation of collaborative initiatives with internal and external stakeholders.

We have integrated ESG factors into daily operations and investment decision-making processes. Our Board of Directors places particular emphasis on ESG-related risks and opportunities associated with material transactions and consistently incorporates ESG considerations as a key factor when reviewing significant investments, mergers and acquisitions or asset disposals. We have systematically incorporated ESG-related factors, including climate change, into our overall risk assessment and internal control processes. Through regular identification and assessment of ESG risks and opportunities, we evaluate the potential impact of ESG factors on our corporate strategy and operations and formulate targeted mitigation measures to support sound and effective decision-making.

In accordance with our corporate standard on management of compliance risks and opportunities, we have developed and maintained a structured and process-driven compliance risk management system. The system establishes a three-tier governance structure comprising the chief compliance officer, the legal and compliance department and the relevant business units, thereby supporting systematic identification, assessment and control of compliance risks across our operations. To foster continuous improvement in compliance awareness and capabilities throughout the organization, we conduct regular compliance training for employees at all levels, covering topics such as policy interpretation, integration of compliance into business workflows and analysis of relevant case studies.

ESG Risk Management

We have established a comprehensive standard on risk and opportunity management and integrated ESG risk and opportunity management into our overall risk management framework. We operate a systematic ESG risk and opportunity management process designed to identify material sustainability topics relevant to our corporate strategy and operations through regular internal and external analysis conducted at least annually.

Internally, we review our value chain activities and benchmark our practices against regulatory requirements, including No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial) and Appendix C2 Environmental, Social and Governance Reporting Guide to the Listing Rules of The Stock Exchange of Hong Kong Limited, as well as relevant international ESG standards, industry benchmarks and leading rating methodologies. Externally, ongoing monitoring of regulatory developments and industry trends is supplemented by structured engagement with key stakeholders, including customers, suppliers and investors, through channels such as surveys, interviews and meetings in order to capture and assess their ESG priorities. These inputs feed into a double materiality assessment that evaluates each topic from both impact materiality and financial materiality perspectives through structured analysis and, where appropriate, quantitative assessment. The final assessment is reviewed by internal and external subject-matter experts before being submitted to our Board of Directors for approval. This process helps ensure that the identified topics accurately reflect our material ESG risks and opportunities and provides a clear basis for strategy and operational decision-making.

Environmental Responsibility

We are committed to environmental stewardship and continue to advance sustainability across our operations. This commitment is reflected in our focused management of key environmental topics and is supported by certification under both GB/T 23331–2020/ISO 50001:2018 Energy Management Systems and GB/T 24001–2016/ISO 14001:2015 Environmental Management Systems.

Climate Action

We recognize the profound impact of climate change on the sustainable development of humanity. In response to business model innovation, evolving regulatory expectations in international markets and the advancement of China's dual-carbon goals, we have consistently treated climate change as a core sustainability priority and remain committed to advancing both mitigation and adaptation measures.

In 2023, in collaboration with the global consulting firm Kearney, we released the Carbon Neutrality White Paper and announced the following phased targets: (1) by 2028, achieve carbon neutrality in our own operations, with carbon offsets where appropriate; (2) by 2035, achieve net-zero carbon emissions in our operations and establish a carbon emissions management system across the value chain; and (3) by 2050, achieve net-zero carbon emissions across the value chain. On December 18, 2025, we received validation from the Science Based Targets initiative in support of the decarbonization targets set for 2028, 2035 and 2050.

Aligned with our own operations and key upstream and downstream supply chain activities, we have established a comprehensive and multidimensional decarbonization pathway grounded in climate science, providing a clear and strategic roadmap for our long-term green transition. With 2024 as the base year, we have committed to the following science-based emissions reduction targets: (1) by 2034, reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 58.8%; and (2) by 2034, reduce Scope 3 greenhouse gas emissions intensity per unit of product by 63.8%. Scope 3 emissions include, among others, purchased goods and services, fuel- and energy-related activities, use of sold products and end-of-life treatment.

To monitor progress toward these decarbonization goals, we have implemented an internal mechanism for recording and tracking greenhouse gas emissions data. The following table sets forth our greenhouse gas emissions for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Scope 1 (tonnes of carbon dioxide equivalent)	4,652.59	4,638.01	4,690.22
Scope 2 (tonnes of carbon dioxide equivalent, location-based)	50,010.54	56,475.75	50,887.58
Scope 2 (tonnes of carbon dioxide equivalent, market-based)	45,440.17	33,386.46	17,366.55
Scope 3 (tonnes of carbon dioxide equivalent)	436,681,305.44	489,156,292.92	334,914,798.85
Total greenhouse gas emissions (tonnes of carbon dioxide equivalent, location-based)	436,735,968.58	489,217,406.68	334,970,376.65
Total greenhouse gas emissions (tonnes of carbon dioxide equivalent, market-based)	436,731,398.21	489,194,317.39	334,936,855.62
Total emissions intensity (tCO_2e per RMB million, location-based)	7,628.44	7,582.53	5,663.45
Total emissions intensity (tCO_2e per RMB million, market-based)	7,628.36	7,582.17	5,662.88

To align with the Science Based Targets initiative Corporate Net-Zero Standard, our carbon emissions data for 2023 to 2025 were calculated in accordance with the Science Based Targets initiative methodology. In 2025, we retrospectively adjusted the emissions data for 2023 and 2024 to align with the new methodology and enhance consistency and comparability across the three-year reporting period. Historical data have been restated accordingly.

