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Application Proof of

Zhejiang Chint Electrics Co., Ltd.
浙江正泰電器股份有限公司

(the "**Company**")

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

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Zhejiang Chint Electrics Co., Ltd.
浙江正泰電器股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Joint Sponsors,* [REDACTED], [REDACTED], [REDACTED] *and* [REDACTED]**

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The **[REDACTED]** is expected to be fixed by agreement between the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**), and our Company on or around **[REDACTED]**, but in any event no later than 12:00 noon on **[REDACTED]**. The **[REDACTED]** will not be more than HK$**[REDACTED]** per **[REDACTED]** and is currently expected to be not less than HK$**[REDACTED]** per **[REDACTED]** unless otherwise announced. If, for any reason, the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**), and our Company are unable to reach an agreement on the **[REDACTED]** by 12:00 noon on **[REDACTED]**, the **[REDACTED]** will not become unconditional and will lapse immediately.

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The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be [REDACTED], sold, pledged or transferred within the United States, except pursuant to an available exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and sold outside the United States in offshore transactions in reliance on Regulation S.

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

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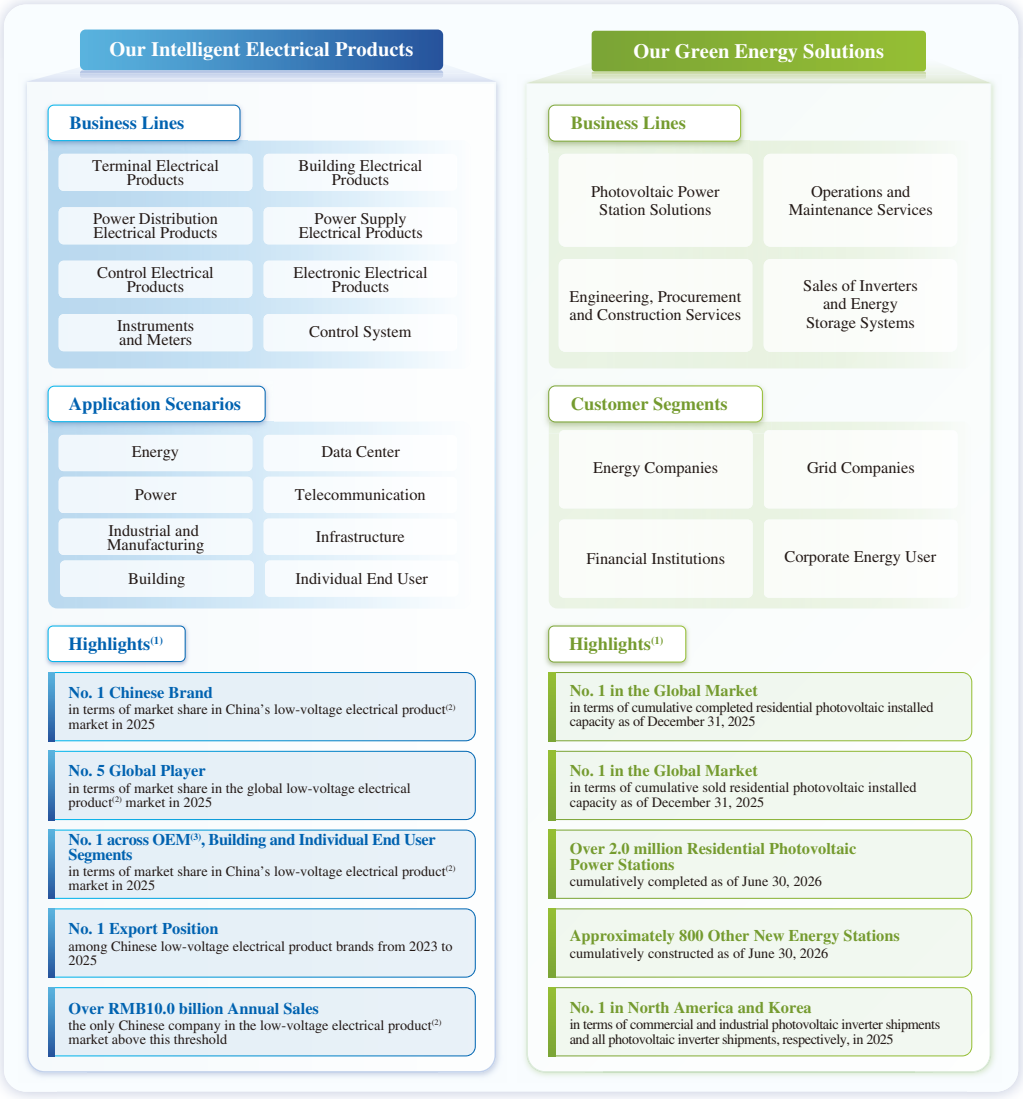
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SUMMARY

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

OVERVIEW

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.

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
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
Others[(1)]	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 sales of parts and components, other miscellaneous income and revenue from leases.

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 "Business–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.

COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success: (1) one-stop integrated power and energy solutions underpinned by first-mover advantage and deep customer trust, (2) continuous product innovation driven by strong research and development capabilities, (3) extensive channel coverage and expanding direct sales capabilities creating a difficult-to-replicate market barrier, (4) successful overseas replication of our business model supported by effective localization strategies, (5) continuously enhancing business competitiveness and operating efficiency through digital and intelligent transformation, and (6) cost advantages underpinned by supply chain management, lean manufacturing and economies of scale.

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business: (1) further broaden and deepen our intelligent electrical product matrix and provide more comprehensive green energy solutions to better serve customer needs and capture additional value; (2) strengthen our coverage across distribution network and direct sales customers to expand customer reach and increase value per customer; (3) implement internationalization and localization to capture growth opportunities in overseas markets; (4) continue to empower manufacturing and product value through digital and intelligent capabilities while maintaining a stable level of research and development investment; and (5) further strengthen our platform-oriented capabilities to provide one-stop integrated power and energy solutions and deepen collaboration across the industry chain.

OUR CORE TECHNOLOGIES

Our core technology capabilities can be broadly categorized into two integrated technology stacks.

- ***For our intelligent electrical products,*** our core technologies include (1) advanced protection and arc-extinguishing technologies, (2) high-precision electromechanical actuation and automation control technologies, (3) embedded sensing, metering and edge intelligence technologies, (4) system-level integration and digital connectivity technologies, and (5) reliability engineering and digital-intelligent manufacturing upgrades.

- ***For our green energy solutions,*** our core technologies include (1) full-lifecycle PV station engineering and system integration, (2) next-generation power electronics and inverter platforms, (3) advanced energy storage system architecture and safety, and (4) AI-powered smart operations and maintenance and asset performance management.

Together, these technologies enable us to enhance electrical safety, system intelligence, power quality and interoperability, improve photovoltaic and energy storage efficiency and reliability, and optimize lifecycle asset performance across a broad range of power and energy scenarios.

OUR SALES NETWORK

- ***In our intelligent electrical product business,*** we primarily reach downstream customers through a broad distribution network, under which distributors purchase our intelligent electrical products for resale and provide regional sales coverage and customer services. Certain distributors may, in the ordinary course of business, engage sub-distributors to extend downstream coverage, broaden geographic reach and enhance service responsiveness. We generally do not enter into direct agreements with or directly manage sub-distributors, although we maintain a certain degree of visibility over their activities through our distributor ordering and transaction system and our sales team's routine market visits. Our downstream customers also include panel builders, OEMs and real estate developers, among others. In addition, we engage in direct sales 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 supports project requirements, improves responsiveness and facilitates technical support and after-sales services.

- ***In our green energy solution business,*** our sales arrangements vary by business line. We primarily obtain customers for PV station solutions, EPC services and operations and maintenance services through direct sales and direct negotiation and, where applicable, through tendering and bidding processes. For sales of inverters and energy storage systems, we primarily sell directly to customers in both China and overseas markets, while we also engage a limited number of distributors in certain overseas markets.

OUR SUPPLIERS

Our suppliers primarily consist of providers of raw materials, components and services that support our two business segments.

- ***For our intelligent electrical products,*** key inputs include copper, silver, steel, plastics and certain electronic parts and functional modules.

- ***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 multilayer ceramic capacitors, energy storage cells, and balance-of-system items such as modules, inverters, mounting structures, meter boxes and cables. 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.

MARKET OPPORTUNITY AND COMPETITION

According to the F&S Report, the global low-voltage electrical product market, in terms of revenue, increased from RMB415.5 billion in 2020 to RMB463.5 billion in 2025, representing a CAGR of 2.2%, and is expected to reach RMB580.4 billion by 2030, representing a CAGR of 4.6% from 2025 to 2030. The growth of the low-voltage electrical product market is primarily driven by smart grid upgrades, deeper integration of new energy, rising demand from AI data centers, and industrial upgrading and urban renewal. As electricity systems evolve toward new power systems integrating source, grid, load and storage, low-voltage electrical products are increasingly required to incorporate monitoring, communication and intelligent control functions, thereby expanding both the value and scope of application of such products.

Against the backdrop of global energy transition and continued policy support, the global cumulative installed photovoltaic capacity increased from 741.4 GW in 2020 to 2,601.5 GW in 2025, representing a CAGR of 28.5%, and is expected to reach 6,700.2 GW by 2030. Over the same period, global cumulative installed wind power capacity increased from 745.0 GW to 1,325.0 GW, representing a CAGR of 12.2%, and is expected to surpass 2,000.0 GW by 2030. In addition, global cumulative installed capacity of lithium-ion battery energy storage systems increased from 32.9 GWh in 2020 to 714.5 GWh in 2025 and is expected to reach 4,855.6 GWh by 2030. The rapid growth of the new energy market is supported by continued policy support, declining levelized cost of energy, and the expansion of integrated source-grid-load-storage and virtual power plant models, which are enhancing the economic viability and application scope of new energy projects.

- The low-voltage electrical product market is relatively concentrated. In 2025, the top five low-voltage electrical product companies accounted for a combined market share of 48.4% globally. We ranked fifth in the global low-voltage electrical product market and second in China, and we were the largest domestic low-voltage electrical product company in China.

- In residential photovoltaics, the top five global players accounted for 30.0% of cumulative completed residential photovoltaic installed capacity in 2025. We ranked first globally, with cumulative completed residential photovoltaic installed capacity of 58.0 GW as of December 31, 2025, representing a market share of 12.8%. We also ranked first globally by residential photovoltaic installed capacity holdings, at 26.7 GW, representing a market share of 5.9%, and by cumulative sold residential photovoltaic installed capacity, at 30.0 GW, as of the same date.

As these markets continue to develop, companies that can combine technological capabilities, product and solution breadth, full-lifecycle service capabilities, customer resources, financing capacity and localized execution are likely to maintain their competitive edge. We believe our dual-core business ecosystem, spanning intelligent electrical products and green energy solutions, positions us well to capture the opportunities arising from the ongoing transformation of the global power and energy landscape.

RISKS AND CHALLENGES

Our business and the **[REDACTED]** involve certain risks, which are set out in the section headed "Risk Factors" in this document. Some of the major risk factors that we face include: (1) any defects in, or failure of, our intelligent electrical products, which could result in product liability claims, warranty costs, recalls and reputational damage; (2) failure to maintain distribution network or stable relationships with selected key account customers; (3) changes in new energy policies, grid rules, tariffs or other regulatory requirements, which could reduce demand for our green energy solutions; (4) the capital-intensive nature of our PV station solutions and our ability to monetize and transfer PV station assets in a timely manner; (5) non-performance or misconduct by service suppliers, subcontractors or other third parties involved in rooftop sourcing, project construction, installation and EPC execution; (6) grid connection constraints, curtailment, payment delays or lower-than-expected operating performance of PV stations, which could adversely affect our operations and maintenance services and electricity-related revenue; (7) customer concentration, credit risks and settlement delays, which could adversely affect our liquidity and results of operations; (8) our need for significant working capital and financing, particularly in connection with PV station solutions and EPC services; (9) exposure to international trade policies, geopolitics, sanctions and other overseas market risks; and (10) failure to comply with applicable regulatory requirements, including those relating to product quality and safety, manufacturing, environmental protection, workplace safety, construction and EPC activities, data security and taxation. As different **[REDACTED]** may have different interpretations and criteria when determining the significance of a risk, you should carefully read the "Risk Factors" section in its entirety before you decide to **[REDACTED]** in our Shares.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Revenue	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
Cost of sales	(44,872,958)	(78.4)	(49,600,402)	(76.9)	(43,858,575)	(74.1)	(21,296,623)	(71.9)	(29,090,231)	(76.4)
Gross profit	**12,377,856**	**21.6**	**14,924,000**	**23.1**	**15,307,929**	**25.9**	**8,334,117**	**28.1**	**8,973,958**	**23.6**
Other income, other gains and losses	915,101	1.6	686,795	1.1	1,107,779	1.9	531,316	1.8	676,119	1.8
Other expenses	(96,849)	(0.2)	(83,626)	(0.1)	(94,381)	(0.1)	(30,764)	(0.1)	(40,116)	(0.1)
Administrative expenses	(2,139,958)	(3.7)	(2,810,193)	(4.4)	(2,945,723)	(5.1)	(1,580,604)	(5.3)	(1,294,831)	(3.5)
Selling and marketing expenses	(2,241,379)	(3.8)	(2,643,678)	(4.1)	(2,572,342)	(4.3)	(1,230,111)	(4.2)	(1,194,011)	(3.1)
Research and development expenses	(1,179,215)	(2.1)	(1,267,307)	(1.9)	(1,325,959)	(2.2)	(617,271)	(2.1)	(619,102)	(1.6)
Impairment losses (including reversals of impairment losses) on financial assets and other items	(150,349)	(0.3)	(579,686)	(0.9)	(89,834)	(0.2)	(221,704)	(0.7)	(145,906)	(0.4)
Finance costs	(1,411,171)	(2.5)	(1,789,498)	(2.8)	(2,003,043)	(3.4)	(1,040,597)	(3.5)	(1,187,504)	(3.1)
Share of results of associates and joint ventures	419,725	0.7	331,591	0.5	238,654	0.4	126,006	0.4	69,463	0.2
Profit before tax	**6,493,761**	**11.3**	**6,768,398**	**10.5**	**7,623,080**	**12.9**	**4,270,388**	**14.4**	**5,238,070**	**13.8**
Income tax expense	(1,544,913)	(2.7)	(1,557,070)	(2.4)	(1,485,447)	(2.5)	(830,260)	(2.8)	(1,163,675)	(3.1)
Profit for the year/period	**4,948,848**	**8.6**	**5,211,328**	**8.1**	**6,137,633**	**10.4**	**3,440,128**	**11.6**	**4,074,395**	**10.7**

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Non-current assets	48,463,399	56,849,678	66,522,229	65,063,538
Current assets	72,341,257	81,372,500	92,278,398	93,060,945
Total assets	**120,804,656**	**138,222,178**	**158,800,627**	**158,124,483**
Current liabilities	48,648,860	56,839,590	61,801,612	56,441,069
Net current assets	23,692,397	24,532,910	30,476,786	36,619,876
Total assets less current liabilities	**72,155,796**	**81,382,588**	**96,999,015**	**101,683,414**
Non-current liabilities	**25,649,409**	**30,638,850**	**43,203,734**	**45,823,431**
Net assets	**46,506,387**	**50,743,738**	**53,795,281**	**55,859,983**

SELECTED CASH FLOW STATEMENT INFORMATION

The following table sets forth selected cash flow statement information for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
			(RMB in thousands)		
				(Unaudited)	
Net cash from operating activities	4,140,356	15,205,695	23,113,829	7,138,124	13,181,582
Net cash used in investing activities	(2,767,584)	(3,879,424)	(4,358,944)	(2,613,091)	(170,323)
Net cash used in financing activities	(1,732,211)	(11,014,141)	(17,131,759)	(3,251,917)	(11,220,336)
Net (decrease)/increase in cash and cash equivalents	**(359,439)**	**312,130**	**1,623,126**	**1,273,116**	**1,790,923**
Cash and cash equivalents at the beginning of the year/period	11,663,324	11,324,586	11,435,730	11,435,730	13,078,471
Effects of foreign exchange rate changes	20,701	(200,986)	19,615	(52,577)	(6,749)
Cash and cash equivalents at the end of the year/period	**11,324,586**	**11,435,730**	**13,078,471**	**12,656,269**	**14,862,645**

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated.

	As of/for the year ended December 31,			As of/for the six months ended June 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Gross profit margin *(%)*[(1)]	21.6	23.1	25.9	28.1	23.6
Net profit margin *(%)*[(2)]	8.6	8.1	10.4	11.6	10.7
Debt-to-asset ratio *(%)*[(3)]	61.5	63.3	66.1	N/A	64.7
Current ratio *(times)*[(4)]	1.49	1.43	1.49	N/A	1.65

(1) Equals gross profit divided by revenue and multiplied by 100%.

(2) Equals profit for the year/period divided by revenue and multiplied by 100%.

(3) Equals total liabilities divided by total assets and multiplied by 100%.

(4) Equals total current assets divided by total current liabilities.

OUR CONTROLLING SHAREHOLDERS GROUP

As of the Latest Practicable Date, our Company was owned as to (i) 41.18% by CHINT Group, which was owned as to approximately 31.23% by Mr. Nan Cunhui and 12.14% by Huitai Limited, and Huitai Limited was owned as to 1% by Mr. Nan Cunhui and 99% by Huitai Partnership, in which Mr. Nan Cunhui acts as the sole general partner holding 99% partnership interests therein; (ii) 8.39% by New Energy Investment, which was owned as to approximately 96.32% by CHINT Group and 3.68% by Shanghai Taiyi, and Shanghai Taiyi was owned as to 80% by Mr. Nan Cunhui; and (iii) 3.45% directly by Mr. Nan Cunhui (together with CHINT Group, New Energy Investment, Huitai Limited, Shanghai Taiyi and Huitai Partnership, will collectively constitute our Controlling Shareholders Group). As of the Latest Practicable Date, our Controlling Shareholders Group in aggregate was interested in 1,139,490,798 Shares of our Company, representing approximately 53.54% of the voting power of our Company (excluding the 20,839,551 A Shares held by our Company as treasury Shares).

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), our Controlling Shareholders Group will collectively be entitled to exercise **[REDACTED]**% of the voting power at general meetings of our Company (excluding the 20,839,551 A Shares held by our Company as treasury Shares). Upon **[REDACTED]**, they will remain as our Controlling Shareholders Group. See "Relationship with Our Controlling Shareholders Group" in this document for further details.

CONNECTED TRANSACTIONS

We have entered into and are expected to continue with the transactions after the **[REDACTED]** which will constitute partially-exempt continuing connected transactions and non-exempt continuing connected transactions under Chapter 14A of Listing Rules. We have applied for, and the Stock Exchange [has granted] us, (i) waivers from strict compliance with the announcement requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules, and (ii) waivers from strict compliance with the announcement, circular and independent shareholders' approval requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules. See "Connected Transactions" in this document for further details.

OUR LISTING ON THE MAIN BOARD OF THE SHANGHAI STOCK EXCHANGE

In January 2010, our A Shares were listed on the main board of the Shanghai Stock Exchange under the stock code of 601877. Our Directors confirmed that, to the best knowledge of our Directors having made all reasonable enquiries, we had no instances of non-compliance with the rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations in any material respects, and there was no material matter that should be brought to the **[REDACTED]**' attention in relation to our compliance record on the Shanghai Stock Exchange during the Track Record Period and up to the Latest Practicable Date. Our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had complied with all laws and regulations, in all material respects, applicable to A-share listing. See "History and Corporate Structure–Our A Share Listing History and Reasons for the **[REDACTED]**" in this document for further details. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Advisor's view, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with our Directors' confirmation with regard to the compliance record of our Company on the Shanghai Stock Exchange in all material respects.

[REDACTED]

WAIVER AND EXEMPTION IN RELATION TO PARTICULARS OF INFORMATION OF OUR SUBSIDIARIES

In connection with the **[REDACTED]**, we have applied for certain waivers from strict compliance with the Listing Rules and exemption from the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Among the waivers and exemptions that we have applied for, we have applied to the Stock Exchange for a waiver from strict compliance with the requirements under paragraphs 13, 26, 27, 29(1) and 45(2) of Appendix D1A to the Listing Rules in respect of disclosing the following information of our subsidiaries which are not Major Subsidiaries, and the SFC for an exemption from strict compliance with the requirement under paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in respect of disclosing the information of our subsidiaries which are not Major Subsidiaries as required under paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. See "Waivers and Exemptions" in this document for further details.

[REDACTED]

In 2023, 2024, 2025 and the six months ended June 30, 2026, our **[REDACTED]** were nil, nil, nil and RMB**[REDACTED]**, respectively. Our **[REDACTED]** mainly include (1) **[REDACTED]**-related expenses, such as **[REDACTED]** fees and **[REDACTED]**, and (2) non-**[REDACTED]**-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and (3) other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total **[REDACTED]** (based on the mid-point of the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately HK$**[REDACTED]**, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**. Among such estimated total **[REDACTED]**, we expect to pay **[REDACTED]**-related expenses of HK$**[REDACTED]**, professional fees for our legal advisors and Reporting Accountants of HK$**[REDACTED]** and other fees and expenses of HK$**[REDACTED]**. An estimated amount of HK$**[REDACTED]** for our **[REDACTED]**, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**, was or is expected to be expensed through the statement of profit or loss and the remaining amount of HK$**[REDACTED]** is expected to be recognized directly as a deduction from equity upon the **[REDACTED]**.

[REDACTED]

FUTURE PLANS AND USE OF [REDACTED]

We estimate the net **[REDACTED]** of the **[REDACTED]** which we will receive, assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the **[REDACTED]** stated in this document), will be approximately HK$**[REDACTED]**, after deduction of **[REDACTED]** and other estimated fees and expenses in connection with the **[REDACTED]**, assuming the **[REDACTED]** is not exercised. We intend to use the net **[REDACTED]** of the **[REDACTED]** for the following purposes: (1) approximately **[REDACTED]**%, or HK$**[REDACTED]**, for research and development initiatives for our intelligent electrical product business; (2) approximately **[REDACTED]**%, or HK$**[REDACTED]**, for industrialization and production capacity expansion; (3) approximately **[REDACTED]**%, or HK$**[REDACTED]**, for broadening our domestic and overseas sales channels and integrating into local market ecosystems; (4) approximately **[REDACTED]**%, or HK$**[REDACTED]**, for digital transformation initiatives; (5) approximately **[REDACTED]**%, or HK$**[REDACTED]**, for partial repayment of certain existing indebtedness; and (6) approximately **[REDACTED]**%, or HK$**[REDACTED]**, for general working capital and other general corporate purposes. See "Future Plans and Use of **[REDACTED]**" for further information relating to our future plans and use of **[REDACTED]** from the **[REDACTED]**.

DIVIDENDS

We paid dividends to the Company's shareholders of RMB851.1 million, RMB1,181.9 million, RMB1,286.4 million and RMB1,276.9 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. Subject to PRC laws and regulations, including the PRC Company Law and the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies (2025 Revision) (上市公司監管指引第3號–上市公司現金分紅(2025年修訂)) and pursuant to our dividend policy under the Articles of Association, we are required to pay cash dividends where we have recorded a positive net profit for the current year and have positive accumulated undistributed profits as of the end of that year, and cumulative cash dividends of any three consecutive fiscal years that account for not less than 30% of our average annual net profits attributable to owners of our Company for those three fiscal years which are available for distribution, calculated in accordance with PRC GAAP, provided that the sustainable operation and long-term development of our Company will not be impacted and there is no plan for significant capital expenditure. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of both. We do not have a fixed dividend distribution ratio. Any proposed distribution of dividends is subject to the discretion of our Board and approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

RECENT DEVELOPMENT

Our Directors confirmed that, subsequent to the Track Record Period and up to the date of this document, (1) there was no material adverse change in the market conditions and the regulatory environment in which our Group operates that would affect our financial or operating position materially and adversely; (2) there was no material adverse change in our business, revenue structure, profitability, cost structure, financial position and prospects; and (3) no event had occurred that would affect the information shown in our Accountants' Report in Appendix I or the Condensed Consolidated Financial Statements in Appendix IA to this document materially and adversely.

DEFINITIONS

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

"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are traded in Renminbi and listed on the Shanghai Stock Exchange
"A Shareholder(s)"	holder(s) of our A Share(s)
"Accountants' Report"	the accountants' report of our Company for the three years ended December 31, 2025, as included in Appendix I to this document
"AFRC"	Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company, conditionally adopted on April 21, 2026, with effect from the **[REDACTED]**, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix V to this document
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of our Company
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business

[REDACTED]

"China," "Chinese Mainland" or "PRC"	the People's Republic of China, but for the purpose of this document and except where the context requires otherwise, references in this document to "China," "Chinese Mainland" or the "PRC" do not apply to Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan, China
"Chint Anneng"	Chint Anneng Digital Power (Zhejiang) Co., Ltd. (正泰安能數字能源(浙江)股份有限公司), a joint stock company established in the PRC on August 4, 2015 and a non-wholly owned subsidiary of our Company
"CHINT Finance"	CHINT Group Finance Co., Ltd. (正泰集團財務有限公司), a company established in the PRC on December 15, 2017 and a subsidiary of CHINT Group (our Controlling Shareholder)
"Chint Global PTE"	Chint Global PTE. Ltd. (正泰國際有限公司), a company incorporated in Singapore on November 7, 2017 and a wholly owned subsidiary of our Company

DEFINITIONS

"CHINT Group"	CHINT Group Co., Ltd. (正泰集團股份有限公司), a joint stock company established in the PRC on March 15, 1994 and a member of our Controlling Shareholders Group
"Chint Instrument & Meter"	Zhejiang Chint Instrument & Meter Co., Ltd. (浙江正泰儀器儀表有限責任公司), a company established in the PRC on May 20, 1998 and a non-wholly owned subsidiary of our Company
"Chint New Energy Development"	Zhejiang Chint New Energy Development Co., Ltd. (浙江正泰新能源開發有限公司), a company established in the PRC on October 16, 2009 and a wholly owned subsidiary of our Company
"CNIPA"	the China National Intellectual Property Administration (中華人民共和國國家知識產權局)
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
"Company," "our Company," "we," "our" or "us"	Zhejiang Chint Electrics Co., Ltd. (浙江正泰電器股份有限公司), a company established under the laws of the PRC on August 5, 1997, whose A Shares have been listed on the Shanghai Stock Exchange (stock code: 601877) since 2010
"Condensed Consolidated Financial Statements"	the condensed consolidated financial statements of our Company for the six months ended June 30, 2026 as included in Appendix IA to this document
"Controlling Shareholder(s)" or "Controlling Shareholders Group"	has the meaning given to it under the Listing Rules and, unless the context otherwise requires, refers to Mr. Nan Cunhui, CHINT Group, New Energy Investment, Huitai Limited, Shanghai Taiyi and Huitai Partnership, as further detailed in the section headed "Relationship with Our Controlling Shareholders Group" in this document
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC securities markets and overseas securities activities of PRC entities
"Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

"Frost & Sullivan" or "Industry Consultant"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant and an independent market research and consulting company
"F&S Report"	the industry report issued by Frost & Sullivan

[REDACTED]

"Group," "our Group," "we," "our" or "us"	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the content may require), or where the context so requires, in respect of the periods before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"H Share(s)"	overseas **[REDACTED]** foreign shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are to be **[REDACTED]** for and **[REDACTED]** in Hong Kong dollars and **[REDACTED]** on the Stock Exchange
"H Shareholder(s)"	holder(s) of our H Share(s)

[REDACTED]

[REDACTED]

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited

[REDACTED]

"Huitai Limited"	Wenzhou Huitai Investment Management Co., Ltd. (溫州輝泰投資管理有限公司), a limited liability company established in the PRC on December 7, 2016 and a member of our Controlling Shareholders Group
"Huitai Partnership"	Wenzhou Huitai Investment Partnership Enterprise (Limited Partnership) (溫州輝泰投資合夥企業(有限合夥)), a limited partnership established in the PRC on January 4, 2016 and a member of our Controlling Shareholders Group
"IFRS"	International Financial Reporting Standards, as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	person(s) or company(ies) who/which, to the best of our Directors' knowledge, information and belief, is/are not a connected person of our Company

[REDACTED]

"Joint Sponsors"	the joint sponsors as named in "Directors and Parties Involved in the **[REDACTED]**" in this document
"Chint Power"	Jiangsu Chint Power Technology Co., Ltd. (江蘇正泰電源科技股份有限公司) (formerly known as Jiangsu Tongrun Equipment Technology Co., Ltd. (江蘇通潤裝備科技股份有限公司)), a joint stock company established in the PRC on October 28, 2002, whose shares are listed on the Shenzhen Stock Exchange (stock code: 002150) and which is a non-wholly owned subsidiary of our Company
"Latest Practicable Date"	August 21, 2026, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication

[REDACTED]

"Listing Committee"	the Listing Committee of the Stock Exchange

[REDACTED]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"Major Subsidiary(ies)"	the major subsidiaries of our Company listed in "History and Corporate Structure–Our Major Subsidiaries"
"Nomination Committee"	the nomination committee of the Board
"New Energy Investment"	Zhejiang Chint New Energy Investment Co., Ltd. (浙江正泰新能源投資有限公司), a limited liability company established in the PRC on October 18, 2012 and a member of our Controlling Shareholders Group

[REDACTED]

"PBOC"	the People's Bank of China (中國人民銀行)
"PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC Legal Advisor"	King & Wood, our legal advisor as to PRC laws
"PRC Securities Law"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time

[REDACTED]

"Receiving Banks"	[•]
"Regulation S"	Regulation S under the U.S. Securities Act
"Relevant Persons"	the Joint Sponsors, the **[REDACTED]**, **[REDACTED]**, **[REDACTED]**, **[REDACTED]**, **[REDACTED]**, any of their or our Company's respective directors, advisors, officers, employees, agents or representatives or any other person or party involved in the **[REDACTED]**
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of China
"SAFE"	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Shanghai Noark Electrics"	Noark Electrics (Shanghai) Co., Ltd. (上海諾雅克電氣有限公司), a company established in the PRC on November 30, 2007 and a wholly owned subsidiary of our Company
"Shanghai Taiyi"	Shanghai Taiyi Investment Management Co., Ltd. (上海泰熠投資管理有限公司), a limited liability company established in the PRC on June 15, 2009 and a member of our Controlling Shareholders Group
"STA"	State Taxation Administration of the PRC (中華人民共和國國家税務總局)

[REDACTED]

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy and Sustainability Committee"	the strategy and Sustainability committee of the Board
"Takeovers Code"	the Code on Takeovers and Mergers issued by the SFC

"Track Record Period"	the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026

[REDACTED]

"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	United States Securities Act of 1933 and the rules and regulations promulgated thereunder
"VAT"	value-added tax
"Wenzhou Chint Electrics"	Wenzhou Chint Electrical Technology Co., Ltd. (溫州正泰電器科技有限公司), a company established in the PRC on February 4, 2010 and a wholly owned subsidiary of our Company
"Wenzhou Taiji New Energy"	Wenzhou Taiji New Energy Co., Ltd. (溫州泰集新能源有限公司), a company established in the PRC on November 11, 2020 and a subsidiary of our Company
"Wenzhou Taiji Suwei"	Wenzhou Taiji Suwei Technology Co., Ltd. (溫州泰集速維科技有限公司), a company established in the PRC on November 12, 2020 and a subsidiary of our Company
"Wenzhou Xiangtai"	Wenzhou Xiangtai New Energy Investment Co., Ltd. (溫州翔泰新能源投資有限公司), a company established in the PRC on April 23, 2018 and a subsidiary of our Company
"Xinqi Energy Equipment"	Xinqi (Jiaxing) Energy Equipment Co., Ltd. (新啓(嘉興)能源設備有限公司), a company established in the PRC on April 30, 2025 and a subsidiary of our Company
"Zhejiang Chaotai"	Zhejiang Chaotai Technology Co., Ltd. (浙江朝泰科技有限公司), a company established in the PRC on December 22, 2020 and a subsidiary of our Company
"Zhejiang Chint Solar"	Chint Solar (Zhejiang) Co., Ltd. (浙江正泰太陽能科技有限公司), a company established in the PRC on October 18, 2006 and a wholly owned subsidiary of our Company
"Zhejiang Shantai"	Zhejiang Shantai New Energy Co., Ltd. (浙江善泰新能源有限公司), a company established in the PRC on July 19, 2022 and a subsidiary of our Company

"Zhejiang Taizhou"	Zhejiang Taizhou New Energy Co., Ltd. (浙江泰舟新能源有限公司), a company established in the PRC on January 24, 2022 and a subsidiary of our Company
"%"	percent

In this document, the terms "associate(s)," "close associate(s)," "connected person(s)," "connected transaction(s)," "core connected person(s)," "controlling shareholder(s)," "subsidiary(ies)" and "substantial shareholder(s)" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary contains certain technical terms used in this document in connection with us and our business. Such terms and their meaning may not correspond to standard industry definitions or usage.

"AC"	alternating current, an electric current that periodically reverses direction
"AGV"	automated guided vehicle, a driverless material-handling vehicle used to transport goods or components within a factory or warehouse
"AI"	artificial intelligence
"ampere" or "A"	the unit of electric current
"BESS"	battery energy storage system
"busbar"	a conductive metallic component used to transmit and distribute electrical current and, in battery systems, to connect cells or modules electrically
"China efficiency"	a weighted inverter efficiency metric commonly used in the PRC market to reflect inverter performance under a range of operating conditions
"circuit breaker"	a protective switching device designed to automatically interrupt electrical current under abnormal conditions such as overload or short circuit
"cell monitoring unit"	a device or module used to monitor the operating condition of battery cells or battery modules
"commercial and industrial" or "C&I"	commercial and industrial applications or projects
"commercial and industrial photovoltaic power station"	a distributed photovoltaic system installed on commercial or industrial premises, primarily used for on-site electricity consumption, with any surplus electricity fed into the grid where applicable
"DC"	direct current, an electric current flowing in one direction only
"DIN-rail meter"	an electricity meter designed for installation on a standard DIN rail, typically used in distribution boxes or control cabinets
"discrete manufacturing"	manufacturing activities that produce distinct and countable finished products by assembling separate parts or components, such as automobiles, smartphones, household appliances and furniture
"distribution board"	an electrical distribution assembly used to receive and distribute electrical power to multiple downstream circuits
"DPWM"	discontinuous pulse width modulation, a control or modulation technique commonly used in power electronics
"DSP"	digital signal processor, a processor designed for high-speed numerical computation and signal processing

GLOSSARY OF TECHNICAL TERMS

"EOL testing"	end-of-line testing, the final stage of production testing conducted before a product is released or delivered
"EPC"	engineering, procurement and construction
"FCT"	functional circuit testing, an automated testing process used to verify whether a printed circuit board assembly or related component performs in accordance with design requirements
"gigawatt" or "GW"	one billion watts, or 1,000 megawatts, a unit of power commonly used to measure electricity generation capacity
"gigawatt-hour" or "GWh"	one million kilowatt-hours, or 1,000 megawatt-hours, a unit of electrical energy commonly used to measure electricity generation, consumption or energy storage capacity
"grid connection"	the process of connecting a power generation system or equipment to the electricity grid for operation or power dispatch
"grid-connected electricity"	electricity generated by a photovoltaic power station and delivered to the grid
"ground-mounted photovoltaic power station"	a utility-scale photovoltaic system installed on open land, typically designed to generate electricity for supply to the grid
"high-breaking capacity"	the ability of a protective device, such as a circuit breaker, to safely interrupt a high fault current under rated conditions, and a core indicator for evaluating the performance of low-voltage protective electrical products
"HVAC"	heating, ventilation and air conditioning
"I-V curve scanning"	current-voltage curve scanning, a diagnostic function used to analyze the operating condition and performance of photovoltaic modules or strings
"Industrial Internet of Things"	the application of connected sensors, devices, software and data systems to industrial equipment, manufacturing processes and industrial operations
"inverter"	a power electronic device used to convert direct current into alternating current
"IP66"	an ingress protection rating indicating a high degree of protection against dust and strong water jets
"isolator"	a switching device used primarily to isolate a circuit or equipment from its power source
"kilovolt" or "kV"	1,000 volts
"kilovolt-ampere reactive" or "kvar"	a unit used to measure reactive power
"kilowatt" or "kW"	1,000 watts, a unit of power

GLOSSARY OF TECHNICAL TERMS

"levelized cost of energy" or "LCOE"	the average cost per unit of electricity generated over a project's lifetime, calculated by dividing all relevant costs by the total electricity output generated during that period
"low-voltage electrical products"	electrical products used in low-voltage power distribution, control, protection, metering and building applications
"megawatt" or "MW"	1,000 kilowatts, a unit of power
"megawatt-hour" or "MWh"	a unit of electrical energy equal to one megawatt of power sustained for one hour
"MES"	manufacturing execution system, a digital system used to monitor, control and manage production processes in real time
"miniature circuit breaker"	a low-voltage circuit breaker typically used in terminal circuits to provide overload and short-circuit protection
"molded case circuit breaker"	a low-voltage circuit breaker typically used in distribution systems to provide overload, short-circuit and related protection functions
"motor protector"	a protection device used to protect motors against overload, phase loss, short circuit or other abnormal conditions
"MPPT"	maximum power point tracking, a control technique used to optimize the output of photovoltaic systems by tracking the operating point that delivers maximum power
"NPC/ANPC"	neutral-point-clamped/active neutral-point-clamped, power electronics topology structures commonly used in inverter design
"open-circuit voltage"	the voltage of a cell or battery measured when no load is connected
"OEM"	original equipment manufacturer
"PACK"	in the context of battery energy storage systems, the integrated assembly of multiple battery cells together with associated components such as battery management, thermal management and structural components
"panel builder"	a downstream customer that procures low-voltage electrical components as inputs and integrates them into electrical distribution and control panels or cabinets for delivery to end projects
"photovoltaic" or "PV"	the direct conversion of light into electricity using semiconductor materials; in this document, generally refers to solar photovoltaic technology or products
"photovoltaic power station" or "PV station"	a photovoltaic electricity generation installation or system
"power quality"	the quality of electrical power supplied to equipment or systems, including factors such as voltage stability, harmonics, reactive power and phase balance
"printed circuit board assembly" or "PCBA"	a printed circuit board on which electronic components have been mounted

GLOSSARY OF TECHNICAL TERMS

"residential photovoltaic power station"	a photovoltaic power station installed in connection with a residential rooftop or similar household setting
"residual current operated circuit breaker"	a protective device designed to disconnect a circuit when leakage current exceeds a specified threshold
"rooftop resources"	rooftops made available for the installation and operation of residential photovoltaic stations
"SCR"	short-circuit ratio, a metric used to assess grid strength, particularly in the context of inverter operation in weak-grid conditions
"self-recovering overvoltage and undervoltage protector"	a protection device designed to disconnect a circuit when voltage exceeds or falls below specified thresholds and to automatically reconnect the circuit once voltage returns to the normal range
"SiC"	silicon carbide, a wide-bandgap semiconductor material commonly used in high-performance power electronic devices
"smart manufacturing"	a manufacturing approach characterized by digitalization, automation, connectivity, data integration and intelligent process control
"source-grid-load-storage architecture (源網荷儲)"	an integrated energy system architecture that coordinates power generation resources, electricity grid infrastructure, power consumption loads and energy storage facilities
"surge protective device"	a device designed to protect electrical equipment from surge voltage or lightning-induced overvoltage
"SVG"	static var generator, a power electronics device used for dynamic reactive power compensation and voltage support
"SVPWM"	space vector pulse width modulation, a modulation method commonly used in inverter and motor control applications
"switchgear cabinet"	an assembly or cabinet housing switching, protection and control devices for power distribution systems
"thermal relay"	a protective device used to protect motors or circuits against overload and related thermal conditions
"transformer"	an electrical device used to transfer electrical energy between circuits, typically by changing voltage levels
"ultra-weak grid"	a grid environment with relatively low system strength, typically characterized by a low short-circuit ratio
"utility-scale"	large-scale projects or installations, typically for centralized electricity generation or infrastructure applications
"volt" or "V"	the unit of electric potential difference

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements and information relating to our Company and its subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim," "anticipate," "believe," "could," "estimate," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "target," "will," "would" and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospects;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our business and operating strategies and plans to achieve these strategies;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment, operating conditions and general outlook in the industry and geographical markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our financial condition and performance;
- our ability to reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

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

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

All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

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

RISKS RELATING TO OUR INTELLIGENT ELECTRICAL PRODUCT BUSINESS

Any defects in, or failure of, our intelligent electrical products could result in product liability claims, warranty costs, recalls and reputational damage, and could materially and adversely affect our business.

Our intelligent electrical products include, among others, terminal electrical products, power distribution electrical products, control electrical products, instruments and meters, and building electrical products. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from our intelligent electrical products was RMB20,138.5 million, RMB20,921.8 million, RMB21,918.7 million, RMB11,725.0 million and RMB12,146.8 million, respectively, representing 35.2%, 32.4%, 37.0%, 39.6% and 31.9% of our total revenue in the same periods, respectively. Our products may not always perform as expected and may contain latent defects due to, among others, manufacturing flaws, design defects, component failures, process deviations, or inadequate disclosure of product-related risks or information. If the use of our products results in unsafe conditions, property damage or personal injury, we could be subject to product liability claims, warranty claims, after-sales liabilities and regulatory actions. We could be named as a defendant in such claims and any insurance that we carry may not be sufficient or may not apply to all situations. In addition, our customers and other parties could bring claims against us to hold us accountable for their losses. If our products fail to perform as expected, or if such failure results in a product recall, replacement campaign or other corrective action, our reputation may be damaged, which could make it more difficult for us to sell our products to existing and prospective customers, and could materially and adversely affect our business, results of operations, financial condition and prospects.

If we fail to maintain an effective quality management system across our manufacturing and delivery processes, our business, reputation, financial condition and results of operations may be adversely affected.

Product quality and reliability are critical to our competitiveness and brand reputation. Although we have established a quality management framework and maintain certain 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, such systems may not always identify latent defects or prevent quality incidents. Our laboratory center has also obtained various certifications and recognitions from authoritative institutions, supporting our product qualification and international market access. The effectiveness of our quality management system nevertheless depends on a number of factors, including the design of the system, the machinery and tools used, the quality of our personnel and training programs, our ability to ensure adherence to internal procedures and working standards across manufacturing sites, and our ability to monitor and manage quality risks in outsourced or third-party-performed processes.

In particular, quality risks may increase when production volumes fluctuate, when product specifications change, when new products are introduced, when new equipment or processes are implemented, or when additional materials or components are sourced to meet demand. Bottlenecks, accelerated wear and tear on equipment, process changes and supplier variability may increase the risk of defects or non-compliance with standards. Any significant failure in, or deterioration of the efficacy of, our quality management system could result in customer claims, product returns, recalls, increased warranty provisions, loss of certifications or qualifications, regulatory penalties, reputational damage and loss of customer confidence, any of which could materially and adversely affect our business, financial condition and results of operations.

We are subject to evolving technical standards and certification requirements, and any failure to obtain, maintain or renew required certifications or to meet such standards could restrict our sales and increase our costs.

Our products are required to comply with applicable national, industry and customer-specific technical standards, safety requirements and, in certain cases, certification regimes and inspection requirements. These standards and requirements may evolve over time and may become more stringent. If new standards, certification requirements or compliance obligations are implemented, or if existing standards are interpreted or enforced more strictly, we may be required to incur significant time and expense to redesign products, change materials and components, adjust manufacturing processes, enhance testing and validation, and complete additional certification, registration or renewal procedures. There can be no assurance that we will be able to obtain, maintain or renew all required certifications or approvals in a timely manner, or at all, or that such certifications will not be suspended, cancelled or revoked as a result of quality incidents or failure to satisfy follow-up inspection requirements. Any inability to meet applicable standards or certification requirements, or any significant delay in compliance, could restrict our ability to sell products in certain markets or to certain customer groups, trigger contractual liabilities, and materially and adversely affect our business, results of operations, financial condition and prospects.

Our sales of intelligent electrical products rely on a broad distribution network and selected key account customers, and failure to maintain an effective distributorship system, or failure to maintain stable relationships with key account customers, could materially and adversely affect our business.

We primarily reach downstream customers in our intelligent electrical product business through a broad distribution network. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had 516, 566, 557 and 543 distributors for our intelligent electrical product business, respectively. Certain distributors may engage sub-distributors in the ordinary course of business, and 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. Although we may have certain visibility over sub-distributor activities through our distributor ordering and transaction system, TaiLeGou (泰樂購), and through our sales team's routine market visits, our ability to direct and monitor the day-to-day conduct and performance of distributors and sub-distributors remains limited. Our distributorship arrangements are generally non-exclusive, distributors typically determine resale prices and manage their own inventory, and we may grant credit limits to certain distributors. We may also provide sales rebates and incentives and, in limited circumstances, special pricing support, each of which may give rise to operational complexity, credit exposure and dispute risks. We generally do not impose minimum purchase requirements on our distributors.

If we fail to maintain a stable and effective distributorship system, due to factors such as unsatisfactory distributor performance, inadequate customer services, weakened relationships, distributor consolidation, competitive pressure, or changes in the external environment, our sales coverage, customer satisfaction, after-sales response capability and brand perception could be adversely affected. Misconduct, non-compliance or improper marketing practices by distributors or sub-distributors could also expose us to reputational harm, regulatory scrutiny, contractual disputes and potential liabilities. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition and prospects.

In addition, a portion of our intelligent electrical product sales is made through direct sales to selected key account customers, including certain leading customers in the power and telecommunications industries and other sizeable manufacturing and infrastructure customers. We may not be able to maintain stable relationships with such key accounts or to secure repeat orders on acceptable terms.

We are susceptible to supply shortages, longer lead times and increased costs of raw materials and components, any of which could disrupt our manufacturing and compress our margins.

Our manufacturing operations depend on obtaining adequate supplies of quality raw materials and components on a timely basis. Key inputs for our intelligent electrical products include, among others, copper, silver, steel and plastics, and we may also require certain electronic parts, functional modules and other components depending on product category. The supply and price of these materials and components are influenced by market supply and demand, commodity price fluctuations, logistics conditions, inflation, and changes in government policies and regulatory requirements. Any unexpected shortage, delay in delivery or price fluctuations of raw materials, parts and components may interrupt supply and disrupt our manufacturing schedule. In such circumstances, we may need to source from alternative suppliers on less favorable terms, which could affect product quality and stability as well as our profitability. To the extent we are dependent on a limited number of suppliers for certain materials or components, or where certain components are customized for specific products, our ability to procure alternatives may be constrained.

Our ability to pass on increases in input costs to customers may be limited by competitive pressure, contractual pricing arrangements and market dynamics. If we become subject to significant increases in the cost of raw materials or components that cannot be passed through in a timely manner, our gross margins and profitability may be adversely affected. In addition, disruptions in logistics services (including those provided by third-party logistics service providers) may result in delayed deliveries, inventory imbalances, increased freight costs and contractual disputes, any of which could materially and adversely affect our business, results of operations and financial condition.

If we fail to keep up with the evolution of technologies or adapt our products to emerging industry standards, or if our research and development investments prove unsuccessful or ineffective, our competitive position and business performance may be materially and adversely affected.

Our intelligent electrical products increasingly incorporate digital sensing and measurement, embedded protection and control functions and communication capabilities, enabling monitoring, diagnosis and system-level integration. Our competitive position therefore depends on our ability to keep pace with technology developments, evolving customer requirements and changes in applicable standards. We have established a robust, interdisciplinary technology foundation for our intelligent electrical products, including advanced protection and arc-extinguishing technologies, high-precision electromechanical actuation and automation control technologies, embedded sensing, metering and edge intelligence technologies, and system-level integration and digital connectivity technologies. We have invested, and expect to continue to invest, in research and development, testing and validation capabilities and cooperation with academic and industry partners. However, research and development activities are inherently uncertain. There can be no assurance that our research and development projects will yield the expected outcome or be completed within the anticipated time frame and budget. If we fail to commercialize our research and development efforts, we may incur significant sunk costs. Even where newly developed products are launched, there can be no assurance that they will be accepted by customers or achieve anticipated sales and profit targets. If we fail to keep up with technology change or to adapt our products to emerging standards, our products may become less competitive or obsolete, which could lead to loss of market share, pricing pressure and reduced profitability, and could materially and adversely affect our business, financial condition and results of operations.

Our information technology systems and the smart functionalities embedded in our products may be subject to failures, security breaches or cyberattacks, which could disrupt operations, lead to liabilities and harm our reputation.

We rely on information technology systems and networks to support business operations, including communications, data processing, inventory management and supply chain coordination. In addition, our intelligent electrical products and solutions may incorporate digital, smart or data-enabled functionalities. Our products increasingly incorporate digital sensing and measurement, embedded protection and control functions and communication capabilities, and certain of our green energy solution services rely on our self-developed remote monitoring platform and related digitalized tools.

Our systems and integrated software may be vulnerable to security breaches, computer viruses, hacking, unauthorized access attempts, phishing, user errors, system failures, power outages, telecommunications failures and catastrophic events. Any such incident could compromise system integrity, disrupt operations, cause loss of data, and require significant remediation costs and management attention. In the ordinary course of our business, including in connection with products, services or platforms incorporating digital, smart or data-enabled functionalities and our sales, distribution and after-sales service arrangements, we may collect, store and process certain user, customer, distributor and other business counterparty information, including limited business contact, delivery and service-related information, and a breach could result in contractual liabilities, regulatory scrutiny, competitive harm and reputational damage. Further, reports (whether accurate or not) of vulnerabilities in smart or connected functionalities of our products and systems could negatively affect customer confidence and demand. Any failure to prevent, detect or respond to cybersecurity incidents in a timely manner could materially and adversely affect our business, financial condition and results of operations.

We may not be able to adequately protect or enforce our intellectual property rights, or prevent unauthorized parties from copying or reverse engineering our products, and we may also face claims of infringement by third parties.

Our success depends in part on our ability to protect our technology, product designs, brands and proprietary processes through patents, trademarks, know-how and trade secrets, software and technical documentation and contractual arrangements. We may not be able to prevent third parties from infringing upon our intellectual property rights or from copying or reverse engineering our products. The confidentiality procedures and contractual restrictions we adopt may not be sufficient or effective.

Protecting against unauthorized use of intellectual property is expensive and difficult, particularly across multiple jurisdictions. Litigation, arbitration or administrative proceedings may be necessary to enforce or defend our rights or to determine the validity and scope of our proprietary rights. Such proceedings can be costly and time-consuming, divert management resources and may result in injunctive relief, damages, licensing fees, redesign requirements or reputational harm. In addition, we may be subject to claims that our products, technologies or processes infringe third-party intellectual property rights. The defense and prosecution of such claims involve complex factual and legal issues, and an adverse determination could subject us to liability, require us to seek licenses, pay royalties, redesign products or cease sales of certain products, any of which could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO OUR GREEN ENERGY SOLUTION BUSINESS

Changes in new energy policies, grid rules, tariffs or other regulatory requirements could reduce demand for our green energy solutions and adversely affect our business.

Our green energy solutions primarily include PV station solutions, EPC services, operations and maintenance services, and sales of inverters and energy storage systems. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from our green energy solutions was RMB36,604.0 million, RMB42,992.9 million, RMB36,296.1 million, RMB17,491.6 million and RMB25,485.4 million,

respectively, representing 63.9%, 66.6%, 61.3%, 59.0% and 67.0% of our total revenue. Within this segment, PV station solutions contributed RMB24,760.7 million, RMB24,816.5 million, RMB18,309.1 million, RMB9,550.4 million and RMB17,691.4 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 67.6%, 57.7%, 50.4%, 54.6% and 69.4% of green energy solutions revenue, while EPC services generated RMB2,537.6 million, RMB6,021.0 million, RMB1,722.2 million, RMB153.8 million and RMB219.3 million and operations and maintenance services generated RMB6,022.8 million, RMB7,880.6 million, RMB11,057.6 million, RMB5,577.5 million and RMB5,261.0 million over the same period. The demand, pricing and investment economics of photovoltaic and energy storage projects are influenced by regulatory frameworks and government policies, including policies relating to distributed photovoltaic development, grid connection and dispatch, power purchase arrangements, tariff mechanisms, subsidies or incentives, and technical and safety standards. In connection with our PV station solutions (including residential PV stations developed and transferred to third-party investors), we are responsible for securing grid connection agreements with local grid companies for systems to be connected to the grid and generate electricity. If grid connection policies, technical requirements or dispatch arrangements change adversely, or if implementation and enforcement vary across regions, the realized or expected electricity generation and project returns could be adversely affected. Such adverse changes could reduce third-party investors' appetite to acquire PV station assets, constrain pricing and transaction volume, and increase our compliance costs. Any reduction, discontinuation or unfavorable alteration of policies, incentives or regulatory arrangements applicable to the new energy industry could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

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.

Sales of residential PV stations to third-party investors accounted for substantially all of our PV station solutions business during the Track Record Period. Under our develop-to-hold-to-transfer model, we act as a platform to develop and construct residential PV stations, and subsequently transfer portfolios of PV station assets (or, in certain cases, equity interests in project companies) to third-party investors, including large state-owned energy companies and financial institutions. Depending on customer preference and transaction arrangements, we delivered residential PV stations through both order-based asset delivery and inventory-based delivery.

This model is inherently capital intensive. It requires substantial upfront expenditures for equipment and construction prior to monetization. Depending on the transaction structure, we may first develop and construct a portfolio of residential PV stations in advance and transfer either the relevant PV station assets or, where the power stations are developed and held through our project companies, the equity interests in the relevant project company after the customer completes due diligence, valuation and audit procedures. Even under the order-based asset delivery model, we remain responsible for development, construction, grid-connection and delivery in accordance with the agreed timetable before full monetization occurs. Accordingly, we may need to rely on internal resources and external financing, including bank borrowings and other credit facilities, to fund development and construction activities, and there can be no assurance that such financing will be available on commercially reasonable terms, or at all.

Our ability to monetize PV station assets is subject to factors beyond our control, including third-party investors' internal due diligence, valuation and audit procedures, the availability and cost of capital, regulatory changes, market competition, and investor risk appetite. Our third-party investor customers primarily include large state-owned energy companies and financial institutions, and their internal approval processes and transaction preferences can materially affect the timing and terms of asset transfers. If we

fail to transfer PV station portfolios in a timely manner, or if transaction consideration is delayed, defaulted on, disputed or reduced, we may experience liquidity pressure, increased financing costs, inventory and impairment risks in relation to unsold PV stations, and reduced profitability. Any of these factors could materially and adversely affect our business, financial condition and results of operations.

We rely on service suppliers and other third parties for rooftop sourcing and the construction and installation of residential PV systems, and their non-performance or misconduct could materially and adversely affect our business.

In the development and construction phase of our residential PV station solutions, we enter into service agreements with service suppliers who are responsible for rooftop sourcing and the construction and installation of residential photovoltaic systems, while we supply the necessary photovoltaic materials and coordinate the overall platform execution. As a result, our ability to deliver PV station assets on time and in accordance with required technical, safety and quality standards depends on the performance, compliance and operational capability of our service suppliers and other third parties engaged in development and installation. There can be no assurance that our service suppliers will always perform satisfactorily, comply with applicable laws and regulations and our standards, or maintain sufficient resources and qualified personnel. If service suppliers fail to deliver installations on schedule, perform defective work, fail to comply with technical standards or safety requirements, engage in improper contracting practices with homeowners, or otherwise breach their obligations, we may be required to bear additional costs for rectification, replacement, rework or dispute resolution. We may also be exposed to claims from homeowners, investors, project owners, regulators or other third parties, and our reputation and ability to win new business may be harmed. In addition, service supplier turnover, consolidation, competitive pressure, and changes in market conditions may impair our ability to secure sufficient rooftop resources and maintain installation capacity, which could materially and adversely affect our business, results of operations and prospects.

We rely on grid companies to provide grid connection, electricity transmission and dispatch services for PV stations, and any curtailment, grid constraints or payment delays could adversely affect our operations-and-maintenance-related revenue and cash flows.

Under our cooperative co-build arrangements, we invest in and hold residential PV stations and assume full lifecycle management responsibilities. After an individual homeowner enters into a cooperation agreement with us and provides rooftop resources, we provide the turnkey PV station materials and organize the survey, design, installation and grid-connection of the PV station. 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. Accordingly, our cash flows under this model, together with the electricity revenue generated by completed but unsold residential PV stations prior to transfer, depend on the ability and willingness of grid companies to connect, purchase, transmit and dispatch electricity, and to settle payments in accordance with applicable tariffs and settlement practices.

PV stations, like most power generation facilities, are unable to store electricity and must transmit electricity once generated. We may be forced to shut down or reduce electricity generation if we are unable to transmit electricity due to grid congestion, curtailment, transmission limitations, unplanned outages, accidents or severe weather conditions. In addition, changes in grid dispatch priority policies, utilization hour protections or other regulatory arrangements could reduce electricity offtake and revenue. If grid companies fail to perform their obligations (including timely settlement), or if there are prolonged delays in settlement (including delays associated with subsidy or tariff adjustment mechanisms, where applicable), our liquidity, profitability and ability to fund operations and growth could be materially and adversely affected.

Tender prices and project schedules under our EPC business may not reflect actual costs and risks, and we may incur cost overruns, delays, liquidated damages or losses on EPC projects.