Key adjustments included the following:

Scope 1 and Scope 2 emissions accounting

- Emission factors. The previous approach relied mainly on default or proxy factors from national or industry databases. The revised methodology now prioritizes supplier-specific factors and data from recognized life-cycle databases in order to improve calculation accuracy.

- Accounting standard. Under the previous approach, greenhouse gas accounting was performed in accordance with national industry guidelines and covered only carbon dioxide. The revised methodology is aligned with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004) and now includes all seven greenhouse gases covered by that standard.

- Calculation methodology. Calculations were previously based on parameters recommended in national guidelines, such as a domestic average carbon oxidation rate of 98%. The revised methodology follows the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and adopts internationally recognized defaults, including the IPCC default oxidation factor of 100%.

- Emissions boundary and sources. The prior reporting boundary included only production-related direct (Scope 1) emissions and electricity-related (Scope 2) emissions, limited to carbon dioxide. Under the revised approach, the boundary has been expanded to cover all emissions sources under our operational control, including refrigerant leaks, methane from wastewater treatment, on-site transport fleets and electricity consumption at all operating sites.

These methodological adjustments resulted in an increase in reported Scope 1 and location-based Scope 2 emissions of 37.19% for 2023 and 3.12% for 2024, respectively, compared with the figures that would have been reported under the former methodology. This restatement is purely methodological in nature and does not affect the validity of our carbon neutrality commitment or the assessment of our actual emissions reduction performance.

Scope 3 emissions disclosure

Scope 3 emissions data for 2023 to 2025 were first disclosed in 2025. The reported data represent an initial disclosure rather than a restatement of previously reported information. The quantification methodology is aligned with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004) and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), and is also consistent with the requirements of the Science Based Targets initiative.

Scope 3 coverage for 2023 to 2025 includes category 1 (purchased goods and services), category 2 (capital goods), category 3 (fuel- and energy-related activities, not included in scope 1 or scope 2), category 4 (upstream transportation and distribution), category 5 (waste generated in operations), category 6 (business travel), category 7 (employee commuting), category 9 (downstream transportation and distribution), category 11 (use of sold products), and category 12 (end-of-life treatment of sold products).

Energy Management

In accordance with GB/T 23331–2020 Energy Management Systems – Requirements with Guidance for Use and RB/T 119–2015 Energy Management Systems – Certification Requirements for Machinery Enterprises, we have formulated an internal Energy Management Manual tailored to our operational realities. Through the implementation of this manual, we have systematically embedded core energy management requirements into key operational processes. These include the establishment of energy management objectives, the allocation of resources and capacity building, the control of energy consumption processes and the monitoring of energy performance for continuous improvement.

To support our goal of achieving operational carbon neutrality by 2028, we are implementing multiple measures to advance the green transition of our energy mix and significantly increase the share of new energy. Key initiatives include the construction of rooftop photovoltaic systems across our facilities and the transition to green electricity in our industrial parks. The following table sets forth our energy consumption for the years indicated.

		Year ended December 31,		
		2023	**2024**	**2025**
Conventional energy consumption (tonne of coal equivalent)	Electricity	8,551.85	9,151.90	3,501.23[2]
	Gasoline	66.20	29.56	71.38
	Diesel	9.33	77.95	56.38
	Gas	0	4.81	178.30
	LPG	0	0	9.47
New energy consumption (tonne of coal equivalent)	Solar energy	285.05	292.50	9,329.06[3]
Total energy consumption (tonne of coal equivalent)		**8,912.43**	**9,556.72**	**13,145.82[1]**

(1) Total energy consumption in 2025 increased significantly as compared with 2024, primarily due to the continued enhancement of our energy management data collection system and the expansion of the scope of energy data coverage.

(2) Electricity consumption in 2025 decreased significantly as compared with 2024.

(3) New energy (solar) consumption in 2025 increased substantially as compared with 2024, primarily reflecting our active efforts to optimize our energy mix and increase the share of new energy in our overall portfolio.

Water Management

We prioritize the effective management of water resources through an integrated management system covering planning, implementation, monitoring and continuous improvement. This systematic approach is reflected in measures such as setting medium- and long-term water conservation targets supported by a dynamic review mechanism, and establishing an operating framework that spans behavioral guidelines, facility maintenance, precise metering and awareness initiatives, thereby integrating water conservation into daily operations.

We implement our water management requirements through systematic maintenance, technological upgrades and enhanced operational controls. Key measures include regular cleaning of cooling water pipelines, deployment of sensor-based fixtures and smart recycling systems, daily leak inspections and installation of water-efficient equipment. The following table sets forth our water consumption for the years indicated.