We provide EPC services for PV station projects to third-party investors and/or project owners, and we may undertake multiple stages of a project including preliminary project assessment and engineering design, equipment selection and procurement, on-site construction and installation management, testing, commissioning and assistance with grid-connection and acceptance procedures, and handover and warranty support. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026 EPC services generated RMB2,537.6 million, RMB6,021.0 million, RMB1,722.2 million, RMB153.8 million and RMB219.3 million of revenue, respectively, representing 6.9%, 14.0%, 4.7%, 0.9% and 0.9% of our green energy solutions revenue over the same period. Our EPC contracts 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.

EPC contracts are often priced based on our estimates of project costs and risks at the time of tender or proposal. Such contracts generally adopt milestone-based payment arrangements and may include retention money (or payments upon expiry of the defect liability period), and depending on the contract structure we may also be required to provide bid bonds, performance bonds and/or advance payment guarantees. If we fail to accurately estimate the overall risks or costs of contracts, or the time needed to complete projects, we may experience cost overruns, schedule delays, additional expenses, lower profitability, or losses, and may encounter events giving rise to contract disputes. Delays may arise from factors beyond our control, including design changes, equipment delivery delays, subcontractor performance, adverse weather, permitting delays, grid-connection acceptance procedures, and customer-side delays. If we fail to meet contractual milestones, we may be required to pay liquidated damages, incur additional costs, or suffer reputational harm that impairs our ability to win future projects. In addition, the lag in collecting retention amounts may adversely affect our cash flows and working capital position. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

We rely on subcontractors and suppliers for EPC project execution, and non-performance, late performance or defective work by subcontractors could expose us to liabilities and losses.

In line with market practice, we may engage subcontractors to perform certain portions of 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. We generally select subcontractors through tendering and/or competitive selection processes, taking into account, among others, their qualifications and licensing status, track record and past performance, personnel and technical capability, financial strength, safety and compliance record and proposed subcontract fees. Our subcontracting agreements typically reflect and are aligned with the relevant main contract and project specifications. As a result, while subcontracting may support project execution, it also exposes us to risks arising from third-party performance and compliance.

In addition, our EPC business depends on the availability and timely procurement of equipment and materials (including photovoltaic modules, inverters, energy storage systems and balance-of-system items) at acceptable prices and in satisfactory quality. Supply shortages, delivery delays and price volatility could impair our ability to execute projects and compress margins. Any of the foregoing could materially and adversely affect our results of operations, financial condition and prospects.

Our operations and maintenance services depend on PV station performance and our ability to deliver timely and effective operations and maintenance through platforms and agents; failure could reduce revenue and result in disputes and reputational harm.

Our operations and maintenance services revenue is primarily derived from (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 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, operations and maintenance services generated RMB6,022.8 million, RMB7,880.6 million, RMB11,057.6 million, RMB5,577.5 million and RMB5,261.0 million, respectively, representing 16.5%, 18.3%, 30.5%, 31.9% and 20.6% of our green energy solutions revenue. For maintenance services, we provide support through a combination of our self-developed remote monitoring platform and an agent network that conducts on-site inspections, fault diagnosis and rectification. There can be no assurance that our remote monitoring platform will always function as intended, that faults will be detected timely, or that agents will respond promptly and perform services in accordance with our standards.

In addition, the electricity revenue component of our operations and maintenance services depends on the actual operating performance of the relevant PV stations, including residential PV stations under our cooperative co-build arrangements and completed but unsold residential PV stations that generate on-grid electricity prior to transfer. Power generation may be affected by solar irradiation, weather conditions, equipment degradation or failure, grid connection, dispatch and curtailment arrangements, tariff settlement and other factors beyond our control. If PV stations under our management generate less electricity than expected, if faults are not identified or rectified in a timely manner, or if our agents fail to provide maintenance services in accordance with our standards, we may experience reduced electricity revenue, lower maintenance service fees, customer claims, contractual disputes and reputational harm, which could materially and adversely affect our business, financial condition and results of operations.

Any defects, safety incidents or warranty issues relating to inverters and energy storage systems could result in significant liabilities, recalls, reputational harm and loss of sales.

We sell photovoltaic inverters and energy storage systems, which are safety-critical products used in power generation and energy management scenarios. These products incorporate complex power electronics, control systems and, in the case of energy storage systems, battery packs and thermal management systems. Even if designed with safety features, such products may on rare occasions experience failures, malfunctions or thermal events that could result in property damage, personal injury, fire or other hazards. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from sales of inverters and energy storage systems was RMB1,252.8 million, RMB1,646.3 million, RMB2,390.1 million, RMB917.4 million and RMB1,013.7 million, respectively. If our inverters or energy storage systems fail to meet performance standards, contain defects, or are alleged to have caused accidents or project losses, we may be subject to warranty claims, product liability claims, recalls or replacement obligations. A product recall or major safety incident, whether voluntary or involuntary, could involve significant expense and adversely affect our brand image, customer relationships and future sales. In addition, compliance with evolving technical standards and safety requirements may require redesign, re-testing and certification efforts, and any failure to satisfy such requirements could restrict sales. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Our PV station solutions and EPC business require site access, acceptance and grid-connection procedures, and any failure to secure or maintain rooftop resources, permits or acceptance could adversely affect our business.

Our residential PV station solutions depend on our ability to secure rooftop resources from homeowners, to complete installation and acceptance procedures, and to obtain grid connection agreements and complete grid-connection and acceptance processes. In our cooperative co-build arrangements, homeowners typically provide rooftop resources while we invest in and hold the relevant PV stations. In our sales of residential PV stations to third-party investors, service suppliers are typically responsible for rooftop sourcing. There can be no assurance that rooftop resources will remain available, that homeowners will continue to cooperate throughout project development and operation periods, or that acceptance and grid-connection procedures will be completed on the timetable we expect. If we are unable to secure or maintain rooftop resources, complete acceptance procedures, or obtain grid connection on a timely basis, we may experience project delays, increased costs, reduced investor demand for asset transfers, contractual disputes and reduced profitability, any of which could materially and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO OUR GENERAL OPERATIONS AND INDUSTRY

Our results of operations are sensitive to macroeconomic conditions and downstream investment cycles, and any downturn could materially and adversely affect our business.

Demand for our intelligent electrical products and green energy solutions is influenced by economic, political and social conditions and downstream investment cycles. Our green energy solutions generated RMB36,604.0 million, RMB42,992.9 million, RMB36,296.1 million, RMB17,491.6 million and RMB25,485.4 million of revenue in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 63.9%, 66.6%, 61.3%, 59.0% and 67.0% of our total revenue, while our intelligent electrical products generated RMB20,138.5 million, RMB20,921.8 million, RMB21,918.7 million, RMB11,725.0 million and RMB12,146.8 million over the same period, representing 35.2%, 32.4%, 37.0%, 39.6% and 31.9% of our total revenue. Our intelligent electrical products are used across a range of sectors and applications, including power grids, industrial manufacturing, construction engineering, data centers and residential applications. Our green energy solutions are influenced by the pace of new energy investment and the availability and cost of capital for project development and asset acquisitions. Economic downturns, whether actual or perceived, may reduce industrial output, construction activity and infrastructure investment, and may cause customers and investors to postpone, reduce or cancel procurement, project development, asset acquisition or equipment upgrades. Reduced customer confidence, tighter credit and higher capital costs may also lengthen sales cycles and increase receivables risks. Any of these factors could materially and adversely affect our revenue, gross margin, cash flows, financial condition and prospects.

The industries in which we operate are competitive and subject to pricing pressure; failure to compete effectively could materially and adversely affect our market position and profitability.

We operate in markets where competition can be intense, including competition on product performance, safety and reliability, technical capabilities, product portfolio breadth, delivery responsiveness, after-sales services, and pricing and payment terms. In our intelligent electrical product business, terminal electrical products and power distribution electrical products together contributed 59.4%, 60.1%, 60.0%, 61.2% and 60.3% of intelligent electrical product revenue in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, and competition in these categories may materially affect our overall segment performance. In our green energy solution business, PV station solutions remained the largest revenue contributor, generating RMB24,760.7 million, RMB24,816.5 million, RMB18,309.1 million, RMB9,550.4 million and RMB17,691.4 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, while EPC services generated RMB2,537.6

million, RMB6,021.0 million, RMB1,722.2 million, RMB153.8 million and RMB219.3 million over the same period. Competition may therefore intensify among PV station solution providers, EPC contractors, operations and maintenance providers, and inverter and energy storage manufacturers, which could result in lower margins and higher customer acquisition costs.

Intense competition may require us to make additional investments in research and development, manufacturing capacity, channel support, quality management and marketing, and there can be no assurance that such investments will be successful or that we will maintain our market position. If we fail to compete successfully, our sales volumes, pricing, profitability and results of operations may be materially and adversely affected.

Our historical results may not be indicative of our future performance and our results of operations, and we may not be able to manage future growth effectively.

Our historical financial information is not expected to be indicative of our future financial results. Such financial information is not intended to represent or predict the results of operations of any future periods. Our future growth is, to a certain extent, based upon our forward-looking assessment of market prospects. We cannot guarantee that our assessment will always turn out to be correct or that we can grow our business as planned. Our expansion plans may be affected by a number of factors beyond our control.

Managing our growth will require significant expenditures and allocation of resources. We need to effectively manage our growth and maintain profits as we expect our costs and expenses to continue to increase in the future. We will also need to expand, train, manage and motivate our workforce and manage our relationships with suppliers, customers and other business partners. All these endeavors entail risks and demand considerable management efforts, skills and significant additional expenditures, which could strain our capacity to enhance our operational, auditing, human resources, financial and management controls. If we fail to achieve the necessary level of efficiency in our organization as we grow, our business, financial condition and results of operations may be materially and adversely affected.

We may derive a significant portion of revenue from a limited number of customers and counterparties, and the loss of, or a significant reduction in business from, such customers could materially and adversely affect our results of operations.

A portion of our revenue is derived from a limited number of customers, which may include (1) third-party investors (including state-owned energy companies and financial institutions) for PV station solutions and related services, (2) EPC customers and project owners, (3) distributors in our intelligent electrical product business and, to a limited extent, overseas distributors for our sales of inverters and energy storage systems, and (4) selected key account customers. In particular, sales of residential PV stations to third-party investors accounted for substantially all of our PV station solutions business during the Track Record Period, and our third-party investor customers primarily include large state-owned energy companies and financial institutions. In addition, our intelligent electrical product business relies on a broad distributor network, and direct sales are concentrated among selected key account customers, including leading customers in the power and telecommunications industries and other sizeable manufacturing and infrastructure customers. Our customer concentration exposes us to the risk of substantial losses if major customers significantly reduce purchases, delay or cancel orders, change procurement strategies, experience financial difficulties or disputes, or cease doing business with us. In 2023, 2024, 2025 and the six months ended June 30, 2026, revenue from our five largest customers in each period during the Track Record Period accounted for 36.2%, 39.5%, 40.4% and 32.3% of our total revenue, respectively, and revenue from our single largest customer in each period accounted for 13.7%, 15.3%, 14.4% and 9.1% of our total revenue, respectively.

We generally may not have long-term purchase commitments from customers, and customers may adjust procurement volumes and pricing in response to changes in market conditions, internal approval and budgeting cycles, regulatory developments or competitive dynamics. If we lose one or more major customers or fail to replace lost sales volume on commercially acceptable terms, our revenue, profitability, liquidity and prospects could be materially and adversely affected.

Failure to retain our existing customers or attract new ones could materially and adversely affect our business, financial condition and results of operations.

Our ability to maintain and expand our customer base is critical to our growth. There can be no assurance that existing customers and counterparties will continue to purchase our products or procure our services, or that we will be able to attract new ones on acceptable terms, or at all. Our ability to retain and attract customers depends on factors including: (1) our ability to offer competitive pricing, credit and payment terms, which may be constrained by our working capital and financing capacity; (2) the quality, reliability and safety of our products and solutions, and our ability to avoid defects, failures, recalls or safety incidents; (3) market acceptance of our new products, technologies and solutions and our continued research and development execution; (4) our ability to comply with evolving technical standards, certifications and other regulatory requirements; (5) the effectiveness and conduct of our distribution network in our intelligent electrical product business (including distributors and sub-distributors), and, to a limited extent, overseas distributors for sales of inverters and energy storage systems, as well as our after-sales and customer support; (6) our ability to deliver PV station solutions and EPC projects on schedule and to provide reliable operations and maintenance services; and (7) macroeconomic and industry conditions and consolidation or changes in procurement strategies among customers and market participants. If we fail to retain existing customers or attract new ones, our revenue may decline, margins may be compressed and cash flows may deteriorate, and our reputation and ability to execute our growth strategy may be harmed, any of which could materially and adversely affect our business, financial condition and results of operations.

If we fail to manage our inventory and asset balances effectively, we may incur write-downs, obsolescence losses and liquidity pressure, which could materially and adversely affect our financial condition and results of operations.

We hold inventories of raw materials, work-in-progress and finished goods in our intelligent electrical product business to support service responsiveness and meet customer demand. In our green energy solution business, inventory and asset planning may be linked to specific project schedules and procurement plans. In addition, under our PV station solutions, we may hold completed but unsold PV stations (i.e., "reserves") prior to transfer to third-party investors. We used both order-based and inventory-based delivery models, including asset transfers and, in certain cases, equity transfers of project companies. Demand forecasting is inherently uncertain, and significant deviations between forecast and actual demand may result in excess inventory, slow-moving stock, obsolescence or impairment, particularly for products subject to technological changes, evolving standards or customer-specific specifications. Conversely, if we underestimate demand or experience supply disruptions, we may face inventory shortages that cause delivery delays and loss of sales. Any material inventory write-downs, asset impairments, excess carrying costs or cash being tied up in inventory or unsold assets could materially and adversely affect our business, financial condition, results of operations and cash flows.

We are exposed to credit risks and settlement delays in collecting amounts due from customers and counterparties, which could materially and adversely affect our liquidity and results of operations.

Our trade receivables and other receivables arise from sales of products and services in the ordinary course of business. In our intelligent electrical product business, we may grant credit limits to certain distributors and customers. In our EPC business, payment arrangements are typically milestone-based and

may include retention amounts payable after completion acceptance or expiry of defect liability periods, and depending on contract structure we may also be required to provide bid bonds, performance bonds and/or advance payment guarantees. In our green energy solution business, settlement and payment cycles may also be influenced by customer-side due diligence, audit procedures, financing arrangements and, in certain circumstances, electricity settlement practices. There can be no assurance that customers will make payments in full and on time. Defaults, delays in payment, disputes over performance, and deterioration in customer credit condition could result in increased receivables, impairment losses, constrained working capital and increased financing needs. If we are unable to collect significant amounts due to us on a timely basis or at all, our financial condition, liquidity, cash flows and results of operations could be materially and adversely affected. In addition, we had outstanding financial guarantee contracts, which primarily arose because, prior to the Track Record Period, certain customers financed their purchases of residential photovoltaic equipment sold by us through bank loans, and we provided guarantees in respect of such loans. If the underlying obligors default, we may be required to perform under such guarantees, and we recognize expected credit losses on financial guarantee contracts. Any increase in expected credit losses or payments under such guarantees could materially and adversely affect our financial condition, liquidity and results of operations.

Our impairment losses (including reversals of impairment losses) on financial assets and other items may be significant and may materially and adversely affect our results of operations.

We recognize expected credit losses and impairment provisions on trade receivables, contract assets, other receivables, loan receivables and financial guarantee contracts, in accordance with IFRS Accounting Standards. The measurement of expected credit losses involves significant judgment and forward-looking assumptions, including assessments of probability of default, loss given default and recovery rates. Deterioration in macroeconomic conditions, customer credit profiles, project execution disputes, settlement delays, changes in electricity settlement practices, or other factors could increase expected credit losses and result in additional impairment charges. In addition, changes in models, assumptions or management judgment may cause our impairment allowances to fluctuate from period to period. Any material impairment losses or increases in impairment allowances could materially and adversely affect our profitability, cash flows, liquidity and net assets.

Our business requires significant working capital and financing, and we may not be able to obtain sufficient funding on favorable terms, or at all, which could materially and adversely affect our business and prospects.

Our business, particularly our PV station solutions under the develop-to-hold-to-transfer model and our EPC services, requires significant upfront expenditures for equipment procurement, construction and subcontracting before we receive full consideration. We may therefore need to fund substantial development and construction activities through internal resources and external financing, and we may also require additional financing to support business expansion, research and development investment, production upgrades, inventory build-up, and potential acquisitions or strategic investments. The availability, cost and terms of financing depend on factors beyond our control, including macroeconomic conditions, interest rates, credit availability, market liquidity, regulatory requirements and investor sentiment. If we are unable to obtain sufficient financing on acceptable terms, we may be forced to delay, reduce or abandon development and expansion plans, accept higher financing costs, or dispose of assets on unfavorable terms. In addition, any indebtedness may subject us to restrictive covenants and increased debt service obligations, which could constrain operational flexibility and adversely affect our financial condition and results of operations.

Maintaining our brand reputation is critical to our success, and any damage to our brand image could materially and adversely affect our business, financial condition and results of operations.

Our brand and reputation are important to customer confidence in the quality and reliability of our products and solutions and to the effectiveness of our sales channels. Our brand image may be harmed by factors including: (1) actual or perceived product defects, performance failures or safety incidents, particularly given the importance of product quality and reliability to our competitiveness and brand reputation; (2) inconsistent customer service or improper conduct by distributors, sub-distributors or other third parties using our name or trademarks; (3) project delays, disputes, performance shortfalls or service deficiencies in our green energy solutions; and (4) adverse publicity relating to our Company or the industries in which we operate.

In addition, maintaining and enhancing our brand may require significant expenditures, and there can be no assurance that such expenditures will achieve the intended effect or generate commensurate returns. If our brand image is damaged, we may experience reduced sales, loss of customers and counterparties, weakened channel execution and increased customer acquisition and service costs, which could materially and adversely affect our business, financial condition and results of operations.

We are subject to extensive regulatory requirements and evolving interpretations, and any failure to obtain, maintain or renew required approvals, permits, filings or certifications could materially and adversely affect our business.

We operate in a regulated environment in China, and may also be subject to additional regulatory requirements in other jurisdictions to the extent we expand internationally. Regulatory requirements and guidelines may relate to product quality and safety, manufacturing, environmental protection, workplace safety, construction and EPC activities, grid connection procedures, data security, taxation, and other aspects of our operations. In particular, our operations may require material licenses, permits and approvals such as power business permits for power generation, permits for installation, repair and testing of electric power facilities, safety production permits for construction, construction enterprise qualification certificates and pollutant discharge registrations. Laws and regulations and their interpretation and enforcement may evolve and may be applied inconsistently across regions. We may not always be able to identify new requirements or adapt our operations promptly. Failure to obtain or renew necessary approvals, permits or certifications, or any material non-compliance, could result in fines, penalties, rectification orders, suspension of operations, revocation of licenses, contractual liabilities and reputational harm, any of which could materially and adversely affect our business, financial condition and results of operations.

Our inability to maintain and enhance our manufacturing capabilities, or any disruption to our production, could impair our ability to deliver products and solutions and materially and adversely affect our business, financial condition and results of operations.

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. 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, and an overseas manufacturing facility in Rayong, Thailand.

Any disruption to our production, whether due to equipment failure, power outages, labor shortages, accidents, fire, natural disasters, pandemics, supply disruptions, regulatory actions or other causes, could delay deliveries, increase costs, reduce product quality and impair customer satisfaction. During the Track Record Period, the utilization rate for the production of certain categories of our intelligent electrical products exceeded 100.0%. If we fail to maintain stable manufacturing operations or expand production capacity and flexibility in a timely manner, particularly for products with strong demand or customer-specific requirements, we may not be able to fulfill orders on schedule, which could result in loss of customers, reduced revenue and reputational damage. In addition, any failure to effectively manage production planning, quality control, safety and environmental compliance, or to implement new manufacturing technologies and automation, could materially and adversely affect our business, financial condition and results of operations.

We are subject to risks associated with entering new markets and expanding our product and solution offerings, and our growth initiatives may not achieve expected results.

Our business includes both intelligent electrical products and green energy solutions, and our overseas operations cover multiple regions. As we pursue growth, we may seek to expand into additional geographic markets and broaden our product and solution offerings. Such expansion typically requires significant upfront investment and management attention, including establishing or strengthening sales and service channels, tailoring products and solutions to local requirements, completing product certifications or registrations, and integrating into local supply chains and operational systems.

There can be no assurance that our expansion initiatives will be successful or that such investments will generate the expected returns. Entering new markets may expose us to unfamiliar regulatory, commercial and operational environments, higher compliance and operating costs, and challenges in managing overseas operations, logistics and third-party partners. In addition, expanding or introducing new products or solution offerings involves risks relating to demand uncertainty, product development and certification timelines, resource allocation, supply chain readiness and after-sales support capability. If we allocate significant resources based on our expansion plans but market demand, competitive conditions or government policies change adversely, we may experience lower-than-expected sales, margin pressure, underutilization of resources, inventory or asset write-downs, and liquidity pressure, any of which could materially and adversely affect our business, financial condition and results of operations.

We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected by these factors.

Our operations are subject to deterioration in political and economic relations between countries, sanctions and export controls administered by government authorities in the countries in which we operate, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased custom duties, tariffs, taxes and other costs, and political instability. In particular, the U.S. government has imposed economic and trade sanctions directly or indirectly affecting China-based companies. For example, Cuba, Iran, North Korea, the Crimea region, and the so-called Luhansk People's Republic and Donetsk People's Republic regions are subject to broad-based, geographically oriented sanctions imposed by the United States. During the Track Record Period, we did not have any transactions with customers or suppliers located in these comprehensively sanctioned countries or regions. It is possible that the extent and scope of such sanctions may escalate. There is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be subject to such export controls, sanctions, tariffs, or new trade policies introduced by the two countries. We cannot predict the implications of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy.

In early 2025, the U.S. government initiated a series of escalating tariff and trade measures primarily targeting China. In February and March 2025, the United States imposed a cumulative tariff rate of 20% on imports from China, including the Hong Kong SAR, in response to fentanyl-related concerns, and subsequently reduced the cumulative rate by 10 percentage points in November 2025. In April 2025, the United States introduced "reciprocal tariffs" on imports from major trading partners, including China, with tariff rates on Chinese goods rising to as high as 125%, in addition to existing tariffs, before being reduced to 10% following bilateral negotiations in May 2025. In February 2026, the U.S. government terminated the reciprocal tariffs and fentanyl-related tariffs, while implementing a baseline tariff of 10%. It remains uncertain how China-U.S. trade relations and the global trade environment will evolve.

In recent years, the United States has increased export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), which includes a list of foreign persons on which certain trade restrictions are imposed (the "**Entity List**"). The export, re-export and/or in-country transfer of items subject to the EAR to a listed foreign person is generally prohibited unless the specified license requirements are met. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, product offerings and business operations. Any uncertainties and changes in these current or future restrictions or regulations may have a negative impact on our reputation and business.

In addition, on October 28, 2024, the U.S. Department of the Treasury issued the "Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern" (the "**Final Rule**"), which became effective on January 2, 2025, to implement a new outbound investment security program restricting certain investments by U.S. persons and U.S.-controlled entities pursuant to Executive Order 14105, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern." The Outbound Investment Security Program applies to investments by U.S. persons involving "covered foreign persons," meaning persons associated with a "country of concern" and engaged in one or more "covered activities" in three sectors relating to national security technologies and products, namely: (1) semiconductors and microelectronics, (2) quantum information technologies, and (3) artificial intelligence. Such investments are referred to as "covered transactions."

We do not believe that we are a "covered foreign person" under the Final Rule, as we do not engage in any "covered activity" as defined therein. However, there can be no assurance that the U.S. Department of the Treasury will take the same view. If we were deemed to be a "covered foreign person," and U.S. persons were to engage in a "covered transaction" involving the acquisition of our equity interests, such U.S. persons could be prohibited from making such acquisition before our equity interests are publicly traded, or could be required to submit a notification pursuant to the Final Rule. If our ability to raise capital from U.S. persons is significantly and adversely affected, our business, financial condition and prospects could be adversely affected.

Failure to comply with environmental, health and safety requirements, or the occurrence of workplace or project-site accidents, could result in liabilities, operational disruption and reputational harm.

Our manufacturing and project delivery activities are subject to environmental, health and safety laws and regulations, including requirements relating to safe production conditions, occupational health protection, pollution discharge, waste management and site safety management. Manufacturing processes may produce pollutants such as wastewater, waste gas and solid waste, and project sites may involve construction and installation hazards. There can be no assurance that accidents, injuries, fires, explosions, equipment failures or other incidents will not occur in the future. Any such incident could lead to production interruption, project delays, claims for damages, regulatory investigations, administrative penalties, civil or criminal liabilities and reputational harm. Stricter environmental or safety standards may also increase compliance costs and require changes to production processes or project execution methods, which could materially and adversely affect our business, financial condition and results of operations.

Our information technology systems and internal controls may be insufficient to prevent operational disruption, fraud or reporting issues, which could materially and adversely affect our business and reputation.

We rely on IT systems and networks for operational management, financial reporting, procurement, inventory management, and coordination with suppliers, customers and service partners. IT systems may fail due to power outages, hardware failures, software defects, cyberattacks, telecommunications failures, human errors or catastrophic events. Any significant disruption could impair our ability to manage operations, fulfill orders, deliver projects, or maintain accurate records, and could result in reputational harm and liabilities. In addition, we may not be able to detect and prevent fraud, misconduct or control circumvention by employees, suppliers, customers, agents or other third parties. Internal controls, even if designed and implemented, may not identify all instances of misconduct or non-compliance in a timely manner or at all. Any material control failure, fraud, or reporting issue could lead to financial losses, regulatory scrutiny, litigation, and reputational damage, any of which could materially and adversely affect our business, financial condition and results of operations.

Our business depends on the continued service of our management and skilled personnel, and our inability to recruit and retain talent could materially and adversely affect our business.

Our operations require experienced management and skilled personnel across manufacturing, engineering, research and development, project management, quality control, IT and compliance functions. Our need to respond to evolving standards and customer requirements increases our dependence on qualified technical personnel. Competition for skilled talent may be intense, and we may be required to offer higher compensation and benefits to attract and retain personnel. If we lose the services of key management or technical personnel, or if we are unable to recruit and retain sufficient qualified personnel in a timely manner at acceptable costs or at all, we may experience delays in product development, difficulties in maintaining quality and operational efficiency, impaired customer service and weakened execution of growth strategies, any of which could materially and adversely affect our business, financial condition and results of operations.

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.

Companies operating in China are required to participate in various employee benefit plans, including social insurance fund and housing provident fund and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their business. On July 31, 2025, the Supreme People's Court of the PRC issued the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)), or the Interpretation II, which takes effect from September 1, 2025. Pursuant to the Interpretation II, it is a statutory obligation on both the employers and employees to participate in the social insurance. Any arrangement not to participate in social insurance, either by unilateral undertaking or mutual agreement, is invalid. Further, the Interpretation II specifies that if the employee terminates the labor contract on the grounds that the employer has failed to make social insurance contributions as required by law, and claims economic compensation from the employer, the People's Court of the PRC shall uphold the claim. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident fund 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. As a result, 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.

As advised by our PRC Legal Advisor, if the competent PRC government authority determines that the social insurance contributions we made for our employees violate the requirements under the relevant PRC laws and regulations, we may be required to pay all outstanding social insurance contributions within a stipulated period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the social insurance contributions were due. As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the shortfall. Our PRC Legal Advisor is of the opinion that, taking into account the applicable laws and regulations, recent policies regarding the recovery of social insurance arrears, the government-issued credit reports for our Company and Major Subsidiaries, the results of telephone enquiries with the relevant authorities, as well as confirmations and undertakings from our Company and relevant parties, provided that there are no material changes in the current policies, regulations and local government enforcement and supervision requirements related to social insurance and housing provident fund, and no relevant disputes, our Company and Major Subsidiaries face a remote risk of being subject to centralized collection of underpaid contributions or significant administrative penalties for the above issues by the authorities overseeing social insurance and housing provident fund. In particular, the State Taxation Administration issued the Notice on Implementing Certain Measures for Further Supporting and Serving the Development of the Private Economy (國家税務總局關於實施進一步支持和服務民營經濟發展若干措施的通知(税總發[2018]174號)) on November 16, 2018, and the General Office of the State Council issued the Notice on Issuing the Comprehensive Plan for Reducing Social Insurance Contribution Rates (關於印發降低社會保險費率綜合方案的通知(國辦發[2019]13號)) on April 1, 2019. These policies, among others, require the competent authorities, during the reform of the social insurance contribution collection system, to maintain stable collection arrangements and not to independently organize centralized collection of historical social insurance contribution arrears. In the unlikely event that we are required to settle the shortfall of social insurance contribution, if this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. However, we believe that the competent authority will not impose such fine on us as we undertake to make full contributions or to pay the shortfall within a prescribed time period if and when requested by the competent government authorities. In addition, pursuant to relevant PRC laws and regulations, in case of a failure to pay the full amount of housing provident fund, the competent PRC government authority may require us to pay the outstanding amount within a stipulated period. If the payment is not made within such stipulated period, an application may be made to the PRC courts for compulsory enforcement. We cannot assure you that we will not be subject to any order to rectify the non-compliance in the future, nor can we assure you that there are no, or will not be any, employee complaints regarding payment of the outstanding amount of the social insurance and housing provident fund contributions against us, or that we will not receive any claims in respect of the outstanding amount of the social insurance and housing provident fund contributions under national laws and regulations. In addition, we may incur additional expenses to comply with such laws and regulations promulgated by the PRC government or relevant local authorities.

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.

As we lease various buildings as premises primarily for our offices and warehouses, before the expiry of each of our leases, we have to negotiate the terms of renewal with respective lessors. There is no assurance that our existing leases would be renewed on similar or favorable terms or at all, in particular with respect to the amount of rent and the term of the lease. Any substantial increase in the rent of our leased buildings may increase our rental and related expenses, which could affect our profitability. There is also no assurance that our existing leases will not be terminated early by the lessors before the expiry of the relevant term. If we are required to relocate our leased buildings, there is no assurance that we will be able to identify comparable locations in a timely manner or at all or that we will secure a lease on comparable terms.

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. Under the relevant PRC laws and regulations, the parties to a lease agreement have the obligation to register and file the executed lease agreement. As advised by our PRC Legal Advisor, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to comply.

Additionally, if disputes or government actions due to title challenges arise to the above-described buildings, we may encounter difficulties in continuing to lease such buildings and may be required to relocate. If any of our leases are terminated or voided as a result of challenges from third parties or government agencies, we would need to seek alternative premises and incur relocation costs. We cannot assure you that we will be able to relocate such operations to suitable alternative premises, and any such relocation may result in disruption to our business operations and result in loss of earnings. We also cannot assure you that we will be able to effectively mitigate the possible adverse effects that may be caused by such disruption, including loss and costs. Any of such disruption, loss or costs could materially and adversely affect our business, results of operations and financial condition.

We may be involved in legal proceedings, contractual disputes and adverse publicity, which could materially and adversely affect our business, results of operations and reputation.

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of business, including disputes relating to product quality, warranty, project performance, payment and settlement, subcontractor and supplier arrangements, intellectual property, employment matters and regulatory compliance. Such proceedings can be expensive, time-consuming and disruptive, and may divert management's attention and resources. In addition, negative publicity concerning our Company, our directors, officers, employees, business partners or the broader industry, regardless of its accuracy, can tarnish our reputation, undermine customer and **[REDACTED]** confidence, reduce sales and increase regulatory scrutiny. Any material adverse outcome of litigation, disputes or reputational events could materially and adversely affect our business, financial condition, results of operations and prospects.

Our business may be adversely affected by force majeure events, including natural disasters, outbreaks of contagious diseases and other extraordinary events.

Our operations and supply chains may be vulnerable to disruptions caused by force majeure events, including typhoons, floods, earthquakes, fires, extreme weather conditions, public health emergencies, civil unrest, wars, strikes and other events beyond our control. Wars, armed conflicts or military escalations, whether occurring in regions where we operate, where our suppliers or customers are located, or along key logistics routes, could also disrupt production activities by affecting workforce availability, energy supply, transportation networks, import and export arrangements, and the availability or timely delivery of raw materials, components and equipment. Any such disruption could impair our ability to maintain normal manufacturing operations, fulfill customer orders or deliver projects on schedule. Such events could disrupt manufacturing, logistics, construction and installation activities, impair workforce availability, delay deliveries and project schedules, increase costs and reduce customer demand. Any prolonged or significant disruption could materially and adversely affect our business, financial condition and results of operations, and losses may not be fully covered by insurance.

Our future strategic acquisitions or investments, if any, may not be successful, and we may not realize the anticipated strategic benefits and financial returns from such transactions.

We may engage from time to time in acquisitions and other strategic investments in order to expand our production capacity, diversify our product portfolio, gain access to new markets and stable sources of raw materials or acquire new technologies. However, there can be no assurance that our efforts, or any future acquisitions or investments, will be successful or that we will achieve the anticipated strategic benefits and financial returns from such transactions.

There are various risks associated with our acquisitions and investments, which include the following: (1) challenges related to integration of acquired company's or investee's operations into our business; (2) substantial delays or reduction in anticipated synergies; (3) events beyond our control, including changes in regulations, technology and economic conditions, which could adversely affect our ability to realize benefits and returns from such transactions; (4) potential increase in indebtedness that could constrain our operations; (5) exposure to unknown or contingent liabilities that could require significant expenditures and capital injections; (6) failure to train, motivate, integrate and retain employees of acquired company or investee; (7) diversion of management time and attention from our existing operations to address the transactions and related challenges or those associated with integration processes; and (8) unanticipated write-offs or charges and impairment of goodwill. If we fail to address any of the foregoing risks, our business, financial condition and results of operations may be materially and adversely affected.

We could be subject to changes in our tax rates, the adoption of new local or overseas tax legislation or exposure to additional tax liabilities.

The PRC EIT Law imposes an EIT rate of 25% on business enterprises. Certain of our subsidiaries are entitled to preferential tax treatment. To the extent there are any changes in the laws and regulations governing preferential tax treatment, or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC authorities may amend or restate regulations on income, value-added and other taxes. Non-compliance with China tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to China tax laws and regulations and tax penalties or fines could affect our business, financial condition and results of operations.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to corporate income tax, are complex, our overseas operations may expose us to risks associated with the overseas tax policy changes. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental bodies. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

Our transfer pricing arrangement may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate.

Under the applicable laws and regulations in the jurisdictions in which we operate, arrangements and transactions among related parties may be subject to audit or challenge by the relevant tax authorities. During the Track Record Period, our global operations covered multiple countries and regions. We could face material and adverse tax consequences if the relevant tax authorities determine that certain of our intra-group transactions do not represent arm's length negotiations and consequently adjust any of those entities' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among others, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operations may therefore be materially and adversely affected.

We are subject to various risks relating to third-party payments.

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. See "Business–Third-party Payment Arrangements."

The Third-party Payment Arrangements exposed us to various risks, including, among others, (1) potential money laundering and other compliance risks, as we had limited direct visibility over the background of the parties involved and the source of funds remitted by the relevant third-party payors, and (2) the risk of claims by third-party payors or their liquidators seeking return of funds, as such third-party payors were not themselves contractually indebted to us. If any funds received by us through such arrangements were subsequently determined to constitute proceeds of unlawful activities, we could be subject to governmental inquiries, enforcement actions, prosecution or other liabilities on the basis that we had assisted or facilitated the underlying illegal activities. In addition, if any third-party payor or its liquidator were to bring claims or proceedings against us in connection with such payments, we could be required to devote significant financial and management resources to defending such claims and proceedings, or to return payments previously received for products and/or services already rendered. We may also be subject to fines, penalties or other sanctions arising from the Third-party Payment Arrangements. Even if any such claims or proceedings were ultimately resolved in our favor, our reputation, our relationships with existing customers and our ability to attract new customers could be adversely affected.

We may infringe intellectual property rights of third parties, which can lead to time-consuming and costly intellectual property infringement claims.

We may, from time to time, be subject to legal proceedings and claims relating to the intellectual property rights of third parties. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed upon by our products, solutions, services or other aspects of our business without our knowledge. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in China or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert our management's attention and other resources from our business and operations to defend these claims, regardless of their merits.

Additionally, the application and interpretation of the PRC laws relating to intellectual properties, and the procedures and the standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights in China are still evolving, and there can be no assurance that the PRC courts or regulatory authorities would agree with our analysis. If we were found to have violated the intellectual property rights of any third party, we may be subject to liability for our infringing activities or may be prohibited from using such intellectual properties, and we may incur licensing fees or be forced to develop alternatives of our own. In such events, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to protect our intellectual property rights, and our ability to compete could be harmed if our intellectual property rights are infringed by third parties.

There can be no assurance that we can prevent third parties from infringing upon our intellectual property rights. Unauthorized use of our intellectual properties, unfair competition, defamation or other violations of our rights by our employees and/or third parties may harm our brand and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business. We may, from time to time, be required to institute litigation, arbitration or other proceedings to enforce our intellectual property rights, which may be time-consuming and expensive to resolve and could divert our management's attention regardless of the outcome, and adversely affect our business, financial condition and results of operations.

It can be difficult to register, maintain and enforce intellectual property rights in the jurisdictions where we operate. Laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently. Preventing any unauthorized use of our intellectual properties is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual properties. Any failure in protecting or enforcing our intellectual property rights may have a material and adverse effect on our business, financial condition and results of operations.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and the majority of our assets and subsidiaries are located in China. The majority of our Directors and senior management reside within China. The assets of these Directors and senior management also may be located within China. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in China of judgments of a court in any of these jurisdictions outside China may be difficult. As a result, it may be difficult and time-consuming to effect service of process upon our Directors and senior management outside China. In addition, **[REDACTED]** may also experience difficulties in seeking recognition and enforcing foreign judgments in China if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions. Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the **[REDACTED]** of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

The insurance coverage we have may not adequately protect us against all operating risks.

We believe we maintain insurance policies in line with industry standards. Nevertheless, the insurance coverage for our products, solutions and business operations is limited. Our existing insurance portfolio generally includes export credit insurance to protect against collection risks in respect of export

proceeds, overseas business travel insurance for employees travelling overseas on business, cargo/transit insurance for the transportation of products and equipment, employer's liability insurance, property insurance covering our warehouses and stored goods, product liability insurance and, where appropriate, project-related insurance for our green energy solution business. Any uninsured occurrence of business disruption, litigation or natural disaster or significant damages to our uninsured equipment or facilities could have a material adverse effect on our business, financial condition and results of operations. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our infrastructure, production facilities or business operations, or any material litigation, our business, financial condition and results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there can be no assurance that we will be able to successfully claim losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

We may be subject to the approval or other requirements of the China Securities Regulatory Commission or other PRC governmental authorities in connection with future securities activities.

On July 6, 2021, the General Office of the CPC Central Committee and the General Office of the State Council jointly promulgated the Opinions on Strictly Combatting Illegal Securities Activities (關於依法從嚴打擊證券違法活動的意見), or the July 6 Opinion, which called for the enhanced administration and supervision of overseas-listed China-based companies, proposed to revise the relevant regulation governing the overseas issuance and listing of shares by such companies and clarified the responsibilities of competent domestic industry regulators and government authorities. The July 6 Opinion aims to achieve this by establishing a regulatory system and revising the existing rules for overseas listings of Chinese entities and affiliates including potential extraterritorial application of Chinese securities laws.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法), or the Overseas Listing Trial Measures, and relevant supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities and regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities. Pursuant to the Overseas Listing Trial Measures, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted. In addition, according to the Overseas Listing Trial Measures, any future share issuance or listing after this **[REDACTED]** will also be subject to filing procedures with the CSRC and we are also required to report certain material matters to CSRC after this **[REDACTED]**. Any failure to complete such filing or reporting procedures would subject us to administrative penalties by CSRC which could harm our reputation and may adversely affect our results of operations and financial condition.

We cannot guarantee that new rules or regulations promulgated in the future pursuant to the July 6 Opinion and any other related PRC rules and regulations will not impose any additional requirement on us or otherwise tighten the regulations on us. If it is determined that we are subject to any CSRC approval, filing, other governmental authorization or requirements for future capital raising activities, we may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may adversely affect our ability to finance the development of our business and may have a material adverse effect on our business and financial conditions. Furthermore, any uncertainty and/or negative publicity regarding such an approval, filing or other requirements may also have a material adverse effect on the price of our H Shares.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to listing and regulatory requirements of Chinese Mainland and Hong Kong.

As we are listed on the Shanghai Stock Exchange and will be **[REDACTED]** on the **[REDACTED]** in Hong Kong, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

The characteristics of the A share and H share markets may differ.

Our A Shares are listed on the Shanghai Stock Exchange. Following the **[REDACTED]**, our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be **[REDACTED]** on the Stock Exchange. Under current PRC laws and regulations, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent **[REDACTED]**, liquidity and **[REDACTED]** bases, as well as different levels of retail and institutional **[REDACTED]** participation. As a result, the **[REDACTED]** performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the **[REDACTED]** of our H Shares, and vice versa. Furthermore, due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the **[REDACTED]** decision in our H Shares.

There has been no prior public market for our H Shares, and their liquidity and [REDACTED] may be volatile.

Prior to the **[REDACTED]**, there was no public market for our H Shares. We cannot assure you that a public **[REDACTED]** for our H Shares with adequate liquidity and **[REDACTED]** will develop and be sustained following the completion of the **[REDACTED]**. In addition, the **[REDACTED]** of our H Shares is expected to be fixed by agreement between the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) and us, and may not be an indication of the **[REDACTED]** of our H Shares following the completion of the **[REDACTED]**. If an active public market for our H Shares does not develop following the completion of the **[REDACTED]**, the **[REDACTED]** and liquidity of our H Shares may be materially and adversely affected.

The liquidity, [REDACTED] and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to [REDACTED].

The **[REDACTED]** at which our H Shares will **[REDACTED]** after the **[REDACTED]** will be determined by the marketplace, which may be affected by various factors beyond our control, including: (1) our financial performance; (2) changes in securities analysts' estimates, if any, of our financial performance; (3) the history of, and the prospects for, ourselves and the industry in which we operate; (4) an assessment on the prospects for, and timing of, our future revenue and cost; (5) research reports that independent research analysts may publish; (6) the present state of our development; (7) the valuation of publicly traded companies that are engaged in business activities; (8) general market sentiment regarding the industry we operate in; (9) changes in laws and regulations of relevant jurisdictions where we operate; (10) our actual or perceived failure to compete effectively in the market; and (11) political, economic, financial and social conditions.

In addition, the Hong Kong Stock Exchange has from time to time experienced significant volatility in trading prices and volumes that have affected the market prices of securities of companies quoted on the Hong Kong Stock Exchange. As a result, **[REDACTED]** in our H Shares may experience volatility in the **[REDACTED]** of their H Shares and a decrease in the value of their H Shares regardless of our operating performance or prospects.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The **[REDACTED]** of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the **[REDACTED]**, especially by our Directors, executive officers and Controlling Shareholders, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue Shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Certain amount of the Shares controlled by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which **[REDACTED]** in our H Shares commences on the Hong Kong Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. Market sale of H Shares by such Shareholders and the availability of these H Shares for future sale may have a negative impact on the **[REDACTED]** of our H Shares.

In addition, while **[REDACTED] [REDACTED]** for shares in the **[REDACTED]** are generally not subject to any restrictions on the disposal of the H Shares they **[REDACTED]**, they may have existing arrangements or agreements to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the **[REDACTED]** for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the **[REDACTED]**. Any sale of the H Shares **[REDACTED]** by such **[REDACTED]** pursuant to such arrangement or agreement could adversely affect the **[REDACTED]** of our H Shares and any sizeable sale could have a material and adverse effect on the **[REDACTED]** of our H Shares and could cause substantial volatility in the **[REDACTED]** of our H Shares.

Our Controlling Shareholders have substantial influence over our Company and their interests may not be aligned with the interests of our other shareholders.

Our Controlling Shareholders have significant influence on determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including but not limited to mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of directors and other significant corporate actions. The interests of our Controlling Shareholders might differ from the interests of our other shareholders. In the event that our Controlling Shareholders cause us to pursue strategic objectives that conflict with the interests of our other shareholders, our other shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Controlling Shareholders and our other shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We have adopted a dividend policy and have declared dividends in the past. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of China, the payment of dividends may be subject to certain limitations. Moreover, the calculation of our profit under the China Accounting Standards for Business Enterprises ("**PRC GAAP**") may differ in certain respects from the calculation under the International Financial Reporting Standards ("**IFRS Accounting Standards**"). As a result, even if we report a profit for the year under IFRS Accounting Standards, we may not have distributable profits as determined by PRC GAAP. Additionally, the declaration, payment and amount of any future dividends are subject to the discretion of our Directors after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at a Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of China. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Under the existing foreign exchange regulations of China, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would affect the remittance of RMB into or out of China.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules and Notice on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises (關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知) (Guo Shui Han [2008]No. 897) (國税函[2008]897號), dated November 6, 2008, issued by the STA, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside of the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H Shares through the sale or transfer by other means of H Shares.

Under the Individual Income Tax Law of the PRC (中華人民共和國個人所得税法) and its implementation rules, income and gains from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20%, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993]No. 045 (關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知) (Guo Shui Han [2011]No. 348) (國税函[2011]348號) dated June 28, 2011, issued by the STA, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular of the MOF and the STA Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知) issued by the MOF of the PRC and the STA on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, the aforesaid provision had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

If any PRC income tax is collected from the transfer of our H Shares or on dividends paid to our non-PRC resident **[REDACTED]**, the value of your **[REDACTED]** in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

We may be exposed to risks associated with any potential spin-off.

We evaluate strategic opportunities from time to time to enhance value to our shareholders, including, among others, spinning off subsidiaries, in light of our operations across multiple jurisdictions and markets, as well as our development of new business initiatives. These evaluations are contingent upon factors such as market conditions, financing requirements, subsidiary development and regulatory approvals. While no concrete plans have been formulated, we cannot preclude the possibility of spin-offs within three years of the **[REDACTED]** should such action align with our strategic objectives.

A spin-off may enable our subsidiaries to have additional access to capital markets, thereby potentially securing incremental funding to accelerate their growth. While such transactions are designed to unlock intrinsic value, enhance competitive positioning and optimize operational efficiency, there is no assurance that these objectives will be achieved at all. Although our established market position and robust financial standing serve as mitigating factors, material risks associated with spin-offs may still include unanticipated costs (such as separation-related expenditures or restructuring costs, if any), operational complexities arising from organizational decoupling, potential disruption to our Group's integrated business model and synergies and uncertain performance trajectories of spun-off entities, including their ability to sustain competitive positions. Should spun-off entities encounter operational challenges or financial difficulties, it may have an adverse impact on our Group's strategic objectives and corporate reputation. In the event of any proposed spin-off, we will ensure to provide all relevant disclosure to the Shareholders and obtain all necessary regulatory and Shareholder approvals under applicable rules and regulations. We will also implement appropriate strategies and measures to mitigate risks so as to maintain operational cohesion and preserve strategic continuity across the organization.

Should the [REDACTED] be higher than the net tangible book value per Share, subject to [REDACTED], you may experience an immediate dilution in the book value of the [REDACTED] you purchased in the [REDACTED] and may experience further dilution if we issue additional Shares in the future.

The **[REDACTED]** of the **[REDACTED]** may be higher than the net tangible book value per Share immediately prior to the **[REDACTED]**. As a result, you and other purchasers of the **[REDACTED]** in the **[REDACTED]** may experience an immediate dilution in **[REDACTED]** net tangible asset value. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the **[REDACTED]** may experience dilution in the net tangible asset value per share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. Furthermore, we may issue Shares pursuant to share incentive schemes, which would further dilute Shareholders' interests in our Company.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate, and as a result the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shanghai Stock Exchange.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in China. As a result, from time to time we publicly release information relating to ourselves on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares is based on the regulatory requirements of the securities authorities and market practices in China which are different from those applicable to our H Shares. Such information does not and will not form a part of this document. As a result, prospective **[REDACTED]** in our H Shares are reminded that, in making their **[REDACTED]** decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to purchase our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the **[REDACTED]**.

Our future financing may cause dilution of your shareholding or place restrictions on our operations.

In order to raise capital and expand our business, we may consider offering and issuing additional Shares or other securities convertible into or exchangeable for our Shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the shareholdings of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our operations, which may: (1) further limit our ability or discretion to pay dividends; (2) increase our risks in adverse economic conditions; (3) adversely affect our cash flows; or (4) limit our flexibility in business development and strategic plans.

Certain facts, forecasts and statistics derived from official government sources contained in this document may not be reliable and accurate.

We have derived certain facts and other statistics in this document, particularly those relating to the general economy and the industry in which we operate, from information provided by various public sources, industry associations, independent research institutes and other third-party sources, including the F&S Report that we commissioned. We have not independently verified information and statistics from official government sources. We cannot assure you as to the accuracy and reliability of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other data problems, the statistics herein may be inaccurate. You should consider carefully how much weight or importance you should attach to or place on such facts or statistics.

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

The **[REDACTED]** is being made solely on the basis of the information and representations contained in this document, which are true and accurate to the best of our knowledge and belief. Any information not contained in this document should not be relied upon in making an **[REDACTED]** decision with respect to the securities being **[REDACTED]**.

Prior to the publication of this document, there has been coverage in the media regarding us and the **[REDACTED]**, which may have contained, among others, certain financial information, projections, valuations and other forward-looking information about us and the **[REDACTED]**. **[REDACTED]** should be aware that information and opinions published by third-party sources may have been based on outdated, incomplete, or inaccurate information. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media's coverage of our Company and the **[REDACTED]** may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets and the demands of advertisers.

WAIVERS AND EXEMPTIONS

In preparation of the **[REDACTED]**, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Since our principal business and operations are substantially located, managed and conducted in the PRC, our Directors consider that appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group. As none of our executive Directors are ordinarily based in Hong Kong, we do not, and do not contemplate that we will in the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. We will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and our Company:

(a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Mr. Lin Yiming ("**Mr. Lin**"), our executive Director, vice president and finance director and Ms. Yip Hoi Lam ("**Ms. Yip**"), one of our joint company secretaries. Mr. Lin confirms that he possesses valid travel documents and can readily travel to Hong Kong, whilst Ms. Yip is ordinarily resident in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of the authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;

(b) the authorized representatives have means to contact our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matter;

(c) all of our Directors have confirmed that they possess, can apply for, or renew valid travel documents to visit Hong Kong, and would be able to meet with the Stock Exchange upon reasonable notice and within a reasonable period. Each of our Directors will be readily contactable by telephone and email, and is authorized to communicate on behalf of our Company with the Stock Exchange;

(d) each of our Directors has provided his/her respective contact details, including mobile phone numbers, email addresses and addresses, to the Stock Exchange and the authorized representatives. In the event that any Director expects to travel or otherwise be out of office, he/she will provide the contact details and his/her place of accommodation to the authorized representatives;

(e) our Company has appointed Altus Capital Limited as compliance advisor, pursuant to Rule 3A.19 of the Listing Rules, who will have access at all times to the authorized representatives, our Directors and other senior management of our Company, and will act as an additional channel of communication with the Stock Exchange for the period commencing on the date of the **[REDACTED]** of our H Shares on the **[REDACTED]** and ending on the date when our Company distributes its annual report for the first full financial year in accordance with Rule 13.46 of the Listing Rules; and

(f) meetings between the Stock Exchange and our Directors can be arranged through the authorized representatives or the compliance advisor of our Company or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange promptly in respect of any change in its authorized representatives and/or compliance advisor.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, our company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

The Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and

(c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

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

(a) length of employment with the issuer and other issuers and the roles he or she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- whether the issuer has principal business activities primarily outside Hong Kong;
- whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and
- why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

- the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

- the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

We have appointed Ms. Pan Jie ("**Ms. Pan**") as one of our joint company secretaries. Ms. Pan is the secretary of our Board and vice president of our Company. Ms. Pan joined our Group in February 2018, and has served as the secretary of our Board since May 2018, and as the vice president of our Company since March 2019. Although our Company believes, having regard to Ms. Pan's past experience in handling corporate matters, that she has a thorough understanding of our Company and the Board, Ms. Pan does not possess the requisite qualifications required by Rule 3.28 of the Listing Rules. Therefore, our Company has appointed Ms. Yip Hoi Lam ("**Ms. Yip**"), who possesses such qualification, to be a joint company secretary to assist Ms. Pan in the compliance matters for the **[REDACTED]** as well as other Hong Kong regulatory requirements for a period of three years commencing from the **[REDACTED]**. For the biographies of our joint company secretaries, see "Directors and Senior Management–Joint Company Secretaries" in this document. Over such three-year period, we will implement measures to assist Ms. Pan to satisfy the requisite qualifications as prescribed in Rule 3.28 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.17 and 3.28 of the Listing Rules in relation to Ms. Pan's appointment as a joint company secretary pursuant to Chapter 3.10 of the Guide for New Listing Applicants on the following conditions:

- Ms. Pan must be assisted by Ms. Yip, who possesses the qualification and experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the validity period of the waiver; and

- the waiver is valid for a period of three years from the **[REDACTED]** and will be revoked immediately, if and, when Ms. Yip ceases to provide such assistance or if there are material breaches of the Listing Rules by our Company.

It is anticipated that Ms. Pan will gain experience with the assistance of Ms. Yip. Before the end of the initial three-year period, we will evaluate the then experience of Ms. Pan in order to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied at the time and on-going assistance would be needed. We would then endeavor to demonstrate to the satisfaction of and seek the confirmation from the Stock Exchange that Ms. Pan, having had the benefit of Ms. Yip's assistance for three years, would then have acquired the "relevant experience" within the meaning of Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

PARTICULARS OF INFORMATION OF OUR SUBSIDIARIES

Paragraphs 13 and 26 of Appendix D1A to the Listing Rules require this document to include the particulars of any commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital of, and the particulars of any alterations in the capital of, any member of our Group within the two years immediately preceding the issue of this document.

Paragraph 27 of Appendix D1A to the Listing Rules require this document to include particulars of any capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement.

Paragraph 25 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires particulars of the authorized debentures of our Company and its subsidiaries to be disclosed in this document.

Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance require this document to include information in relation to the name, date and place of incorporation, the general nature of the business, the issued capital and the proportion thereof held or intended to be held, of every company, whether public or private, (a) the whole of the capital of which or a substantial proportion thereof is held or intended to be held by our Company, or (b) whose profits or assets make, or will make, a material contribution to the figures in the Accountants' Report or to our Company's next financial statements.

Paragraph 45(2) of Appendix D1A to the Listing Rules requires this document to disclose the name of each person (other than Directors or chief executive of our Company), who is directly or indirectly interested in 10% or more of the issued voting shares of any other member of our Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities.

As of the Latest Practicable Date, we have approximately 3,000 subsidiaries globally. It would be unduly burdensome for us to disclose the required information in respect of all our subsidiaries, as our Company would have to incur additional costs and devote additional resources to compiling and verifying the relevant information for such disclosure, which would not be material or meaningful to **[REDACTED]**. The non-disclosure of such information will not prejudice the interests of our Shareholders or the **[REDACTED]** public.

We have identified 15 Major Subsidiaries that we consider to be material to our operations and/or to have made material contribution to our financial performance during the Track Record Period. See "History and Corporate Structure–Our Major Subsidiaries." By way of illustration and based on unaudited management accounts, (i) as of December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the aggregate assets (before intercompany eliminations) of our Major Subsidiaries represented approximately 124.2%, 124.0%, 120.5% and 120.2% of the total assets of our Group (after intercompany eliminations), respectively; (ii) for each of the financial years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the aggregate revenue (before intercompany eliminations) of our Major Subsidiaries represented approximately 139.7%, 119.5%, 115.5% and 111.6% of the total revenue of our Group (after intercompany eliminations), respectively; and (iii) for each of the financial years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the aggregate net profit (before intercompany eliminations) of our Major Subsidiaries represented approximately 126.3%, 105.6%, 94.0% and 88.7% of our total net profit of our Group (after intercompany eliminations), respectively; (iv) for each of the financial years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the aggregate net assets (before intercompany eliminations) of our Major Subsidiaries represented approximately 95.5%, 98.2%, 101.4% and 102.2% of the total net assets of our Group (after intercompany eliminations), respectively. In identifying the Major Subsidiaries, we have primarily adopted a quantitative threshold with reference to their financial contribution to our Group during the Track Record Period. In particular, a subsidiary has been classified as a Major Subsidiary if, for any financial year during the Track Record Period, any of its financial indicators, including revenue, net profit, or assets, on a standalone basis before intercompany eliminations, exceeded 5% of the corresponding consolidated

financial indicator of our Group (after intercompany eliminations). Our Directors consider that such threshold provides an objective and reasonable basis for assessing the materiality of our subsidiaries to our Group as a whole. The disclosure of the required information in respect of our Company and the Major Subsidiaries in this document provides sufficient information reasonably necessary to enable potential **[REDACTED]** to make an informed assessment of the activities and financial position of our Group. Save as disclosed above, before intercompany eliminations and based on unaudited management accounts, none of our non-Major Subsidiaries, on a standalone basis, recorded revenue, net profit, net assets, or total assets exceeding 5% of the corresponding consolidated figures of our Group during the Track Record Period. None of the non-Major Subsidiaries is individually material to us in terms of its contribution to our Group's revenue, net profit, net assets, or total assets, nor does any of them hold any assets (other than equity investments of our Group), intellectual property rights, proprietary technologies or licenses that are material to our Group. Accordingly, the remaining subsidiaries which are not Major Subsidiaries are relatively insignificant to the overall results of our Group.