	Year ended December 31,		
	2023	**2024**	**2025**
Total water consumption (tonne)	495,631.00	447,236.00	817,301.70[(1)]
Water consumption intensity (tonne per million RMB)	8.66	6.93	13.82

(1) Total water consumption in 2025 increased significantly as compared with 2024, primarily due to the continued enhancement of our water management data collection system and the expansion of the scope of water data coverage.

Waste Management

We strictly comply with applicable environmental and waste management laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and the Regulations of Zhejiang Province on the Prevention and Control of Environmental Pollution by Solid Waste. Based on our operational needs and waste management characteristics, we have also formulated dedicated internal policies, such as the Waste Material Disposal Procedures and the E-Waste Management Procedures, to ensure comprehensive and orderly management of solid waste throughout its lifecycle.

We operate a categorized waste management system. Recyclable materials are handled by specialized partners for resource recovery, while non-recyclable and hazardous waste are handled by licensed contractors in full compliance with applicable requirements. For general industrial solid waste, we focus on improving the comprehensive utilization of materials such as iron, copper and plastics. In 2025, we maintained a 100% compliant waste treatment rate.

Social Responsibility

Employee diversity and equity

We expressly prohibit child labor and forced labor and do not tolerate discrimination on the grounds of age, gender, race, religion or any other factor in any aspect of employment, including recruitment, compensation, training and promotion. We operate in full compliance with the Labor Law of the People's Republic of China and the working hour and leave provisions of the SA8000 Social Accountability Standard, upholding a people-oriented approach that safeguards the rights and interests of all employees. We are committed to maintaining a respectful and inclusive workplace. Multiple communication channels, including surveys, staff forums, labor union channels and a digital employee platform, help ensure that every employee's voice is heard.

The 2025 Employee Satisfaction Survey indicated positive year-on-year trends across key dimensions, including engagement, perceived organizational support, alignment between company and individual goals, satisfaction with compensation and benefits, and training support, demonstrating continued progress in our people-focused initiatives. As of December 31, 2023, 2024 and 2025 and June 30, 2026, the total number of our employees was 36,505, 35,476, 30,214 and 30,086, respectively.

Development and training

We have established a structured, multi-path training system aligned with three primary career tracks – management, professional and skilled – to support targeted capability building and talent development.

- *Management track.* Customized programs strengthen leadership and team-building capabilities for managers at different levels.

- *Professional track.* Dedicated training sessions in marketing, logistics, manufacturing and quality develop professional talent through integrated learning and practice.

- *Skilled track.* The Yueqing Intelligent Electrical Skills Training and Evaluation Center, supported by master studio resources, provides standardized training for skilled workforce development.

Occupational health and safety

We operate in full compliance with applicable occupational health and safety laws and regulations and maintain certification under GB/T 45001–2020/ISO 45001:2018. We are committed to providing a safe and healthy working environment for all employees. To systematically prevent risks and safeguard employee health and safety, we have implemented comprehensive internal management measures.

We strictly implement our Hazard Identification and Risk Assessment Management procedures, systematically identifying potential hazards across four dimensions: personnel behavior, equipment condition, environmental factors and management processes. A dynamic update mechanism helps ensure that relevant personnel remain informed and engaged in ongoing risk management. We also implement our Occupational Disease Prevention Management system, establishing a full-process prevention framework to safeguard employee health. As of the Latest Practicable Date, we had not incurred any penalties arising from material non-compliance with workplace safety laws and regulations.

Supply chain management

We have established a standardized supplier onboarding process to evaluate potential partners, with social responsibility and environmental performance serving as core entry criteria. New suppliers must pass an ESG-related risk assessment, and suppliers that fail such assessment are not eligible for cooperation. Our procurement contracts specify supplier obligations in areas including business ethics, labor rights, product sustainability and information security. To drive collaborative emissions reduction across our supply chain, we have implemented the Supplier Greenhouse Gas Management Measures. Suppliers that demonstrate strong performance in green and low-carbon practices may receive incentives such as priority cooperation, recognition awards and higher supplier ratings.

Governance Responsibilities

Anti-bribery and anti-corruption

We place business ethics at the core of our corporate strategy. In strict compliance with the laws and regulations of the jurisdictions in which we operate, and with reference to international conventions and industry best practices, we have developed and implemented internal business ethics policies and standards that guide our conduct both internally and externally. We are certified under ISO 37001:2016. Through our Anti-Bribery Management Manual, we systematically conduct bribery and corruption risk assessments, allocate risk management resources, carry out anti-bribery and anti-corruption due diligence on business partners, and continuously monitor and improve our management system.

To encourage and protect stakeholders in reporting any potential non-compliance or violations of business ethics, we have established a formal reporting mechanism and a whistleblower protection policy. All reports are centrally handled by the Legal and Compliance Department, which conducts investigations in accordance with defined procedures. Throughout the process, we maintain strict confidentiality regarding the identity of the reporter and the information reported, and we have established safeguards to protect whistleblowers from retaliation, discrimination or unfair treatment. We conduct annual integrity and compliance training to reinforce compliant, fair and transparent operations, thereby protecting our reputation and supporting sustainable development. As of the Latest Practicable Date, we were not involved in any legal proceedings relating to corruption or bribery.