We have disclosed the particulars of the changes in the share capital of our Company and the Major Subsidiaries, if any, in "Appendix VI–Statutory and General Information–Further Information about Our Group" to this document. We have also disclosed the corporate information (including name, principal business activities, place and date of incorporation and the interest held by our Group) of the Major Subsidiaries as required under Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in "History and Corporate Structure", and the share capital of the Major Subsidiaries in Note 1 to the Accountants' Report as set out in Appendix I to this document. We have also disclosed in "Appendix VI–Statutory and General Information" to this document particulars of any capital of the Major Subsidiaries which is under option, or agreed conditionally or unconditionally to be put under option. In addition, details of each person (other than Directors or chief executive of our Company) of our Group who is interested in 10% or more of the issued voting shares of any Major Subsidiaries and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities, if any, are disclosed in "Substantial Shareholder–(B) Interests In Our Major Subsidiaries" to this document.

We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under paragraphs 13, 26, 27, 29(1) and 45(2) of Appendix D1A to the Listing Rules in respect of disclosing the following information of our subsidiaries which are not Major Subsidiaries:

(i) particulars of any commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital, or the particulars of any alterations in the capital within the two years immediately preceding the issue of this document;

(ii) particulars of any capital which is under option or agreed to be put under option;

(iii) information in relation to the name, date and place of incorporation, public or private status, the general nature of business, the issued capital and the proportion thereof held or intended to be held; and

(iv) the name of each person (other than Directors or chief executive of our Company), who is directly or indirectly interested in 10% or more of the issued voting shares and such person's shareholding.

We have applied for, and the SFC [has granted] us, a certificate of exemption from strict compliance with the requirements under paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in respect of disclosing the information of our subsidiaries which are not Major Subsidiaries as required under paragraphs 25 and 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVERS AND EXEMPTIONS

The exemption granted by the SFC is subject to the conditions that (i) the particulars of the exemption are disclosed in this document and (ii) this document is issued on or before **[REDACTED]**.

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions that will constitute continuing connected transactions of our Company under the Listing Rules upon **[REDACTED]**. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers in relation to certain continuing connected transactions between us and our connected persons under Chapter 14A of the Listing Rules. For further details in this respect, see "Connected Transactions" in this document.

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Residential address	Nationality
Executive Directors		
Mr. Nan Cunhui (南存輝)	No. 2, Lane 13, Xiangyang Road Shangyuan Administrative Village Liushi Town Yueqing, Zhejiang, PRC	Chinese
Mr. Chen Guoliang (陳國良)	No. 5, Lane 9, Jinqiao West Road Marenqiao Village Liushi Town Yueqing, Zhejiang, PRC	Chinese
Mr. Nan Er (南爾)	No. 172, Lane 389 Shebei Road Songjiang District Shanghai, PRC	Chinese
Mr. Lin Yiming (林貽明)	No. 3, Lane 3566 Dushi Road, Zhuanqiao Minhang District Shanghai, PRC	Chinese
Non-executive Directors		
Mr. Zhu Xinmin (朱信敏)	Phase II, Building 11 West Lake Golf Club No. 200 Zhijiang Road Yunhu Community, Zhuantang Subdistrict Xihu District Hangzhou, Zhejiang, PRC	Chinese
Mr. Lu Chuan (陸川)	Room G11 Xijiao Baocheng Community No. 101 Jinbang Road Changning District Shanghai, PRC	Chinese
Independent Non-Executive Directors		
Mr. Huang Shenjian (黃沈箭)	Room 702, Unit 1, Building 18 Huafu Garden Houchao Men Community, Ziyang Subdistrict Shangcheng District Hangzhou, Zhejiang, PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Residential address	Nationality
Mr. Chen Yamin (陳亞民)	Room 906 No. 33, Lane 1203 Yuyuan Road Shanghai, PRC	Chinese
Ms. Peng Xu (彭澈)	Room 202, Block 22 No. 358 Weining Road Changning District Shanghai, PRC	Chinese
Mr. Liu Wu (劉武)	Room 2109 PolyU Student Halls of Residence 1 Hung Lai Road, Hung Hom Kowloon Hong Kong	Chinese (Hong Kong)

Further information about our Directors are set out in "Directors and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

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

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

Legal Advisors to our Company	*As to Hong Kong and U.S. laws:* **Paul Hastings (Hong Kong) LLP** 22/F, Bank of China Tower 1 Garden Road Hong Kong *As to PRC law:* **King & Wood** 18th Floor, East Tower, World Financial Center 1 Dongsanhuan Zhonglu, Chaoyang District Beijing, PRC
Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and U.S. laws:* **Baker & McKenzie** 14/F, One Taikoo Place 979 King's Road, Quarry Bay Hong Kong *As to PRC law:* **Allbright Law Offices** 12/F, Shanghai Tower No. 501 Yincheng Middle Road Pudong New Area Shanghai, PRC
Auditor and Reporting Accountants	**Deloitte Touche Tohmatsu** *Certified Public Accountants and Registered Public Interest Entity Auditor* 35/F, One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road Shanghai, PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office	No. 1 Zhengtai Road, Zhengtai Industrial Park Beibaixiang Town Yueqing, Zhejiang, PRC
Headquarters and Principal Place of Business in the PRC	No. 1 Zhengtai Road, Zhengtai Industrial Park Beibaixiang Town Yueqing, Zhejiang, PRC
Place of Business in Hong Kong	Room 1928, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Company's Website	**www.chint.net** *(The information on the website does not form part of this document)*
Joint Company Secretaries	**Ms. Pan Jie (潘潔)** No. 1 Zhengtai Road, Zhengtai Industrial Park Beibaixiang Town Yueqing, Zhejiang, PRC **Ms. Yip Hoi Lam (葉凱琳)** *(an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* Room 1928, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Authorized Representatives	**Mr. Lin Yiming (林貽明)** No. 1 Zhengtai Road, Zhengtai Industrial Park Beibaixiang Town Yueqing, Zhejiang, PRC **Ms. Yip Hoi Lam (葉凱琳)** Room 1928, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Audit Committee	Mr. Chen Yamin (陳亞民) *(Chairperson)* Mr. Huang Shenjian (黃沈箭) Ms. Peng Xu (彭溆) Mr. Liu Wu (劉武) Mr. Zhu Xinmin (朱信敏) Mr. Lu Chuan (陸川)

CORPORATE INFORMATION

Remuneration and Appraisal Committee	Mr. Huang Shenjian (黃沈箭) *(Chairperson)* Ms. Peng Xu (彭澈) Mr. Chen Yamin (陳亞民) Mr. Liu Wu (劉武) Mr. Zhu Xinmin (朱信敏) Mr. Nan Er (南爾)
Nomination Committee	Mr. Huang Shenjian (黃沈箭) *(Chairperson)* Ms. Peng Xu (彭澈) Mr. Chen Yamin (陳亞民) Mr. Liu Wu (劉武) Mr. Zhu Xinmin (朱信敏) Mr. Nan Er (南爾)
Strategy and Sustainability Committee	Mr. Nan Cunhui (南存輝) *(Chairperson)* Mr. Huang Shenjian (黃沈箭) Ms. Peng Xu (彭澈) Mr. Chen Yamin (陳亞民) Mr. Liu Wu (劉武) Mr. Lin Yiming (林貽明)
	[REDACTED]
Compliance Advisor	**Altus Capital Limited** 21 Wing Wo Street Central Hong Kong
Principal Banks	**Industrial and Commercial Bank of China Ltd. Qianjiang Branch** No. 1761-1771, Jianghui Road Binjiang District Hangzhou, Zhejiang, PRC **China ZheShang Bank Co., Ltd. Wenzhou Yueqing Branch** Room 112 & Room 202, Buildings 1-2, Ruifeng Garden Xuyang Road, Chengdong Street Yueqing, Zhejiang, PRC

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

GLOBAL ENERGY AND ELECTRICITY INDUSTRY

Electricity is the fundamental energy source underpinning social operations and economic development, broadly supporting key sectors such as industrial and manufacturing, infrastructure, and telecommunication. From 2020 to 2025, global total installed power generation capacity increased from 7,795.0 GW to 11,771.4 GW, representing a CAGR of 8.6%, and is expected to reach 17,366.3 GW by 2030, with a CAGR of 8.1% from 2025 to 2030. Meanwhile, driven by capacity expansion and structural adjustment, the global energy system is accelerating its transition towards a cleaner electricity mix centered on solar and wind power.

As the penetration of new energy increases, power systems are accelerating the transition toward next-generation power systems characterized by a high proportion of new energy, coordinated interaction and flexible regulation across source, grid, load, and storage. Low-voltage electrical products are continuously upgrading breaking capacity, response speed and adaptability to demanding operating conditions. Driven by intelligentization, low-voltage electrical products are evolving into intelligent terminals equipped with power quality monitoring and active dispatch capabilities. As a result, low-voltage electrical products are closely linked to the development requirements of next-generation power systems and, through iterative interaction across the value chain of generation, storage, distribution and end use, jointly support the transition towards a cleaner energy structure.

LOW-VOLTAGE ELECTRICAL PRODUCT INDUSTRY

Overview

Low-voltage electrical products refer to components or devices used in electrical circuits with a rated AC voltage of up to 1,000V or a rated DC voltage of up to 1,500V that, in response to external signals and requirements, can manually or automatically make or break circuits in order to achieve the switching, control, protection, detection, conversion and regulation of electrical circuits or non-electrical objects. Low-voltage electrical products include power distribution electrical products, control electrical products, terminal electrical products, power supply electrical products, and electronic electrical products.

Low-voltage electrical products constitute a key foundational link in the electricity system, connecting energy supply with end-use electricity demand and enabling the ultimate distribution and utilization of electricity across industrial, commercial and residential scenarios. The performance and reliability of low-voltage electrical products are directly related to electrical safety and energy efficiency. Amid the transition toward the next-generation power system, low-voltage electrical products are evolving from standalone protection and control devices into integrated system-level products incorporating monitoring, communication and intelligent control functions.

Value Chain

The upstream segment of the low-voltage electrical product industry mainly comprises manufacturers of metal materials, plastics and components. As low-voltage electrical products continue to evolve towards higher reliability and greater intelligence, demand for high-performance materials is also increasing.

The midstream segment mainly consists of low-voltage electrical product manufacturers with system integration capabilities and comprehensive solution providers. Leading enterprises are gradually engaging in downstream project solution design, system integration and coordinated operations, while leveraging automated and flexible manufacturing systems to achieve multi-product delivery across diverse scenarios. Low-voltage electrical products can be integrated into complete systems by panel builders or directly reach end customers and specific application scenarios through distributor channels.

The downstream segment covers application fields such as industrial and manufacturing, infrastructure, and energy. The industrial and manufacturing sectors generally impose higher requirements on product reliability and safety. The rapid development of new energy is further driving demand for low-voltage electrical products with higher performance, greater intelligence and stronger system coordination capabilities.

Market Drivers and Development Trends

1. ***Policy-driven smart grid upgrades.*** In recent years, major economies worldwide have been accelerating the upgrading and intelligent transformation of grid infrastructure through policy guidance and capital investment. In 2024, the European Commission proposed the Grid Action Plan, encouraging the accelerated construction and upgrading of transmission and distribution networks to support efficient grid operation and the energy transition. In 2025, Association of Southeast Asian Nations (ASEAN), in its ASEAN Plan of Action for Energy Cooperation (2026–2030), explicitly identified grid digitalization and intelligence as key enablers of energy transition, promoting smarter grid systems and data-driven electricity system operations. In the Middle East, Saudi Arabia continues to advance grid digitalization and distribution automation under the Saudi Vision 2030 framework, while the United Arab Emirates, represented by Dubai, is systematically promoting smart grid and distribution network modernization under the Smart Grid Strategy 2021–2035, thereby accelerating power infrastructure upgrades.

   China is positioning smart grids and grid upgrading as key infrastructure for the energy transition and the modernization of electricity systems. In September 2025, the National Development and Reform Commission and the National Energy Administration issued the Implementation Opinions on Promoting "AI+" Energy High-Quality Development (關於推進"人工智能+"能源高質量發展的實施意見), encouraging the intelligent construction and management of grid projects and the enhancement of intelligent capabilities in key products such as transmission and transformation. Meanwhile, State Grid announced that its fixed-asset investment is expected to reach RMB4 trillion during the period between 2026 and 2030, significantly advancing the construction of new power systems. Against this backdrop, demand for distribution network upgrading, intelligent transformation and end-use electricity management continues to increase, directly driving volume growth in low-voltage electrical products such as circuit breakers and contactors and promoting the industry's shift toward intelligent, system-level solutions.

2. ***Expansion of new energy integration driving demand for low-voltage electrical products.*** The cumulative installed capacity of photovoltaic power and wind power as a percentage of the cumulative installed capacity of global power mix is expected to increase from 33.4% in 2025 to 54.3% in 2030. The increasing penetration of new energy is continuously driving demand for power distribution systems and low-voltage electrical products. On the other hand, energy storage systems are rapidly penetrating the market, with global cumulative installed lithium battery energy storage

capacity increasing from 32.9 GWh in 2020 to 714.5 GWh in 2025 and expected to reach 4,855.6 GWh by 2030. As energy storage applications continue to expand across generation, grid and end-use scenarios, both the unit value and volume of low-voltage electrical products used in energy storage systems are expected to increase.

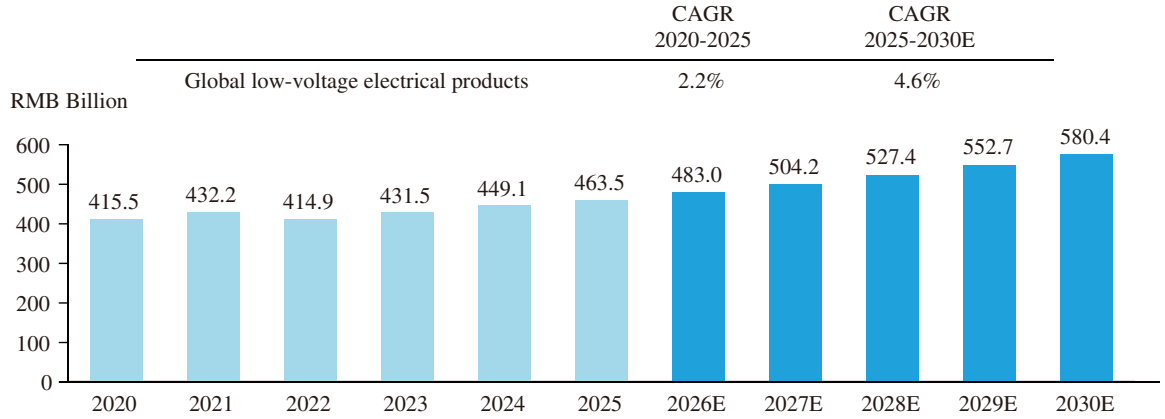
3. ***AI data centers driving demand for intelligent and customized low-voltage electrical products.*** Global data centers are evolving towards higher power density, larger capacity and greater modularization. Capital expenditure in the global data center market is expected to increase from USD585.0 billion in 2025 to over USD3,000.0 billion by 2030. Intelligent low-voltage electrical products can effectively meet the requirements of modular power distribution systems in data centers, supporting system upgrades and capacity expansion without disrupting existing operations. In addition, intelligent low-voltage electrical products enable real-time data acquisition and remote monitoring of distribution parameters. Combined with AI-based data analysis and decision support, such products are evolving into system nodes with proactive monitoring and coordinated control capabilities. As rack power density increases and power architectures shift towards high-voltage direct current, higher requirements are imposed on low-voltage electrical products, thereby driving the industry towards higher-grade, more intelligent and more customized solutions.

4. ***Industrial upgrading and urban renewal expanding application scenarios for low-voltage electrical products.*** On the one hand, industrial enterprises, in the course of upgrading automated production lines, developing smart factories and improving the energy efficiency of energy-intensive equipment, are placing higher requirements on power control, distribution protection and energy management systems. On the other hand, urban renewal, new infrastructure development and upgrades to building electrical systems continue to expand, including smart parks, the renovation of old buildings and the rollout of charging infrastructure. These scenarios require the large-scale deployment of low-voltage distribution and control products to enhance power supply safety, operational reliability and energy utilization efficiency.

Market Size

From 2020 to 2025, the global low-voltage electrical product market size increased from RMB415.5 billion to RMB463.5 billion, representing a CAGR of 2.2%, and is expected to reach RMB580.4 billion by 2030, with a CAGR of 4.6% from 2025 to 2030. In terms of regional breakdown, China, the Americas and Europe accounted for 19.9%, 32.6% and 30.9% of the global market size of low-voltage electrical product, respectively, in 2025. Going forward, the regional distribution of the global low-voltage electrical product market is expected to remain broadly stable.

Market size of global low-voltage electrical products, in terms of revenue, 2020–2030E



Sources: German Electro and Digital Industry Association (ZVEI), National Electrical Manufacturers Association (NEMA), Low-Voltage Electrical Product Branch of China Electrical Equipment Industry Association, Frost & Sullivan

Competitive Landscape

In 2025, the global low-voltage electrical product market size was RMB463.5 billion, with the top five low-voltage electrical product companies accounting for a combined market share of 48.4%. Our Company ranked fifth in terms of global revenue of low-voltage electrical product. In 2025, the market size of China's low-voltage electrical product industry was RMB92.1 billion, with the top five companies accounting for a combined market share of 48.7%. Among them, our Company ranked second and was the largest domestic low-voltage electrical product company in China.

Top five ranking of global low-voltage electrical product market, by revenue of low-voltage electrical products, 2025

Ranking	Company	Global Market Revenue *(RMB Billion)*	Market Share *(%)*	Headquarters
1	Company A	89.0	19.2%	France
2	Company B	51.0	11.0%	Switzerland
3	Company C	40.0	8.6%	Germany
4	Company D	26.5	5.7%	Ireland
5	**Our Company**	**17.9**	**3.9%**	**China**
Top 5		**224.4**	**48.4%**	

Sources: Annual Reports of Listed Companies, Frost & Sullivan

Top five ranking of China low-voltage electrical product market, by revenue of low-voltage electrical products in China, 2025

Ranking	Company	China Market Revenue *(RMB Billion)*	Market Share *(%)*	Headquarters
1	Company A	13.7	14.9%	France
2	**Our Company**	**13.3**	**14.5%**	**China**
3	Company E	8.0	8.7%	China
4	Company B	5.5	6.0%	Switzerland
5	Company C	4.2	4.6%	Germany
Top 5		**44.7**	**48.7%**	

Sources: Annual Reports of Listed Companies, Frost & Sullivan

1. Company A was established in 1836 and is headquartered in France, with its shares listed on Euronext Paris. It provides low-voltage electrical products, data center solutions and digital energy solutions.

2. Company B was established in 1988 and is headquartered in Switzerland, with its shares listed on the SIX Swiss Exchange, Nasdaq Stockholm and the New York Stock Exchange. It provides low- and medium-voltage distribution, motors and drives, and automation solutions.

3. Company C was established in 1847 and is headquartered in Germany, with its shares listed on the Frankfurt Stock Exchange. It focuses on digital industries, smart infrastructure, mobility and healthcare technology.

4. Company D was established in 1911 and is headquartered in Ireland, with its shares listed on the New York Stock Exchange. Its principal business covers low-voltage power distribution, industrial control, and power quality solutions.

5. Company E, a private company, was established in 2007 and is headquartered in China. Its principal business covers power distribution, industrial automation and building electrical products.

Entry Barriers

The low-voltage electrical product industry is characterized by relatively high and comprehensive barriers to entry, including technological capabilities, channel networks, supply chain management, global manufacturing capacity and brand accumulation. At the technical level, the evolution of products towards intelligence, modularization and communication is placing increasing demands on system integration and hardware-software coordination. At the channel and customer level, leading enterprises typically establish stable sales and service networks through long-term project cooperation. At the supply chain and manufacturing level, leading players leverage global sourcing systems and large-scale production capabilities to achieve advantages in cost control and delivery stability. In addition, brand reputation built through long-term engineering applications and quality management leads downstream customers to prefer established suppliers in critical electricity usage scenarios. These factors collectively create relatively strong entry barriers, making it difficult for new entrants to establish competitive advantages in the short term.

GLOBAL NEW ENERGY INDUSTRY

Overview

Against the backdrop of the ongoing transformation of the global energy structure and the pursuit of carbon neutrality, new energy systems represented by photovoltaics, wind power, energy storage and hydrogen energy are becoming an increasingly important component of global energy supply. Countries are promoting energy structure transformation. The European Green Deal aims to achieve net-zero greenhouse gas emissions by 2050, while China's dual-carbon strategy targets carbon peaking by 2030 and carbon neutrality by 2060. Driven by both policy support and technological progress, new energy is evolving to a comprehensive energy system integrating wind, solar, energy storage and hydrogen. Hydrogen energy and its derivatives, such as green ammonia and green methanol, are considered important technological pathways for achieving deep decarbonization in industries, transportation and chemicals.

Photovoltaic power stations are important energy infrastructure assets that use photovoltaic power generation systems as their technological foundation and convert solar resources into electricity through project development, engineering construction and continuous operation. Photovoltaic power stations can generally be classified into distributed and ground-mounted types. Distributed photovoltaic power stations mainly include residential and commercial and industrial forms. Residential photovoltaic power stations are usually deployed on residential rooftops, while commercial and industrial photovoltaic power stations are mainly located in industrial parks and commercial buildings.

Value Chain

New energy projects span the entire lifecycle from planning and development to long-term operation and can broadly be divided into two core phases: the development and construction phase and the operation and management phase.

- The development and construction phase mainly encompasses preliminary planning and development, engineering design, equipment manufacturing and procurement, engineering construction, and grid connection and commissioning. First, the development entity needs to conduct resource assessments and feasibility studies, combined with on-grid conditions, land

resources, policy environment and economic analysis to determine the project development plan. Based on this, the project enters the engineering design and approval phase, including the overall power plant design, electrical system design and related administrative approvals and financing arrangements. Subsequently, the equipment procurement and engineering construction phase begins, involving the production and supply of core equipment such as photovoltaic modules, wind turbines, energy storage systems and hydrogen production equipment, as well as construction, system installation and on-grid testing under EPC (engineering, procurement and construction) or BT (build-transfer) models.

- The operation and management phase focuses on the long-term operation and value realization of the power plant or energy system, mainly including operation and maintenance management, asset management, electricity trading and value-added services. After a project is put into operation, the operator needs to monitor operating status in real time through digital monitoring systems and carry out equipment inspection, performance optimization and preventive maintenance through a professional operation and maintenance team to ensure stable system operation. Against the backdrop of ongoing electricity market reform, revenue sources can be expanded through green certificate trading, participation in power market transactions and dispatch-related services. In the photovoltaic power plant sector, companies may participate in project investment and obtain long-term power generation revenue through the develop-to-hold-to-transfer model or the build-own-operate model.

Market Driver and Development Trend

1. ***Policy guidance and energy transition resonate to solidify development of the new energy industry.*** In 2025, China issued the Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation (分佈式光伏發電開發建設管理辦法) and advanced initiatives such as the Thousands of Households Bathing in Sunshine Action (千家萬戶沐光行動), accelerating the construction of distributed photovoltaics. In 2025, the European Grids Package proposed simplifying the approval and on-grid processes for small-scale new energy.

   As for energy storage and wind power, in 2024, China issued the Guiding Opinions on High-Quality Development of Distribution Networks under the New Circumstances (關於新形勢下配電網高質量發展的指導意見), which proposed guiding distributed projects to reasonably allocate new energy storage or configure energy storage resources. In Europe, the Renewable Energy Directive III proposed promoting the participation of distributed energy storage in power system operation through aggregation. China's Energy Work Guidance 2025 (2025年能源工作指導意見) proposed promoting the construction of integrated hydropower, wind power and photovoltaic power stations and accelerating offshore wind power development. The continued implementation of policies enhances the carrying and regulating capacity of power systems for new energy.

2. ***Economic viability and application expansion of new energy sources accelerate industry implementation.*** As the scale of new energy industries such as photovoltaics and wind power continues to expand, according to International Renewable Energy Agency, the global levelized cost of energy for photovoltaic power generation decreased from USD0.42/kWh in 2010 to USD0.04/kWh in 2025, and is expected to further decrease to USD0.03/kWh by 2030. The global levelized cost of energy for integrated photovoltaic and energy storage projects is USD0.11/kWh in 2025, and is expected to decrease to USD0.09/kWh by 2030. Furthermore, the levelized cost of energy for onshore wind power decreased from USD0.11/kWh in 2010 to USD0.03/kWh in 2025, while offshore wind power declined from USD0.21/kWh to USD0.08/kWh over the same period.

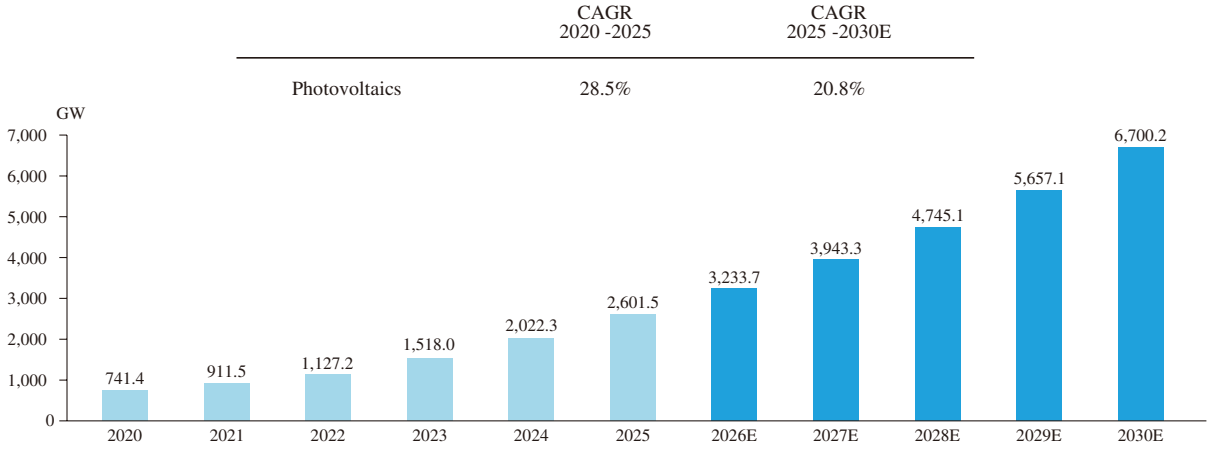
Against the backdrop of continuously declining levelized cost of energy, new energy application scenarios and business models are expanding. High-load electricity consumption scenarios such as AI data centers and advanced manufacturing are accelerating deployment, placing higher demands on local power supply and peak-shaving capacity. Integrated source-grid-load-storage solutions are also being implemented at an accelerated pace, enabling coordinated operation through energy storage configuration, load management and intelligent dispatch, thereby further enhancing the revenue stability and economic feasibility of new energy projects.

3. ***Virtual power plant-driven business model innovation and digital-intelligent operation upgrade accelerate the market-oriented evolution of distributed power stations.*** China's Notice on Deepening Market-Based Reform of Feed-in Tariffs for New Energy and Promoting High-Quality Development of New Energy (NDRC Price [2025] No. 136) (關於深化新能源上網電價市場化改革促進新能源高質量發展的通知(發改價格[2025] 136號)) provides that on-grid electricity from new energy sources should participate in the electricity market. Based on virtual power plant systems, distributed photovoltaic, energy storage and wind power resources can be aggregated and uniformly operated. By participating in market mechanisms such as demand response, ancillary services and electricity spot trading, virtual power plants can obtain flexible service revenue in addition to traditional electricity sales revenue. Furthermore, through intelligent operation and maintenance methods such as power station design optimization, operation monitoring and AI inspection, the transparency and controllability of power station operation can be significantly improved.

Market Size

From 2020 to 2025, global cumulative installed photovoltaic capacity increased from 741.4 GW to 2,601.5 GW, representing a CAGR of 28.5%. It is expected to further increase to 6,700.2 GW by 2030, driven by the accelerating energy transition, continued policy support and the declining levelized cost of energy. Over the same period, global cumulative installed wind power capacity increased from 745.0 GW to 1,325.0 GW, representing a CAGR of 12.2%. Looking ahead, supported by the large-scale deployment of offshore wind, ongoing grid infrastructure upgrades and a favorable regulatory environment, global cumulative installed wind power capacity is expected to surpass 2,000.0 GW by 2030.

Global Cumulative Installed Capacity of Photovoltaics, 2020-2030E



Sources: China National Energy Administration, IEA, Frost & Sullivan

As a core component for enhancing grid flexibility, the energy storage market has experienced rapid growth. Global cumulative installed capacity of lithium-ion battery energy storage systems increased from 32.9 GWh in 2020 to 714.5 GWh in 2025, and is expected to reach 4,855.6 GWh by 2030, representing a CAGR of 46.7% from 2025 to 2030. The integrated hydrogen-ammonia-methanol solution converts gaseous green hydrogen into liquid green ammonia and green methanol, thereby connecting the entire new energy value chain from production, consumption, transmission and distribution to economy-wide decarbonization applications. Specifically, global green hydrogen production is 1.2 million tons in 2025, and is expected to reach 24.8 million tons by 2030, representing a CAGR of 83.0% from 2025 to 2030; global green ammonia production is 0.6 million tons in 2025, and is expected to exceed 20 million tons by 2030, representing a CAGR of over 100% from 2025 to 2030; and global green methanol production capacity is expected to increase from 1.2 million tons in 2025 to exceed 50 million tons by 2030, representing a CAGR of over 110% from 2025 to 2030.

Competitive Landscape

As of December 31, 2025, the global cumulative installed capacity of residential photovoltaics reached 453.1 GW. The top five global residential photovoltaic companies had cumulative completed residential photovoltaic installed capacity of 136.2 GW, representing 30.0% of the global cumulative completed residential photovoltaic installed capacity. Our Company ranked first globally in terms of cumulative completed residential photovoltaic installed capacity, reaching 58.0 GW. Furthermore, our Company ranked first globally in terms of residential photovoltaic installed capacity holdings, with 26.7 GW, and also ranked first globally in terms of total sold residential photovoltaic installed capacity, at approximately 30.0 GW, as of the same date.

Top five ranking of global residential solar photovoltaic companies, by cumulative completed residential photovoltaic installed capacity, as of December 31, 2025

Ranking	Company	Cumulative Completed Residential Photovoltaic Installed Capacity (GW)	Market Share *(%)*
1	**Our Company**	**58.0**	**12.8%**
2	Company F	28.2	6.2%
3	Company G	20.0	4.4%
4	Company H	15.0	3.3%
5	Company I	15.0	3.3%
Global Top 5		**136.2**	**30.0%**

Sources: Annual reports of listed companies, Frost & Sullivan

1. Company F, founded in 1988 and headquartered in China, is listed on the Hong Kong Stock Exchange. Its main businesses include residential, commercial and industrial photovoltaic stations, as well as energy storage equipment.

2. Company G, founded in 1997 and headquartered in China, is listed on the Shanghai Stock Exchange. It focuses on the production of new energy equipment, such as photovoltaic modules and energy storage systems.

3. Company H, founded in 2018 and headquartered in China, is a private company. It focuses on smart terminal products and provides photovoltaic solutions.

4. Company I, founded in 1997 and headquartered in China, is listed on the Shenzhen Stock Exchange. It specializes in new energy equipment, including photovoltaic inverters, energy storage systems, and wind power converters.

Entry Barriers

The new energy industry has high barriers to entry, mainly reflected in full-lifecycle service capabilities, technological capabilities, customer resources and financing capabilities. New energy projects typically cover the entire process from system design to equipment selection, engineering construction and operation optimization, involving various energy assets such as photovoltaics, energy storage and wind power systems. Leading companies establish a closed-loop business model across the development, construction and operation and maintenance phases. In terms of technological capabilities, the operation of new energy projects relies on digital monitoring, intelligent diagnostics and efficient operation and maintenance systems. Leading companies can continuously optimize algorithm models and operation and maintenance strategies based on long-term operational data accumulation. In terms of customer resources, companies with continuous project delivery capabilities and operation and maintenance experience are more likely to gain customer trust. In terms of financing capabilities, new energy projects involve large investments and long payback periods, and companies with stable cash flows are more likely to obtain support from financial institutions. By contrast, new entrants typically face limitations in end-to-end collaboration capabilities, technological accumulation, customer resources and financing channels.

RAW MATERIAL PRICE ANALYSIS

In the low-voltage electrical product industry, copper and silver are among the key raw materials. The average price of copper rose significantly from approximately RMB49,356 per ton in 2020 to approximately RMB81,076 per ton in 2025, and is expected to remain at relatively elevated levels with continued volatility, supported by strong demand from electrification. Silver prices increased from approximately RMB142.8 per ounce in 2020 to approximately RMB232.8 per ounce in 2025. The key raw materials of the new energy industry primarily include crystalline silicon photovoltaic modules and electronic components. The average price of crystalline silicon photovoltaic modules increased from RMB1.5/W in 2020 to RMB1.7/W in 2022 before declining to RMB0.7/W in 2025. This decrease was mainly driven by reduced costs of upstream polysilicon and wafers, advancements in manufacturing technology and economies of scale. The producer price index of China's electronic components manufacturing industry reflects price fluctuations in electronic components. As industry capacity recovered and technological efficiency improved, such price fluctuations have gradually stabilized.

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on the global energy and electricity industry, the low-voltage electrical product industry and the global new energy industry and to prepare the F&S Report. We have contracted to pay RMB500,000 to Frost & Sullivan for compiling the F&S Report. In preparing the F&S Report, Frost & Sullivan conducted detailed primary research, which involved discussions with certain leading industry participants regarding the status of the industry and interviews with relevant parties. Frost & Sullivan also conducted secondary research, which involved reviewing company reports, independent research reports and data from its proprietary research database. Frost & Sullivan derived the market size estimates through historical data analysis plotted against macroeconomic data, while also taking into account the industry drivers described above. Its market-engineering forecasting methodology integrates several forecasting techniques with a market-engineering measurement-based system and relies on the expertise of its analyst team in synthesizing the critical market elements identified during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration of market challenges, integration of market-engineering measurement trends and integration of econometric variables. The F&S Report was compiled based on the following assumptions: (1) the social, economic and political environment is likely to remain stable during the forecast period; and (2) key industry drivers are likely to continue driving market development during the forecast period.

This section sets forth a summary of the most significant laws, regulations and regulatory documents (the "**PRC laws**") that affect our current business activities in the PRC, which are subject to changes in the future. However, it does not include a detailed analysis of the PRC laws relating to our business activities and operations in the PRC and is not intended to be an exhaustive list of all PRC laws applicable to our operations in the PRC.

LAWS AND REGULATIONS RELATING TO COMPANIES

Pursuant to the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**") promulgated by the Standing Committee of the National People's Congress of the PRC (全國人民代表大會常務委員會) (the "**SCNPC**") on December 29, 1993, last amended on December 29, 2023 and implemented on July 1, 2024, companies are classified into two categories, namely, limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed. The Company Law also applies to foreign-invested enterprises, provided that where the laws on foreign investment provide otherwise, such provisions shall prevail.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Pursuant to the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "**FIL**") promulgated by the National People's Congress (the "**NPC**") on March 15, 2019 and implemented on January 1, 2020, as well as the Implementation Rules of the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) (the "**Implementation Rules of FIL**") promulgated by the State Council on December 26, 2019 and implemented on January 1, 2020, the "foreign investment" refers to the investment activities in Chinese Mainland carried out directly or indirectly by foreign individuals, enterprises or other organizations (the "**Foreign Investors**"), including the following: (i) Foreign Investors establishing foreign-invested enterprises in Chinese Mainland alone or collectively with other investors; (ii) Foreign Investors acquiring shares, equities, property interests or other similar rights of Chinese domestic enterprises; (iii) Foreign Investors investing in new projects in Chinese Mainland alone or collectively with other investors; and (iv) Foreign Investors investing through other means prescribed by the laws and regulations of Chinese Mainland or by the State Council of the People's Republic of China (the "**State Council**").

Pursuant to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) jointly promulgated by the Ministry of Commerce of the People's Republic of China (the "**MOFCOM**") and the National Development and Reform Commission (the "**NDRC**") on September 6, 2024 and implemented on November 1, 2024, restrictive measures were set out in a unified manner, such as the requirements on shareholding percentages and management, for the access of foreign investments, and the industries that are prohibited for foreign investment. Any field not falling in the Negative List shall be administered under the principle of national treatment to domestic and foreign investment.

Pursuant to the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) jointly promulgated by the MOFCOM and the State Administration for Market Regulation (the "**SAMR**") on December 30, 2019, and implemented on January 1, 2020, foreign investors directly or indirectly conducting investment activities in Chinese Mainland shall submit the investment information to the competent commerce authorities in accordance with The Measures on Reporting of Foreign Investment Information. Where a foreign investor or a foreign invested enterprise fails to submit the investment information as required, and fails to resubmit or correct such information after being notified by the competent commerce authority, the competent commerce authority shall order it to make

corrections within 20 business days. Failure to make corrections within the specified period may subject the foreign investor or the foreign-invested enterprise to fines of RMB100,000 to RMB300,000, or a fine of RMB300,000 to RMB500,000 if other severe violations exist.

LAWS AND REGULATIONS RELATING TO OVERSEAS INVESTMENT

Pursuant to the Administrative Measures on the Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on March 16, 2009, amended on September 6, 2014 and implemented on October 6, 2014, the overseas investment activities of companies and other enterprises established in China are subject to the management and supervision of the MOFCOM and the provincial-level competent commerce authorities. The MOFCOM and the provincial-level competent commerce authorities shall subject the overseas investment of enterprises to filing or approval administration, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region or any sensitive industry shall be subject to approval administration. Overseas investment under other circumstances shall be subject to filing administration. In accordance with the Measures for the Administrative Measures on the Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, sensitive projects conducted by investors directly or through overseas enterprises controlled by them shall be subject to approval administration. The approval authority is the NDRC. Non-sensitive projects directly conducted by investors, namely non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or guarantees, shall be subject to filing administration.

LAWS AND REGULATIONS RELATING TO SECURITIES AND OVERSEAS LISTINGS

Securities Laws and Regulations

Pursuant to the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "**PRC Securities Law**") promulgated by the SCNPC on December 29, 1998, last amended on December 28, 2019 and implemented on March 1, 2020, a domestic enterprise offering securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council. The China Securities Regulatory Commission (the "**CSRC**") is the securities regulatory body set up by the State Council to supervise and administer the securities market, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the offering and listing of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

Pursuant to the Trial Administrative Measures on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") promulgated by the CSRC on February 17, 2023 and implemented on March 31, 2023 as well as several supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "**Overseas Listing Regulations**"), enterprises in Chinese Mainland that seek to make an initial public offering and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three business days after its application for overseas listing is submitted.

Pursuant to the Overseas Listing Regulations, no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic enterprise intending to make the securities

offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic enterprise intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic enterprise's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

Pursuant to the Revised Provisions on Strengthening Confidentiality and Archives Management of Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Archives Rules**") jointly promulgated by the CSRC, the Ministry of Finance (the "**MOF**"), the National Administration of State Secrets Protection, and the National Archives Administration of China on February 24, 2023 and implemented on March 31, 2023, domestic enterprises in relation to the overseas securities offering and listing activities, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities.

LAWS, REGULATIONS AND POLICIES RELATING TO ENERGY

Energy Law

Pursuant to the Energy Law of the People's Republic of China (《中華人民共和國能源法》) promulgated by the SCNPC on November 8, 2024 and implemented on January 1, 2025, the State promotes the development and utilization of solar energy by adhering to both centralized and distributed development, accelerating the construction of photovoltaic power bases, supporting nearby development and utilization of distributed photovoltaic power, and proactively developing solar thermal power generation.

The Renewable Energy Law

Pursuant to the Renewable Energy Law of the People's Republic of China (《中華人民共和國可再生能源法》) promulgated by the SCNPC on February 28, 2005 and amended on December 26, 2009, the development and utilization of renewable energy was listed as a priority area of energy development by the State. The establishment and development of the renewable energy market were promoted through setting targets on the total volume of development and utilization of renewable energy and adopting corresponding measures. The State encouraged economic entities with various forms of ownership to participate in the development and utilization of renewable energy, and the legitimate rights and interests of the developers and users of renewable energy were protected under the law. Power grid enterprises shall enter into grid connection agreements with renewable energy power generation enterprises that are constructed in accordance with renewable energy development and utilization plans and have lawfully obtained administrative permits or completed the filing process. They shall purchase in full the on-grid electricity generated by renewable energy grid-connected power generation projects within their grid coverage that meet grid connection technical standards. Power generation enterprises are obligated to cooperate with power grid enterprises to ensure grid security.

Distributed Photovoltaic Power Generation

The Measures for the Administration of the Development and Construction of Distributed Photovoltaic Power Generation (《分佈式光伏發電開發建設管理辦法》), promulgated and implemented by the National Energy Administration (the "**NEA**") on January 17, 2025, aims to regulate and promote the development of distributed photovoltaic power generation, and stipulates the industry administration, record-filing administration, construction administration, power grid connection and operation administration of distributed photovoltaic power generation.

Industrial Polices

According to the Notice of the National Development and Reform Commission and the National Energy Administration on Deepening the Market-oriented Reform of New Energy Feed-in Tariffs and Promoting the High-quality Development of New Energy《國家發展改革委、國家能源局關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》promulgated and implemented by the NDRC and the NEA on January 27, 2025, all on-grid electricity generated by new energy projects (wind power and solar power generation projects) shall, in principle, be traded through the electricity market, and the feed-in tariffs shall be determined through market transactions. New energy projects may participate in transactions by submitting quantities and quoting prices, or may accept market prices.

According to the Opinions on Promoting the High-quality Development of the Renewable Energy Green Power Certificate Market (《關於促進可再生能源綠色電力證書市場高質量發展的意見》) promulgated and implemented by the NDRC and other departments on March 6, 2025, timely and automatically issue Green Certificates, accelerate the registration and filing of renewable energy power generation projects, and in principle, complete the registration and filing of the previous month's grid-connected projects within the current month. The scale of green power trading should be increased. The increasing scale of green power trading focusing on green power and corresponding green power environmental value as the subject matter should be accelerated. Wind power (including distributed wind power and offshore wind power), solar power (including distributed photovoltaic power generation and solar thermal power generation), and other renewable energy power generation projects such as biomass power generation, geothermal power generation and ocean energy power generation should be steadily promoted to participate in green power trading.

LAWS AND REGULATIONS RELATING TO POWER STATION CONSTRUCTION AND POWER GENERATION BUSINESS

General Contracting of Electric Power Engineering Construction

According to the Construction Law of the People's Republic of China (《中華人民共和國建築法》) last amended and implemented by the SCNPC on April 23, 2019 and Implementation Opinions on the Qualification Administration Provisions and Qualification Standards for Construction Enterprises(《建築業企業資質管理規定和資質標準實施意見》) last amended and implemented by the Ministry of Housing and Urban-Rural Development of the People's Republic of China (the "**MOHURD**") on January 16, 2020, construction general contracting projects (including general contracting of electric power engineering construction) shall be undertaken by enterprises that have obtained corresponding construction general contracting qualifications. Enterprises that have obtained construction general contracting qualifications can construct all professional projects within the construction general contracting projects undertaken by them, or subcontract professional projects according to laws. When subcontracting qualified professional projects, they should be subcontracted to enterprises with corresponding professional contracting qualifications. When subcontracting labor operations, they should be subcontracted to enterprises with construction labor qualifications.

Electric Power Business License

According to the Regulations on Electric Power Supervision(《電力監管條例》)promulgated by the State Council on February 15, 2005 and implemented on May 1, 2005, and the Administrative Regulations on Electric Power Business Licenses (《電力業務許可證管理規定》) last amended by the NDRC on January 4, 2024 and implemented on March 1, 2024, an enterprise that engages in the electric power business in Chinese Mainland is required to obtain Electric Power Business License in accordance with relevant regulations. Save as special circumstances, no entity or individual may engage in electric power business before obtaining an Electric Power Business License. Entities that have obtained Electric Power Business Licenses are subject to rights and obligations under relevant regulations and are subject to the supervision and management of the NEA and its agencies.

License for Installation (Repair, Testing) of Power Facilities

According to the Measures for the Administration of License for Installation (Repair, Testing) of Power Facilities promulgated by the NDRC on April 11, 2025 and implemented on July 1, 2025, an enterprise that engages in activities of installation, repair and testing of electric power facilities in Chinese Mainland is required to obtain the License for Installation (Repair, Testing) of Power Facilities in accordance with relevant regulations. No entity may engage in the activities of installation, repair and testing of power facilities without obtaining such License.

LAWS AND REGULATIONS RELATING TO LAND, PLANNING AND CONSTRUCTION PERMIT

Land Use Rights

According to the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》) last amended on August 26, 2019 by the SCNPC and implemented on January 1, 2020, state-owned land may be granted or allocated for use by construction entities in accordance with the law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) last amended by the State Council on March 10, 2024, and implemented on May 1, 2024, registration of real estate shall be conducted by the real estate registration agency of the people's government at the county level where the real estate is located.

According to the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the "**Civil Code**"), the creation, change, transfer and elimination of real estate right shall become effective after it is registered according to law; the real estate ownership certificate shall be the proof on the holder's ownership of a real estate. According to the Interim Regulations on Real Estate Registration and Rules for Implementation of Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) last amended by the Ministry of Natural Resources of the People's Republic of China and implemented on May 9, 2024, the state applies a uniform registration system for real estate.

Construction Land Planning Permit

Pursuant to the Urban and Rural Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》) (the "**Urban and Rural Planning Law**") promulgated by the SCNPC on October 28, 2007, last amended and implemented on April 23, 2019, a Construction Land Planning Permit is required for the right to use the State-owned land acquired by transfer and allocation. Where land use approval is granted to a construction entity which has not obtained a Construction Land Planning Permit, the people's government at or above the county level shall revoke any relevant approval document. If the land has already been occupied, it shall be returned promptly. The construction entity shall be obliged to compensate for any damage caused to any other relevant parties according to laws.

Construction Project Planning Permit

Pursuant to the Urban and Rural Planning Law, to build any building, structure, road, pipeline or other engineering project within a city or town planning area, the relevant construction entity or individual shall apply for a Construction Project Planning Permit from a competent urban and rural planning administrative department of the people's government at the municipal or county level or to the people's government of town as recognized by the people's government of a province, autonomous region or municipality directly under the Central Government. If a construction project is proceeded without obtaining the planning permit on construction project or by violating the provisions of the planning permit on construction project, the competent department of urban and rural planning of the local people's government at or above the county level shall order it to stop construction. If it is still possible for the construction entity or individual to take measures to eliminate the impact on the implementation of urban and rural planning, the department shall order it or him to correct within a certain time limit and impose a fine of not less than 5% but not more than 10% of the construction cost; if it is impossible to take measures to eliminate the impact, the department shall order the construction entity or individual to dismantle the building or structure within a certain time limit and confiscate the real objects or the illegal gain, and may also impose a fine not more than 10% the construction cost.

Construction Permit

Pursuant to the Construction Law of the People's Republic of China (《中華人民共和國建築法》) promulgated by the SCNPC on November 1, 1997, and last amended and implemented on April 23, 2019, prior to the commencement of a construction project, the construction entity shall apply for a construction permit from the competent administrative department of construction under the people's government at or above the county level in the project location, in accordance with relevant national regulations; except for small projects below the threshold value set by the competent construction administrative department under the State Council. Units in charge of construction should start to build the projects within three months since obtaining construction permits. If work cannot start on schedule, applications should be filed to the license issuing agencies for delay, which shall only be permitted twice in maximum for each case, each permission of delay covering a maximum period of three months. In cases of those projects that neither start on schedule nor apply for delay or exceed the period of permitted delay, the validity of the construction permit automatically expires.

Pursuant to the Regulations on Quality Management of Construction Projects (《建設工程質量管理條例》) implemented by the State Council on January 30, 2000, and last amended and implemented on April 23, 2019, where any construction project owner violates this Regulation due to carrying out the construction work in the event that it fails to obtain a construction license or that its construction commencement report has not been approved, it shall be ordered to stop the construction and to make corrections and pay a fine of not less than 1% but not more than 2% of the contractual project price.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

Pursuant to the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) (the "**Production Safety Law**") promulgated by the SCNPC on June 29, 2002, last amended on June 10, 2021 and implemented on September 1, 2021, entities engaged in production and business activities in Chinese Mainland shall comply with the Production Safety Law and other laws and regulations related to production safety. Entities shall strengthen the management, establish and improve responsibility systems and polices, improve conditions, promote the development of production safety standards, and improve the production level to ensure their production safety. The primary persons in charge of the production and operation entities are fully responsible for the production safety of their entities. Production and business operation entities shall meet the production safety conditions specified in the Production Safety Law, relevant laws, administrative regulations, and national standards or

industrial standards; those that do not meet the production safety conditions shall not engage in production and business activities. Production and business operation entities must provide employees with labor protection equipment that meets national standards or industrial standards, and supervise and educate employees to wear and use such equipment in accordance with the rules. Violation of the Production Safety Law may result in imposition of fines and penalties, suspension of operation, an order to cease operation, or even criminal liability in severe cases.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**") promulgated by the SCNPC on December 26, 1989, last amended on April 24, 2014 and implemented on January 1, 2015, enterprises, public institutions, and other producer and business operators shall prevent and reduce environmental pollution and ecological disruption, and assume liabilities for damage caused by them.

Pursuant to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on October 28, 2002, last amended and implemented on December 29, 2018, and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) last amended by the State Council on July 16, 2017 and implemented on October 1, 2017, the construction entities shall work out the report of environmental impacts, the report form of environmental impacts or the registration form of environmental impacts according to the following principles: (i) If the environmental impacts may be significant, it shall work out a report of environmental impacts so as to include an all-round appraisal of the environmental impacts; (ii) If the environment impacts may be gentle, it shall work out a report form of environmental impacts so as to include an analysis or special appraisal of the environmental impacts; (iii) If environment impacts may be very small so that it is not necessary to conduct an appraisal of the environmental impacts, it shall fill in a registration form of the environmental impacts. Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal part of the construction project. Such installations shall not be dismantled or left idle without authorization from the competent government agencies.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

Product Quality Responsibility

Pursuant to the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) (the "**Product Quality Law**") promulgated by the SCNPC on February 22, 1993, last amended and implemented on December 29, 2018, producers and sellers shall have their own proper regulations for the management of product quality, rigorously implementing post-oriented quality regulations, quality liabilities and relevant measures for their assessment. Producers shall be responsible for the quality of the products they produce and sell. Quality of products shall meet the following requirements: (i) the products shall be free from any unreasonable threats to personal safety or safety of property, and shall conform to national standards or trade standards for ensuring human health and personal or property safety if there are such standards; (ii) the products shall have the functions they are supposed to have, except where there are explanations about the functional defects; and (iii) the products shall meet the standards specified on the products or packages thereof and the quality condition specified by way of product instructions or samples. Where any producer or seller violates the above responsibilities and obligations, and cause losses or personal or property damages to consumers, it shall be liable for compensation. The competent authority may take administrative penalties against any illegal acts, such as ordering to suspend production, confiscating illegally produced or sold products, imposing a fine, confiscating illegal gains (if any), and revoking the business license in case of a serious violation. If a crime is constituted, it shall be investigated for criminal liabilities in accordance with the law.

Pursuant to the Civil Code promulgated by the NPC on May 28, 2020 and implemented on January 1, 2021, where any harm is caused to another person by a defective product, the victim may require compensation to be made by the producer of the product or the seller of the product. Where the defect of a product endangers the personal or property safety of another person, the victim shall be entitled to require the producer or seller to assume the tort liability by ceasing infringement, removing the obstruction, or eliminating the danger.

Consumer Protection

Pursuant to the Consumer Rights and Interests Protection Law of the People's Republic of China (《中華人民共和國消費者權益保護法》) (the "**Consumers Protection Law**") promulgated on October 31, 1993, last amended on October 25, 2013 and implemented on March 15, 2014, consumers shall have the right to demand that the commodities and services provided by operators meeting the requirements for personal and property safety. Business operators shall guarantee that their provided commodities or services meet the requirements on personal and property safety. For commodities and services which may endanger personal or property safety, business operators shall provide consumers with true explanations and clear warnings, explaining and indicating the correct methods of using commodities or receiving services and the methods for preventing damage. Where business operators fail to fulfill their obligations of safety protection of consumers, causing damage to consumers, they shall assume tort liability.

LAWS AND REGULATIONS RELATING TO IMPORTS AND EXPORTS

The principal laws and regulations governing import and export of goods in Chinese Mainland include the Administrative Regulations on Goods Import and Export of the People's Republic of China (《中華人民共和國貨物進出口管理條例》), the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》)(the "**Foreign Trade Law**"), the Customs Law of the People's Republic of China (《中華人民共和國海關法》)(the "**Customs Law**"), etc.

Pursuant to the Customs Law promulgated by the SCNPC on January 22, 1987 and last amended and implemented on April 29, 2021, and the Administrative Provisions of the Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the People's Republic of China (中華人民共和國海關總署) on November 19, 2021 and implemented on January 1, 2022, unless otherwise provided for, all import and export goods must be declared and duties on them paid by their sender or receiver or by representatives entrusted by the sender or receiver. To undergo customs declaration formalities, the consignee or consignor of imported or exported goods and the customs declaration enterprise shall complete filing formalities at the Customs in accordance with the law. Those who violate relevant laws and administrative regulations shall be punished in accordance with the relevant provisions, and if it is criminally punishable, the offender shall be held criminally liable in accordance with the law.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》)(the "**Patent Law**") promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020, and implemented on June 1, 2021, as well as the Implementation Regulations on the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) promulgated by the State Council on January 19, 1985, last amended on December 11, 2023 and implemented on January 20, 2024, there are three types of patents in China, namely invention patents, utility model patents, and design patents. The protection period of an invention patent is 20 years, that of a utility model patent is 10 years, and that of a design patent is 15 years (design patents with application date after June 1, 2021), all starting from their respective application dates.

Trademark

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) (the "**Trademark Law**") promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and implemented on November 1, 2019, and the Implementation Regulations of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, last amended on April 29, 2014 and implemented on May 1, 2014, registered trademarks are trademarks approved and registered by the Trademark Office, and the trademark registrant shall have the exclusive rights to use the registered trademark, which is protected by law. The validity period of a registered trademark is 10 years from the date of approval for registration.

Copyright

Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on 20 February 2002 and the Regulation on Computers Software Protection (《計算機軟件保護條例》) promulgated by the State Council on 20 December, 2001, last amended on 30 January 2013 and implemented on 1 March 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the Copyright Protection Center of China as the software registration organization. The Copyright Protection Center of China will grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) and the Regulation on Computers Software Protection (《計算機軟件保護條例》).

Internet Domain Names

Pursuant to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and implemented on November 1, 2017, the Ministry of Industry and Information Technology shall be responsible for managing internet domain names in Chinese Mainland. The principle of "first-to-file" is adopted for domain name services. The applicant of domain name registration shall provide the agency of domain name registration with the true, accurate and complete information relating to the domain name to be applied for, and sign the registration agreements as well. Upon the completion of the registration process, the applicant will become the holder of the relevant domain name.

LAWS AND REGULATIONS RELATING TO EMPLOYMENT, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Labor Contract

Pursuant to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》)(the "**Labor Law**") promulgated by the SCNPC on July 5, 1994, last amended and implemented on December 29, 2018, and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**") promulgated by the SCNPC on June 29, 2007, last amended on December 28, 2012 and implemented on July 1, 2013, as well as the Implementation Rules of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) promulgated and implemented by the State Council on September 18, 2008, employers shall execute written labor contracts with full-time employees. All employers shall comply with local minimum wage standards. Employers must establish and enhance a system for labor safety and sanitation, strictly abide by state rules and standards on labor safety and sanitation, provide laborers with training in labor safety and sanitation, prevent accidents in the process of work, and reduce occupational hazards.

Social Insurance and Housing Provident Funds

Pursuant to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, last amended and implemented on December 29, 2018, as well as the Provisional Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999, last amended and implemented on March 24, 2019, enterprises in Chinese Mainland shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Where the employer fails to pay social insurance premiums on time or in full, it shall be ordered by the social insurance premium collection agencies to pay or make up the premiums within the specified time limit, and shall be subject to a late payment fee of 0.05% of the outstanding amount from the due date calculated on a daily basis. Where the employer still fails to do so, relevant administrative department may impose a fine of more than one time but less than three times of the outstanding amount.

Pursuant to the Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法關於審理勞動爭議案件適用法律問題的解釋(二)》) promulgated on July 31, 2025 and implemented on September 1, 2025, if the employer and its employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law, the People's Court shall support such claims.

Pursuant to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, last amended and implemented on March 24, 2019, the employer shall go through the housing provident fund contribution registration with the housing provident fund management center, and apply for the establishment of housing provident fund accounts for its employees. The proportion of employee and employer's housing provident fund shall not be less than 5% of the employee's monthly average salary in the previous year. If an employer fails to pay or underpays the housing provident fund by the due date, the housing provident fund management center shall order it to pay within the time limit; if still failed within the time limit, it may apply to the people's court for enforcement.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) (the "**EIT Law**") promulgated by the NPC on March 16, 2007, last amended and implemented on December 29, 2018, as well as the Implementation Rules of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) (the "**Implementation Rules of EIT Law**") promulgated by the State Council on December 6, 2007, last amended on December 6, 2024 and implemented on January 20, 2025, all resident enterprises in Chinese Mainland are subject to a uniform enterprise income tax rate of 25%, including foreign-invested enterprises. However, high-tech enterprises to which the PRC need to give key support are given the reduced enterprise income tax rate of 15%.

Value-Added Tax

Pursuant to Value-added Tax Law of the People's Republic of China (《中華人民共和國增值税法》, (the "**VAT Law**"), promulgated by the SCNPC on December 25, 2024, and implemented on January 1, 2026, as well as the Implementation Regulations for the Value added Tax Law of the People's Republic of China (《中華人民共和國增值税法實施條例》) promulgated by the NPC on December 25, 2025, and implemented on January 1, 2026, entities and individuals that sell goods, services, intangible assets, or immovables, or import goods in Chinese Mainland are taxpayers of Value-added Tax (the "**VAT**"), and shall pay VAT according to law. Unless otherwise provided, the VAT rate is 13% for taxpayers that sell goods, provide processing, repair and replacement services, tangible movables leasing services or import goods; 9% for taxpayers that sell transport services, postal services, basic telecommunications, buildings, or real property leasing services, sell real property, transfer land use rights, or sell or import the goods listed in the VAT Law; unless otherwise provided, the VAT rate is 6% for taxpayers that sell services or intangible assets; 0% for Taxpayers that export goods or sell services or intangible assets across borders.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

Pursuant to the Administrative Regulations on Foreign Exchange of the People's Republic of China (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on January 29, 1996 and last amended and implemented on August 5, 2008, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange (the "**SAFE**"), by complying with certain procedural requirements. By contrast, approval from or registration with relevant governmental authorities or designated banks is required where RMB is to be converted into foreign currency and remitted outside of Chinese Mainland to pay capital account items such as the repayment of foreign currency-denominated loans, direct investment overseas and investments in securities or derivative products outside of Chinese Mainland. Foreign-invested enterprises are permitted to convert their after-tax profits into foreign exchange and to remit such foreign exchange out of their foreign exchange bank accounts in Chinese Mainland.

Pursuant to the Circular of People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Fund Administration for Domestic Enterprises of Overseas Listing (《中國人民銀行、國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) promulgated by the People's Bank of China (the "**PBOC**") and SAFE on December 24, 2025 and implemented on April 1, 2026, a domestic company shall, within 30 business days from the first trading date of its overseas listing or the completion of the over-allotment option, register the overseas listing with the local branch office of the PBOC in the province or the city with independent planning status where it is registered. The funds raised by the domestic company from overseas listing shall, in principle, be repatriated to the domestic territory in a timely manner. Where such funds are retained overseas to conduct overseas direct investment, overseas securities investment, overseas lending and other businesses, the domestic company shall obtain the approval or filing document from the competent authority prior to the date of completion of the overseas offering or the completion of the over-allotment option, and shall comply with the relevant provisions on cross-border fund administration.

LAWS AND REGULATIONS RELATING TO DATA, CYBER AND INFORMATION SECURITY

Pursuant to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 6, 2016, last amended on October 28, 2025 and implemented on January 1, 2026, network operators must comply with applicable laws and regulations and fulfill their obligations to safeguard cybersecurity in conducting business and providing services. For the construction and operation of the network or the provision of services through the network, technical and other necessary measures shall be taken as required by laws, regulations and the compulsory requirements of national standards to ensure the safe and stable operation of the network, respond to cybersecurity incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data.

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) (the "**Data Security Law**"), promulgated by the SCNPC on June 10, 2021 and implemented on September 1, 2021, stipulates the measures to support and promote data security and development, to establish and optimize the national data security management system, and to clarify organizations' and individuals' responsibilities in data security. The Data Security Law introduces a data classification and hierarchical protection system based on the materiality of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used.

The Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), promulgated by the SCNPC on August 20, 2021 and implemented on November 1, 2021, stipulates the scope of personal information and the ways of processing personal information, establishes rules for processing personal information and for providing personal information to overseas recipients, and clarifies the individual's rights and the processor's obligations in the process of personal information processing.

HISTORY AND CORPORATE STRUCTURE

OVERVIEW

The history of our Company can be traced back to August 5, 1997, when our Company was established as a joint stock limited company under the laws of the PRC by Mr. Nan Cunhui, our founder, executive Director, chairman of the Board and Controlling Shareholder, through CHINT Group. For details of the biography of Mr. Nan Cunhui, please see "Directors and Senior Management" in this document. Since 2010, our A Shares have been listed on the Main Board of the Shanghai Stock Exchange under the stock code 601877.

BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our key business development milestones.

Year	Event
1997	Our Company was established in Wenzhou, Zhejiang Province, the PRC, and commenced its research, development, manufacture and sale of low-voltage electrical products.
2010	Our A Shares were listed on the Main Board of the Shanghai Stock Exchange (stock code: 601877).
2017	We entered the new energy sector and have since continuously strengthened our capabilities and presence in the new energy business.
2020	We continued to enhance our global manufacturing and overseas operational capabilities, supported by the operations of Chint Global International PTE. Ltd. in Singapore and the further development of our CHINT Global business segment.
2023	Our cumulative residential photovoltaic installations exceeded one million households. In the same year, we further strengthened our photovoltaic inverter and energy storage system capabilities.
2025	We further advanced our global "1+5" marketing layout, covering China and five major overseas regional markets, namely West Asia, Africa, Europe, Latin America and North America, and continued to expand our presence across these markets.

OUR MAJOR SUBSIDIARIES

The following sets out the principal business activities, place of establishment and date of establishment of our subsidiaries that made a material contribution to our results of operations during the Track Record Period:

Name of subsidiary[1]	Place of establishment	Date of establishment	Principal business activities
Chint Power	PRC	October 28, 2002	Research and development, production and sales of energy storage system, inverter and metal products
Shanghai Noark Electrics	PRC	November 30, 2007	Manufacturing and sales of electrical equipment
Wenzhou Chint Electrics	PRC	February 4, 2010	Technology promotion and services
Chint Instrument & Meter	PRC	May 20, 1998	Manufacturing and sales of electrical measuring instruments and meters
Chint New Energy Development	PRC	October 16, 2009	Development and construction of photovoltaic power stations
Zhejiang Chint Solar	PRC	October 18, 2006	Development and construction of photovoltaic power stations
Chint Global PTE	Singapore	November 7, 2017	Sales and distribution of electrical products and wiring accessories, with ancillary investment holding activities
Chint Anneng	PRC	August 4, 2015	Development and construction of residential photovoltaic stations solutions
Zhejiang Shantai	PRC	July 19, 2022	Procurement platform of photovoltaic modules
Wenzhou Xiangtai	PRC	April 23, 2018	Procurement platform of photovoltaic modules
Zhejiang Chaotai	PRC	December 22, 2020	Operation and maintenance services for residential photovoltaic projects
Zhejiang Taizhou	PRC	January 24, 2022	Investment of photovoltaic power station
Wenzhou Taiji Suwei	PRC	November 12, 2020	Development of distributed photovoltaic projects and EPC services
Wenzhou Taiji New Energy	PRC	November 11, 2020	Investment of photovoltaic power station
Xinqi Energy Equipment	PRC	April 30, 2025	Development of distributed photovoltaic projects and EPC services

Note:

(1) For information of the Major Subsidiaries' equity interest attributable to our Group, please see "–Corporate Structure."

Please see "–Corporate Structure" in this section for details of our other subsidiaries. For changes in the registered capital of our Major Subsidiaries, see "Appendix VI–Statutory and General Information–Further Information about Our Group–Changes in the Share Capital of Our Major Subsidiaries" in this document.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

1. Establishment and Early Development

On August 5, 1997, our Company was established as a joint stock company with limited liability in the PRC, with an initial registered capital of RMB30,000,000 divided into 30,000,000 Shares. Upon its establishment, our Company was held as to approximately (i) 73.01% by CHINT Group, one of our Controlling Shareholders, which was then held as to 37.70% by Mr. Nan Cunhui, our founder, executive Director, chairman of the Board and Controlling Shareholder, (ii) 1.50% by Mr. Chen Guoliang (陳國良), our executive Director, and (iii) 25.49% by 24 other individual shareholders, each of whom was then an Independent Third Party holding no more than 10% of the total equity interest of our Company.

Between 1997 and 2010, through several rounds of capital increases and transfers, our registered capital increased from RMB30,000,000 divided into 30,000,000 Shares to RMB900,000,000 divided into 900,000,000 Shares.

2. Listing on the Shanghai Stock Exchange

In order to implement our Company's development strategies, obtain direct access to the mature capital market, enhance our marketing capabilities and optimize our capital structure, on February 26, 2008, our then Shareholders resolved to apply for the listing of and permission to deal in the shares of our Company on the Shanghai Stock Exchange. On January 21, 2010, our A Shares were listed on the Shanghai Stock Exchange under the stock code 601877. In connection with our A Share listing, we issued an aggregate of 105,000,000 A Shares, accounting for approximately 10.45% of our then enlarged share capital, raising net proceeds of approximately RMB2,452.74 million. The shareholding structure of our Company immediately following the completion of our A Share listing was as follows:

Shareholder	Number of Shares	Percentage of shareholding
Mr. Nan Cunhui	57,319,436	5.70%
CHINT Group	657,000,000	65.37%
Subtotal	**714,319,436**	**71.07%**
Other Shareholders[(1)]	290,680,564	28.93%
Total	**1,005,000,000**	**100.00%**

Note:

(1) Other Shareholders represent Shareholders holding no more than 5% of our issued share capital upon the listing of our A Shares.

3. Share Capital Changes Subsequent to Our A Share Listing

From 2015 to 2023, there were several instances of share capital changes of our Company as a result of conversions of capital reserve, private placements and issuance and cancellation of A Shares pursuant to certain historical share incentive schemes. As of the Latest Practicable Date, the registered capital of our Company was RMB2,148,968,976, divided into 2,148,968,976 A Shares.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

OUR A SHARE LISTING HISTORY AND REASONS FOR THE H SHARE [REDACTED]

In January 2010, our A Shares were listed on the main board of the Shanghai Stock Exchange under the stock code of 601877. Our Directors confirmed that, to the best knowledge of our Directors having made all reasonable enquiries, we had no instances of non-compliance with the rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations in any material respects, and there was no material matter that should be brought to the **[REDACTED]**' attention in relation to our compliance record on the Shanghai Stock Exchange during the Track Record Period and up to the Latest Practicable Date. Our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had complied with all laws and regulations, in all material respects, applicable to A-share listing. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Advisor's view, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with our Directors' confirmation with regard to the compliance record of our Company on the Shanghai Stock Exchange in all material respects.

We seek to **[REDACTED]** on the Stock Exchange to raise additional capital for business growth and expansion, diversify our fundraising channels, reinforce our industry standing, enhance global brand awareness and competitiveness and optimize our capital structure and shareholder composition to support sustainable development and governance. See "Business–Growth Strategies" and "Future Plans and Use of **[REDACTED]**" in this document for more details.

PUBLIC FLOAT

Rule 19A.13A(2) of the Listing Rules requires that there must be an open market in the securities for which listing is sought. Where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must: (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

It is expected that upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised and excluding the treasury Shares), based on an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the low end of the indicative **[REDACTED]**, the market value of the H Shares that are held by the public is approximately HK$**[REDACTED]** million, which is higher than the prescribed market value of the H Shares required to be held by the public of HK$**[REDACTED]** under Rule **[REDACTED]** of the Listing Rules, thereby satisfying Rule 19A.13A of the Listing Rules.

FREE FLOAT

Under Rule 19A.13C(2) of the Listing Rules, a PRC issuer with other listed shares at the time of listing must ensure that the portion of H shares for which listing is sought that are held by the public and that are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of listing (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000, or (b) have an expected market capitalization of not less than HK$600,000,000.

On the basis that no H Shares will be **[REDACTED]** under the **[REDACTED]** to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, assuming the **[REDACTED]** is not exercised and based on the **[REDACTED]** of HK$**[REDACTED]**, being the low-end of the indicative **[REDACTED]**, upon completion of the **[REDACTED]**, it is expected that **[REDACTED]** H Shares, representing **[REDACTED]**% of the total number of our **[REDACTED]** Shares with **[REDACTED]** of approximately HK$**[REDACTED]**, will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the **[REDACTED]**, which will satisfy the free float requirement under Rule **[REDACTED]** of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company immediately upon completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised):

	Immediately upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised)			
Shareholder	**Number of A Shares**	**Percentage of Shareholding in A Shares**	**Aggregate Number of Shares**	**Aggregate Shareholding Percentage**
CHINT Group	884,950,971	41.18%	884,950,971	**[REDACTED]**
New Energy Investment	180,311,496	8.39%	180,311,496	**[REDACTED]**
Mr. Nan Cunhui	74,228,331	3.45%	74,228,331	**[REDACTED]**
Other A Shareholders[(1)]	1,009,478,178[(2)]	46.98%	1,009,478,178[(2)]	**[REDACTED]**
H Shareholders	–	–	**[REDACTED]**	**[REDACTED]**
Total	**2,148,968,976**	**100%**	**[REDACTED]**	**100%**

Note:

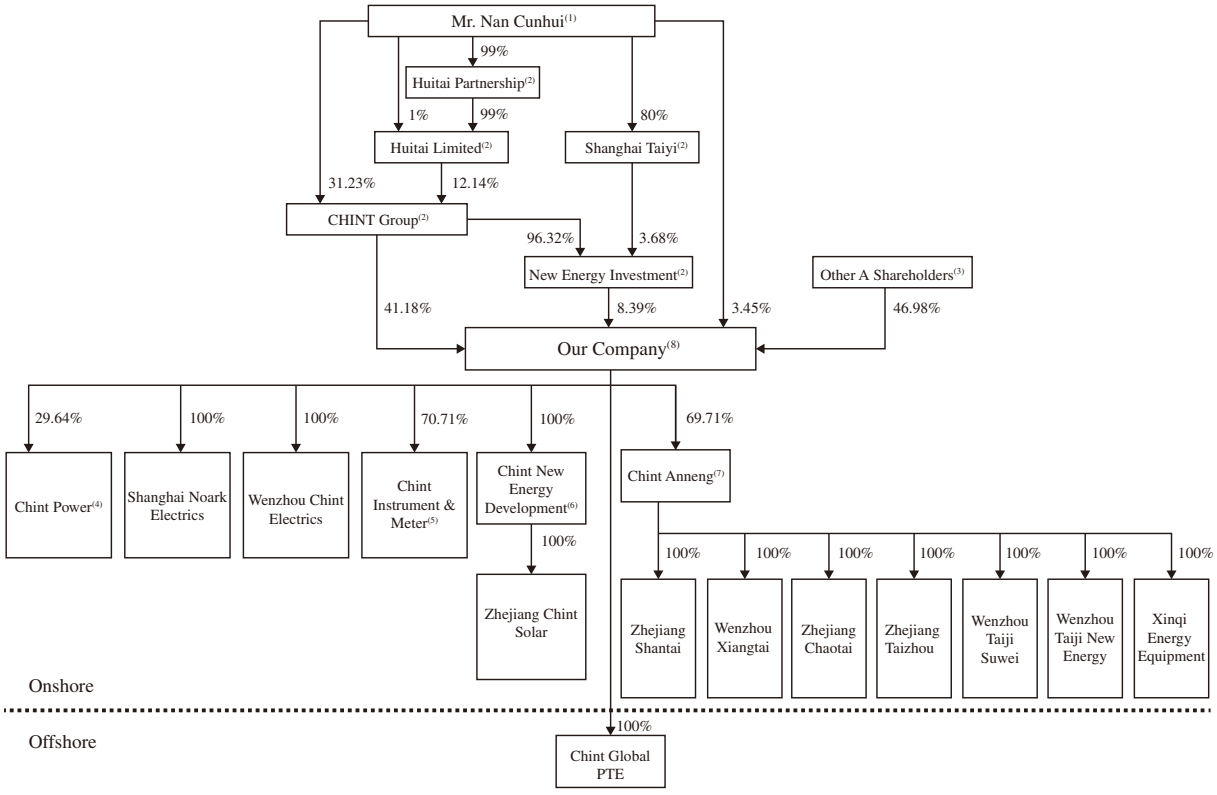
(1) As of the Latest Practicable Date, our Company was owned as to approximately 0.02% by each of Mr. Nan Er (南爾) (our executive Director), Ms. Nan Xiaoou (南笑鷗) and Mr. Nan Jinxia (南金俠) (all being children of Mr. Nan Cunhui and over the age of 18). None of other A Shareholders held more than 5% interests in our Company as of the Latest Practicable Date.

(2) Including 20,839,551 A Shares repurchased and held in our Company's stock repurchase account as of the Latest Practicable Date.

CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately before the **[REDACTED]**.



Notes:

(1) Nan Cunhui is an executive Director, the chairman of the Board, and our Controlling Shareholder. For further details, see "Directors and Senior Management–Directors" in this document.

(2) As of the Latest Practicable Date, (i) New Energy Investment was owned as to approximately 96.32% by CHINT Group and 3.68% by Shanghai Taiyi; (ii) CHINT Group was owned as to approximately 31.23% by Nan Cunhui (our executive Director), 12.14% by Huitai Limited, 9.13% by Zhu Xinmin (朱信敏) (our non-executive Director), 6.09% by Wu Bingchi (吳炳池) (the brother-in-law of Nan Cunhui), 3.04% by Huang Lizhong (黃李忠) (the uncle of Zhu Xinmin), 2.15% by Zhu Xinyang (朱信陽) (the brother of Zhu Xinmin), 0.78% by Chen Guoliang (our executive Director), 0.38% by Xu Zhiwu (徐志武) (the supervisor of Chint New Energy Development), 0.30% by Zhou Binghui (周炳輝) (the brother-in-law of Chen Guoliang), 0.19% by Zhu Xinshan (朱信善) (the brother of Zhu Xinmin), 0.14% by Huang Aie (黃愛娥) (the aunt of Zhu Xinmin), 0.13% by Zheng Leying (鄭樂英) (the aunt of Zhu Xinmin), 0.08% by Zhu Xiaoqiu (朱筱秋) (the mother of Xu Zhiwu), 0.08% by Pan Xinglian (潘性蓮) (the mother of Zhang Zhihuan (張智寰), our former director), 0.03% by Huang Liping (黃利平) (the cousin of Nan Cunhui), 0.02% by Zhu Hong (朱虹) (the cousin of Zhu Xinmin), and 34.08% by 113 other individual shareholders, each of whom held no more than 10% of the issued share capital thereof and was an Independent Third Party; (iii) Huitai Limited was owned as to 1% by Nan Cunhui and 99% by Huitai Partnership, which was owned as to 99% by Nan Cunhui as its sole general partner and 1% by Chen Jingcheng (陳景城), an Independent Third Party; (iv) Shanghai Taiyi was owned as to 80% by Nan Cunhui and 20% by Wang Yongcai (王永才), an Independent Third Party. Each of New Energy Investment, CHINT Group, Huitai Limited, Shanghai Taiyi, Huitai Partnership is a member of our Controlling Shareholders Group. For further details, see "Relationship with Our Controlling Shareholders Group" in this document.

(3) As of the Latest Practicable Date, our Company was owned as to approximately 0.02% by each of Nan Er (南爾) (our executive Director), Nan Xiaoou (南笑鷗) and Nan Jinxia (南金俠) (all being children of Nan Cunhui and over the age of 18). None of other A Shareholders held more than 5% interests in our Company as of the Latest Practicable Date.

(4) As of the Latest Practicable Date, Chint Power, a company listed on the Shenzhen Stock Exchange (stock code: 002150), was owned as to approximately (i) 29.64% collectively by our Company and Wenzhou Zhuotai Enterprise Management Partnership (Limited Partnership) (溫州卓泰企業管理合夥企業(有限合夥) ("**Wenzhou Zhuotai**"), being parties acting in concert in respect of Chint Power; (ii) 12.98% by Changshu Jack Factory (常熟市千斤頂廠), a PRC joint stock cooperative enterprise ultimately controlled by Gu Xiongbin (顧雄斌), an Independent Third Party; (iii) 0.05% by Lu Chuan (陸川) (our non-executive Director); and (iv) 57.33% by its other A shareholders, each of which held no more than 10% of the total issued shares of Chint Power, and to the best knowledge of our Company, was an Independent Third Party. Wenzhou Zhuotai was held as to approximately (i) 0.13% by Ma Jiajun (馬佳軍) as its sole general partner, an Independent Third Party, (ii) 40% by Shanghai Zhizhe Management Consulting Center (Limited Partnership) (上海摯者管理諮詢中心(有限合夥)), which was owned as to approximately 1.54% by Ma Jiajun as its sole general partner, 23.08% by Lu Chuan (our non-executive Director), 14.43% by Nan Er (南爾) (our executive Director), 8.98% by Lin Yiming (林貽明) (our executive Director), and approximately 51.97% by 43 other individual partners, each of whom held no more than 10% of the limited partnership interests therein and was an Independent Third Party, (iii) 25.43% by Zhu Xinmin (our non-executive Director), (iv) 16.95% by Wu Bingchi (the brother-in-law of Nan Cunhui), (v)12.50% by Shanghai Chuofeng Management Consulting Center (Limited Partnership) (上海綽峰管理諮詢中心(有限合夥)) (an Independent Third Party), (vi) 3.13% by Zhang Zhihuan (our former director), and (vii) 1.88% by Pan Jie (潘潔) (our senior management).

(5) As of the Latest Practicable Date, Chint Instrument & Meter was owned as to approximately 70.71% by our Company. The remaining 29.29% equity interests were owned as to approximately (i) 7.94% by Yueqing Zhenghong Enterprise Management Consulting Center (Limited Partnership) (樂清正宏企業管理諮詢中心(有限合夥)), 5.02% by Yueqing Zhengxi Enterprise Management Consulting Center (Limited Partnership) (樂清正熹企業管理諮詢中心(有限合夥)) and 4.70% by Yueqing Taimiao Enterprise Management Partnership (Limited Partnership) (樂清泰淼企業管理合夥企業(有限合夥)), each of which was held as to approximately 13.43%, 10.15% and 3.26%, respectively, by Zhejiang Chint Investment Co., Ltd. (浙江正泰投資有限公司), a wholly-owned subsidiary of our Company, as the sole general partner (ii) 1.24% by Shi Yining (施貽寧), the cousin of Nan Cunhui, and (iii) 10.38% by 19 other individual shareholders, each of whom held no more than 3% of the equity interests thereof and was an Independent Third Party.

(6) As of the Latest Practicable Date, Chint New Energy Development was owned as to approximately (i) 98.40% by our Company, and (ii) 1.60% by Hangzhou Taiku Investment Co., Ltd. (杭州泰庫投資有限公司), a wholly-owned subsidiary of our Company.

(7) As of the Latest Practicable Date, Chint Anneng was owned as to

(i) 65.70% by our Company, 2.34% and 1.67% by our consolidated entities Yueqing Juetai Enterprise Management Partnership (Limited Partnership) (樂清覺泰企業管理合夥企業(有限合夥)) and Yueqing Taihe Enterprise Management Partnership (Limited Partnership) (樂清泰禾企業管理合夥企業(有限合夥)), respectively;

(ii) 3.11% by Yueqing Tianyue Enterprise Management Partnership (Limited Partnership) (樂清天躍企業管理合夥企業(有限合夥)), a shareholding platform which was owned as to approximately 2.67% by Chen Shengjin (陳聖金) (an Independent Third Party) as the general partner, 48.80% by Lu Chuan (陸川) (our non-executive Director), 13.2% by Lu Kai (盧凱), 4.80% by Zhu Jianbo (朱建波), 3.07% by Liu Shengbin (劉聖賓), each being a director of Chint Anneng, and 27.47% by other limited partners, each of whom held no more than 4% partnership interests and was an Independent Third Party;

(iii) 2.37% by Yueqing Anye Enterprise Management Partnership (Limited Partnership) (樂清安業企業管理合夥企業(有限合夥)), a shareholding platform which was owned as to approximately 1.73% by Qiu Youzi (裘幼梓) (an Independent Third Party) as the general partner, 62.28% by Wu Bingchi (the brother-in-law of Nan Cunhui), 15.57% by Zhang Zhihuan (our former director), and 20.42% by other limited partners, each of whom held no more than 16% partnership interests and was an Independent Third Party;

(iv) 1.79% by Yueqing Taizhou Enterprise Management Partnership (Limited Partnership) (樂清泰舟企業管理合夥企業(有限合夥)), a shareholding platform which was owned as to approximately 2.29% by Zhuang Junqiao (莊俊俏) (an Independent Third Party) as the general partner, 82.38% by Nan Cunhui (our executive Director), 2.29% by Jin Jianbo (金建波) (the general manager and a director of Chint New Energy Development) and 13.04% by other limited partners, each of whom held no more than 3% partnership interests and was an Independent Third Party;

(v) 0.44% by Zhejiang Silk Road Industry Investment Fund Partnership (Limited Partnership) (浙江絲路產業投資基金合夥企業), which was owned as to approximately 0.50% by Zhejiang Silk Road Fund Management Co., Ltd. (浙江絲路產業基金有限公司) as the general partner. Zhejiang Silk Road Fund Management Co., Ltd. was held as to 70% by Zhejiang Private Enterprise Joint Investment Co., Ltd. (浙江民營企業聯合投資股份有限公司), a close associate of CHINT Group;

(vi) 1.62% by Suzhou Jizi Changcheng Venture Capital Partnership (Limited Partnership) (蘇州季子常成創業投資合夥企業(有限合夥)), in which our Company held 98.26% partnership interests as a limited partner. Suzhou Jizi Changcheng Venture Capital Partnership (Limited Partnership) is a private equity fund in a form of limited partnership managed by its general partner, Shanghai Jizi Investment Management Co., Ltd. (上海季子投資管理有限公司), which was ultimately controlled by Mr. Zhang Zhihua (張志華), an Independent Third Party; and

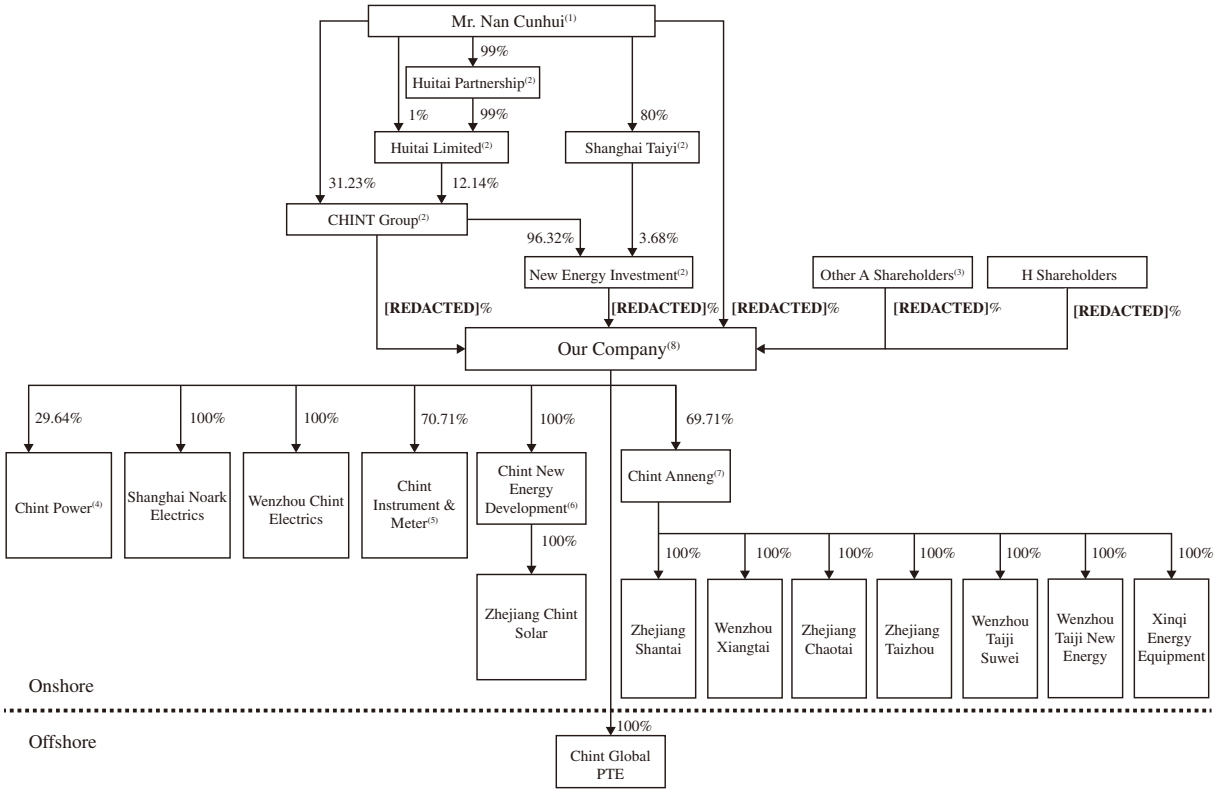
(vii) 20.96% by 21 other shareholders, each of whom held no more than 5% of the equity interests in Chint Anneng and was an Independent Third Party.

In June 2023, the Board and Shareholders of our Company approved the spin-off and separate listing of Chint Anneng on the main board of the Shanghai Stock Exchange, which was accepted by the Shanghai Stock Exchange on September 6, 2023 (the "**Anneng Spin-off Listing Attempt**"). After careful consideration of, among other things, the overall business development of Chint Anneng, the strategic arrangement of our Group and prevailing market conditions, Chint Anneng voluntarily withdrew such listing application on September 1, 2025 with such application being duly terminated. Relevant matters have been disclosed in the announcements of our Company published on the Shanghai Stock Exchange in accordance with applicable PRC laws and regulations. To the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the **[REDACTED]**' attention in relation to the Anneng Spin-off Listing Attempt.

(8) As of the Latest Practicable Date, our other subsidiaries include approximately 3,000 subsidiaries established in various jurisdictions. Similar to many large-scale, multinational conglomerates, our multi-layered and complicated corporate structure is commensurate with the fact that our business network spanning across a large number of cities in the PRC and a large number of cities in overseas countries, and our services offering comprising diversified products and solutions including electrical products and photovoltaic and energy storage systems across the various segments of our Group. We operate across multiple regions in the PRC and overseas and have developed through long-term organic growth and strategic acquisitions, which enables us to operate through specialized entities to enhance operational efficiency, facilitate regulatory compliance and support business expansion.

Corporate Structure Immediately After the [REDACTED]

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately after the completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised.



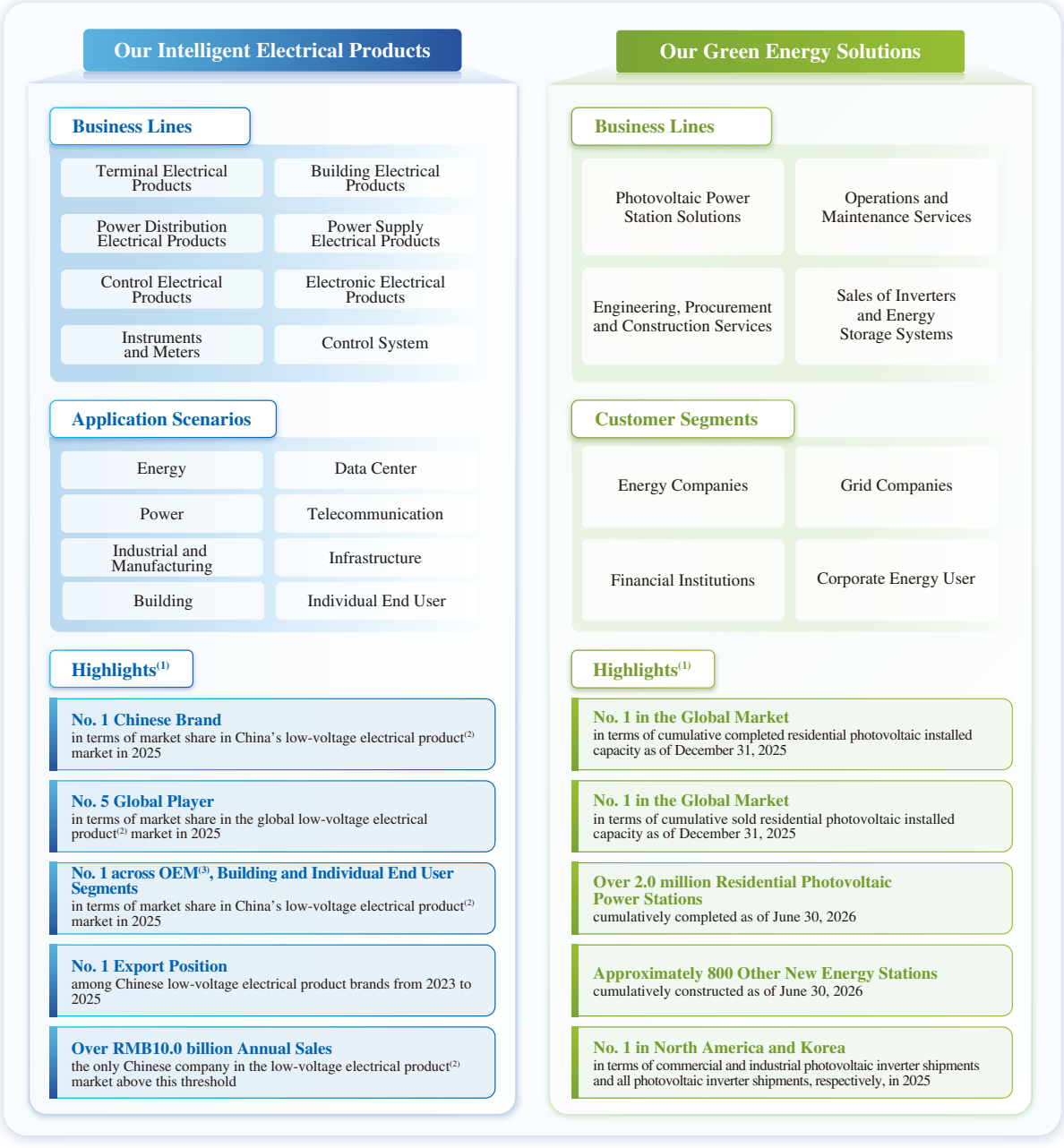
Notes:

(1) and (8) see "–Corporate Structure–Corporate Structure Immediately Before the **[REDACTED]**" in this section.

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

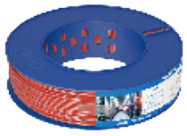
The following table sets forth the details of our major instruments and meters during the Track Record Period.

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.

You should read the following discussion and analysis in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I and the Condensed Consolidated Financial Statements in Appendix IA to this document, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards. You should read the entire Accountants' Report and Condensed Consolidated Financial Statements and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider all of the information provided in this document.

OVERVIEW

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.

During the six months ended June 30, 2026, we acquired 100% equity interests in Fengyang Chint Photovoltaic Power Co., Ltd., Yueqing Chint Photovoltaic Power Co., Ltd., Yiwu Chint Photovoltaic Power Co., Ltd. and Fuyang (Hangzhou) Chint Photovoltaic Power Co., Ltd. for cash considerations of RMB19.1 million, RMB24.8 million, RMB36.3 million and RMB23.7 million, respectively. As the acquired companies and our Group were under the common control of Mr. Nan Cunhui both before and after the acquisitions, the acquisitions were accounted for using merger accounting.

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.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations are affected by a range of factors that influence the industries in which we operate, including, among others, macroeconomic conditions in China and globally, industry development and competitive dynamics, and changes in the regulatory environment and applicable policies. In addition to these general factors, we believe that our results of operations are more directly affected by the following specific factors:

Scale and Diversification of Our Intelligent Electrical Product Business

Our results of operations are affected by the scale and diversification of our intelligent electrical product business, as different product categories and customer/channel segments generally have different pricing dynamics, cost structures, operating leverage, cash conversion profiles and gross margins. Our intelligent electrical products include terminal electrical products, power distribution electrical products,

control electrical products, instruments and meters, building electrical products and other products. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our revenue generated from intelligent electrical products was RMB20,138.5 million, RMB20,921.8 million, RMB21,918.7 million, RMB11,725.0 million and RMB12,146.8 million, respectively, representing 35.2%, 32.4%, 37.0%, 39.6% and 31.9% of our total revenue, respectively, and our gross profit margin for intelligent electrical products was 28.0%, 30.0%, 28.6%, 30.0% and 28.3% in the same periods, respectively.

Given the breadth of our intelligent electrical product portfolio and the diversity of downstream application scenarios and customer groups it serves, we believe this business generally exhibits a relatively stable margin profile. However, our gross profit and gross profit margin for intelligent electrical products remain sensitive to changes in product and channel mix. For example, a higher proportion of sales from comparatively higher-margin product categories within intelligent electrical products may increase our gross profit margin, whereas a shift toward lower-margin products may have the opposite effect. In addition, the gross profit margin of our intelligent electrical products may be affected by factors such as changes in sales channel mix (including the relative contribution of sales through distributors versus direct sales), changes in customer mix (including sales to new versus existing customers and differences in pricing and service requirements among customer types), competitive pricing dynamics and promotional arrangements, as well as changes in raw material costs and other cost drivers.

The Scale, Delivery Timing and Operational Performance of Residential PV Stations Under Our Green Energy Solution Business

A substantial portion of our green energy solutions is driven by our residential PV station platform model, and our results of operations are materially affected by our ability to develop, deliver and monetize residential PV station assets efficiently. Accordingly, our revenue generated from our green energy solution business is affected by the pace of project development and construction, the timing of delivery and transfer, customer acceptance, grid connection, and completion of the equity transfer and related registration procedures.

In addition, our operations and maintenance services are in part linked to the operational performance of residential PV assets. Revenue from this business is primarily derived from (1) our share of electricity revenue from residential PV stations under cooperative co-build arrangements and (2) maintenance service fees for customer-owned residential PV stations. Under the cooperative co-build model, we invest in and hold the relevant residential PV stations, the grid company purchases the on-grid electricity generated by the stations, and we share the operating proceeds with the homeowners. Accordingly, our results of operations are influenced by the scale and performance of our cooperative co-build projects, on-grid electricity generation, tariff realization and the continuing demand for maintenance services for customer-owned PV stations.

Our Ability to Manage Supply Chain, Raw Material Costs and Production Efficiency

Our profitability depends in part on our ability to manage cost of sales effectively. During the Track Record Period, our cost of sales was RMB44,873.0 million, RMB49,600.4 million, RMB43,858.6 million, RMB21,296.6 million and RMB29,090.2 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 78.4%, 76.9%, 74.1%, 71.9% and 76.4% of our revenue in the same periods. Our cost of sales consists primarily of raw materials and consumables used as well as installation and development costs. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, raw materials and consumables used represented 67.4%, 59.6%, 54.6%, 55.8% and 54.5% of our total cost of sales, respectively, while installation and development costs represented 17.5%, 23.3%, 23.8%, 24.0% and 29.4%, respectively. Our results of operations are therefore sensitive to fluctuations in raw material prices, supply chain stability, operation-related costs and utilization of assets and facilities, among others.

Our manufacturing and production efficiency also affect our results of operations. 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, while our other green energy solution businesses are focused principally on project development, system integration and service delivery. 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. Capacity utilization for key product categories remained high during the Track Record Period. Our ability to optimize production scheduling, maintain stable utilization rates, improve process efficiency and manage inventories and quality affects both our cost structure and our ability to respond to market demand.

Our Investment in Research and Development and Our Ability to Commercialize Technology Advances

Our growth and competitiveness depend materially on our research and development capabilities and our ability to convert research and development investments into commercially viable products and solutions. 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. Our research and development efforts support both our intelligent electrical products and our green energy solutions, including new product development, product upgrades, intelligent and digitalized features, energy management and other application-oriented capabilities, among others. Employee benefit expenses constituted the largest component of our research and development expenses during the Track Record Period, accounting for 61.8%, 66.4%, 68.5%, 69.3% and 73.9% of our total research and development expenses in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. More broadly, our ability to attract, retain and incentivize qualified technical and engineering personnel, while managing personnel-related costs effectively, affects both our cost structure and our long-term competitiveness.

Our Ability to Expand Overseas

Our overseas operations and the contribution of overseas revenue are becoming increasingly important to our results of operations. Revenue from overseas markets increased from RMB8,267.5 million in 2023 to RMB10,047.9 million in 2024 and remained broadly stable at RMB9,950.8 million in 2025, and increased from RMB3,986.7 million in the six months ended June 30, 2025 to RMB4,748.5 million in the six months ended June 30, 2026. Our overseas expansion is supported by the experience we have accumulated in China in operating a broad product portfolio and building deep market networks, as well as our continued internationalization and localization efforts. 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. We have also established a localized supply system through overseas production bases in Southeast Asia, West Asia and Africa, supported by over 20 overseas logistics centers as of June 30, 2026. 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. Our inverters and energy storage systems have also established leading positions in major markets including the United States, Korea and Europe.

Accordingly, our results of operations are increasingly affected by our ability to execute our internationalization and localization strategy effectively, including our ability to expand and manage overseas sales channels, strengthen localized production, research and development, logistics and service capabilities, tailor products and solutions to local certification requirements, grid standards, operating environments and customer preferences, and build stable regional supply chains through cooperation with local suppliers and service providers.

BASIS OF PREPARATION

The historical financial information of our Group has been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRS Accounting Standards**") issued by the International Accounting Standards Board. The historical financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at fair value through profit or loss ("**FVTPL**") and financial assets measured at fair value through other comprehensive income ("**FVTOCI**"). New standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by our Group consistently throughout the periods presented, unless prohibited by the relevant standard to apply retrospectively. Standards and amendments that have been issued but are not yet effective and have not been early adopted by our Group during the Track Record Period are disclosed in Note 3 to the Accountants' Report in Appendix I and Note 3 to the Condensed Consolidated Financial Statements in Appendix IA to this document.

The preparation of the historical financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions. It also requires our management to exercise judgment in the process of applying our Group's accounting policies. The historical financial information has been prepared under the historical cost basis except that certain financial assets and liabilities are measured at fair value. Judgments made by our management in the application of IFRS Accounting Standards that have significant effect on the historical financial information and assumptions and estimates are discussed in Note 5 to the Accountants' Report in Appendix I to this document.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management's estimates or assumptions and actual results, and we had not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. For details of our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, see Notes 4 and 5 to the Accountants' Report in Appendix I to this document.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Revenue	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
Cost of sales	(44,872,958)	(78.4)	(49,600,402)	(76.9)	(43,858,575)	(74.1)	(21,296,623)	(71.9)	(29,090,231)	(76.4)
Gross profit	**12,377,856**	**21.6**	**14,924,000**	**23.1**	**15,307,929**	**25.9**	**8,334,117**	**28.1**	**8,973,958**	**23.6**
Other income, other gains and losses	915,101	1.6	686,795	1.1	1,107,779	1.9	531,316	1.8	676,119	1.8
Other expenses	(96,849)	(0.2)	(83,626)	(0.1)	(94,381)	(0.1)	(30,764)	(0.1)	(40,116)	(0.1)
Administrative expenses	(2,139,958)	(3.7)	(2,810,193)	(4.4)	(2,945,723)	(5.1)	(1,580,604)	(5.3)	(1,294,831)	(3.5)
Selling and marketing expenses	(2,241,379)	(3.8)	(2,643,678)	(4.1)	(2,572,342)	(4.3)	(1,230,111)	(4.2)	(1,194,011)	(3.1)
Research and development expenses	(1,179,215)	(2.1)	(1,267,307)	(1.9)	(1,325,959)	(2.2)	(617,271)	(2.1)	(619,102)	(1.6)
Impairment losses (including reversals of impairment losses) on financial assets and other items	(150,349)	(0.3)	(579,686)	(0.9)	(89,834)	(0.2)	(221,704)	(0.7)	(145,906)	(0.4)
Finance costs	(1,411,171)	(2.5)	(1,789,498)	(2.8)	(2,003,043)	(3.4)	(1,040,597)	(3.5)	(1,187,504)	(3.1)
Share of results of associates and joint ventures	419,725	0.7	331,591	0.5	238,654	0.4	126,006	0.4	69,463	0.2
Profit before tax	**6,493,761**	**11.3**	**6,768,398**	**10.5**	**7,623,080**	**12.9**	**4,270,388**	**14.4**	**5,238,070**	**13.8**
Income tax expense	(1,544,913)	(2.7)	(1,557,070)	(2.4)	(1,485,447)	(2.5)	(830,260)	(2.8)	(1,163,675)	(3.1)
Profit for the year/period	**4,948,848**	**8.6**	**5,211,328**	**8.1**	**6,137,633**	**10.4**	**3,440,128**	**11.6**	**4,074,395**	**10.7**

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Our intelligent electrical product business is primarily product-based, with a broad distributor network and relatively stable demand across diversified end markets. Our green energy solution business includes project-based revenue streams, asset development and transfer activities, and recurring operations and maintenance and power generation-related revenue. 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	43.2	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	3.6	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.

In addition to Chinese Mainland, which was our primary revenue-generating market during the Track Record Period, we also generated revenue from other countries and regions, including (1) European markets, which primarily included the Netherlands, Turkey and Hungary, (2) Americas, which primarily included the United States, Mexico and Brazil, and (3) Asia-Pacific markets, which primarily included Korea, Australia and Japan. The following table presents our revenue by geographic market for the periods indicated, based on the location of PV station projects and the location of the customer for all other revenue.

	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)			
Chinese Mainland	**48,983,290**	**85.6**	**54,476,535**	**84.4**	**49,215,709**	**83.2**	**25,644,042**	**86.5**	**33,315,682**	**87.5**
Overseas	**8,267,524**	**14.4**	**10,047,867**	**15.6**	**9,950,795**	**16.8**	**3,986,598**	**13.5**	**4,748,507**	**12.5**
– Europe	2,888,711	5.1	4,212,440	6.5	2,950,568	5.0	1,223,777	4.1	1,771,302	4.7
– the Americas	2,067,015	3.6	2,804,656	4.3	3,224,865	5.5	1,472,192	5.0	1,464,690	3.8
– Asia-Pacific	1,918,444	3.4	1,808,341	2.8	2,223,859	3.7	595,228	2.0	867,749	2.3
– Others[1]	1,393,354	2.4	1,222,430	1.9	1,551,503	2.6	695,501	2.4	644,766	1.7
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 sales in Saudi Arabia and Egypt, as well as sales of products tailored to non-PRC standards to overseas distributors.

Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature 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)			
Raw materials and consumables used	30,250,842	67.4	29,543,966	59.6	23,925,146	54.6	11,889,186	55.8	15,860,937	54.5
Installation and development costs[1]	7,847,289	17.5	11,534,495	23.3	10,446,536	23.8	5,106,512	24.0	8,537,005	29.4
Employee benefit expenses	1,812,922	4.0	1,926,529	3.9	1,759,709	4.0	981,234	4.6	864,491	3.0
Depreciation and amortization	2,623,146	5.8	3,429,865	6.9	4,414,409	10.0	2,003,402	9.4	2,423,049	8.3
Operation and maintenance costs	443,220	1.0	746,297	1.5	959,733	2.2	461,703	2.2	398,954	1.4
Impairment losses on inventories	158,545	0.4	250,756	0.5	90,743	0.2	(7,418)	0	(2,967)	0
Shipping and handling costs	305,104	0.7	342,920	0.7	375,131	0.9	168,706	0.8	171,896	0.6
Others[2]	1,431,890	3.2	1,825,574	3.6	1,887,168	4.3	693,298	3.2	836,866	2.8
Total cost of sales	**44,872,958**	**100.0**	**49,600,402**	**100.0**	**43,858,575**	**100.0**	**21,296,623**	**100.0**	**29,090,231**	**100.0**

(1) Primarily represent fees paid to service suppliers for the construction and installation of residential PV systems, as well as subcontracting charges incurred in connection with our EPC services.

(2) Primarily represent utility expenses, repair expenses and costs of purchased electricity for resale.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Intelligent electrical products	**5,642,742**	**28.0**	**6,274,808**	**30.0**	**6,272,150**	**28.6**	**3,519,356**	**30.0**	**3,434,283**	**28.3**
– Terminal electrical products	1,630,703	26.8	2,229,193	32.5	2,264,434	31.3	1,300,210	33.7	1,409,059	33.6
– Power distribution electrical products	1,654,346	28.2	1,778,110	31.0	1,794,940	30.3	999,845	30.1	973,274	31.1
– Control electrical products	914,126	26.5	808,468	22.8	706,467	18.6	426,723	21.0	325,697	14.3
– Instruments and meters	809,769	42.2	826,408	41.8	867,185	42.2	452,086	42.4	408,891	39.5
– Building electrical products	275,544	18.8	300,682	18.9	298,733	17.2	172,887	19.4	156,668	17.3
– Others	358,254	26.6	331,947	27.2	340,391	29.1	167,605	30.1	160,694	26.3
Green energy solutions	**6,688,640**	**18.3**	**8,713,752**	**20.3**	**8,824,118**	**24.3**	**4,630,291**	**26.5**	**5,323,582**	**20.9**
– Photovoltaic power station solutions	2,511,571	10.1	2,723,402	11.0	1,217,641	6.7	781,210	8.2	2,221,320	12.6
– Engineering, procurement and construction services	232,140	9.1	987,785	16.4	401,037	23.3	69,160	45.0	20,869	9.5
– Operations and maintenance services	3,212,805	53.3	3,982,867	50.5	5,865,542	53.0	3,235,131	58.0	2,484,412	47.2
– Sales of inverters and energy storage systems	385,224	30.7	557,653	33.9	801,786	33.5	331,355	36.1	370,608	36.6
– Others	346,900	17.1	462,045	17.6	538,112	19.1	213,435	16.5	226,373	17.4
Others	**205,019**	**40.3**	**186,196**	**30.5**	**302,404**	**31.8**	**177,052**	**42.7**	**213,126**	**49.3**
Impairment losses on inventories	**(158,545)**	**N/A**	**(250,756)**	**N/A**	**(90,743)**	**N/A**	**7,418**	**N/A**	**2,967**	**N/A**
Total	**12,377,856**	**21.6**	**14,924,000**	**23.1**	**15,307,929**	**25.9**	**8,334,117**	**28.1**	**8,973,958**	**23.6**

Other Income, Other Gains and Losses

The following table sets forth a breakdown of our other income, other gains and losses 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)			
Other income	**833,022**	**91.0**	**900,524**	**131.1**	**929,503**	**83.9**	**471,472**	**88.7**	**353,150**	**52.2**
– VAT deduction[1]	87,401	9.6	89,363	13.0	65,517	5.9	43,564	8.2	16,373	2.4
– Government grants[2]	329,315	36.0	383,531	55.8	431,921	39.0	199,970	37.6	136,948	20.3
– Interest income[3]	237,540	26.0	309,842	45.1	285,345	25.8	140,860	26.5	121,209	17.9
– Dividend income[4]	139,557	15.2	79,278	11.5	93,705	8.5	64,880	12.2	50,800	7.5
– Others	39,209	4.2	38,510	5.7	53,015	4.7	22,198	4.2	27,820	4.1
Other gains and losses	**82,079**	**9.0**	**(213,729)**	**(31.1)**	**178,276**	**16.1**	**59,844**	**11.3**	**322,969**	**47.8**
– Gains on financial instruments at FVTPL[5]	142,660	15.5	200,761	29.2	344,002	31.1	12,497	2.4	517,700	76.6
– Gains from disposal of investments in associates and joint ventures	15,119	1.7	92,693	13.5	67,583	6.1	14,868	2.8	989	0.1
– Net losses on disposal of property, plant and equipment and other long-term assets	(61,560)	(6.7)	(44,858)	(6.5)	(126,076)	(11.4)	(28,144)	(5.3)	(22,457)	(3.3)
– Foreign exchange gains/(losses), net	72,986	8.0	(233,545)	(34.0)	27,717	2.5	145,636	27.4	(167,738)	(24.8)
– Asset impairment provisions[6]	(87,812)	(9.6)	(230,443)	(33.6)	(129,102)	(11.7)	(85,357)	(16.1)	(6,371)	(0.9)
– Others	686	0.1	1,663	0.3	(5,848)	(0.5)	344	0.1	846	(0.1)
Total other income, other gains and losses	**915,101**	**100.0**	**686,795**	**100.0**	**1,107,779**	**100.0**	**531,316**	**100.0**	**676,119**	**100.0**

(1) Primarily related to preferential VAT policies enjoyed by certain subsidiaries during the Track Record Period, including (i) an immediate refund of the portion of the actual VAT burden on qualifying software products exceeding 3%, and (ii) an additional deduction equal to 5% of deductible input VAT available to qualifying advanced manufacturing enterprises.

(2) Primarily consisted of subsidies and incentives received from government authorities in the ordinary course of business in support of our operations and business development. Such government grants were generally granted on an ongoing basis. During the Track Record Period and up to the Latest Practicable Date, there were no material conditions attached to such grants that were not customary in nature, and we were not aware of any material unfulfilled conditions or contingencies in relation to such grants.

(3) Primarily comprised interest income on cash and cash equivalents as well as restricted bank deposits.

(4) Primarily comprised dividends from equity investments at FVTOCI.

(5) For the six months ended June 30, 2026, gains on financial instruments at FVTPL primarily comprised disposal gains of RMB359.3 million and fair value gains of RMB158.4 million arising from Level 1 financial instruments measured at FVTPL.

(6) Primarily represented impairment provisions recognized based on assessments of the expected electricity generation of the relevant PV stations.

Other Expenses

The following table sets forth a breakdown of our other expenses by nature 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)			
Bank charges[1]	59,499	61.4	54,914	65.7	31,361	33.2	18,990	61.7	12,293	30.6
Construction cost overruns[2]	3,434	3.5	5,819	7.0	50,762	53.8	3,556	11.6	14,758	36.8
Public welfare donations	12,661	13.1	14,380	17.2	1,188	1.3	255	0.8	41	0.1
Others	21,255	22.0	8,513	10.1	11,070	11.7	7,963	25.9	13,024	32.5
Total other expenses	**96,849**	**100.0**	**83,626**	**100.0**	**94,381**	**100.0**	**30,764**	**100.0**	**40,116**	**100.0**

(1) Primarily represent bank handling fees.

(2) Primarily represent expenditures incurred for PV station construction in excess of the originally estimated construction costs.

Administrative Expenses

The following table sets forth a breakdown of our administrative expenses by nature 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)			
Employee benefit expenses	986,405	46.1	1,432,578	51.0	1,533,149	52.0	779,660	49.3	697,868	53.9
Professional service fees	259,881	12.1	247,565	8.8	192,540	6.5	99,482	6.3	106,557	8.2
Taxes and surcharges	227,979	10.7	476,521	17.0	556,391	18.9	333,064	21.1	192,383	14.9
Depreciation and amortization	226,478	10.6	235,699	8.4	218,859	7.4	140,774	8.9	127,795	9.9
Traveling expenses	53,002	2.5	54,637	1.9	63,375	2.2	26,776	1.7	23,756	1.8
Business entertainment expenses	40,328	1.9	40,091	1.4	35,400	1.2	19,452	1.2	17,038	1.3
Experiment and testing fee	34,429	1.6	24,641	0.9	23,114	0.8	9,088	0.6	3,921	0.3
Rental and utility expenses	31,921	1.5	20,897	0.7	38,763	1.3	24,507	1.6	21,855	1.7
Office expenses	43,220	2.0	50,915	1.8	41,618	1.4	23,956	1.5	22,169	1.7
Maintenance cost	38,040	1.8	36,318	1.3	27,592	0.9	10,276	0.7	8,066	0.6
Warehousing cost	59,979	2.8	62,598	2.2	62,689	2.1	32,132	2.0	26,930	2.1
Others[1]	138,296	6.4	127,733	4.6	152,233	5.3	81,437	5.1	46,493	3.6
Total administrative expenses	**2,139,958**	**100.0**	**2,810,193**	**100.0**	**2,945,723**	**100.0**	**1,580,604**	**100.0**	**1,294,831**	**100.0**

(1) Primarily represent patent annual fees as well as handling fees.

Selling and Marketing Expenses

The following table sets forth a breakdown of our selling and marketing expenses by nature 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)			
Employee benefit expenses	1,178,685	52.6	1,424,491	53.9	1,412,554	54.9	720,790	58.6	722,970	60.5
Traveling expenses	207,341	9.3	221,060	8.4	192,590	7.5	88,063	7.2	81,205	6.8
Business entertainment expenses	98,065	4.4	95,015	3.6	80,351	3.1	36,243	2.9	34,921	2.9
Depreciation and amortization	91,311	4.1	84,543	3.2	74,430	2.9	36,830	3.0	32,121	2.7
Sales commissions and advertising expenses	142,668	6.4	100,756	3.8	106,843	4.2	53,225	4.3	42,957	3.6
Marketing expenses	170,147	7.6	159,061	6.0	154,104	6.0	65,398	5.3	54,490	4.6
Rental and utility expenses	89,799	4.0	110,644	4.2	101,929	4.0	58,652	4.8	56,753	4.8
Professional service fees	91,829	4.1	186,791	7.1	155,013	6.0	60,944	5.0	50,243	4.2
Office expenses	50,087	2.2	54,509	2.1	46,126	1.8	19,527	1.6	18,165	1.5
Warehouse management fees	26,938	1.2	54,258	2.1	92,904	3.6	35,450	2.9	38,951	3.3
Others[1]	94,509	4.1	152,550	5.6	155,498	6.0	54,989	4.4	61,235	5.1
Total selling and marketing expenses	**2,241,379**	**100.0**	**2,643,678**	**100.0**	**2,572,342**	**100.0**	**1,230,111**	**100.0**	**1,194,011**	**100.0**

(1) Primarily represent after-sales service fees and insurance fees.

Research and Development Expenses

The following table sets forth a breakdown of our research and development expenses by nature 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)			
Employee benefit expenses	728,943	61.8	841,610	66.4	908,698	68.5	428,030	69.3	457,724	73.9
Raw materials and consumables used	186,171	15.8	173,909	13.7	172,814	13.0	64,479	10.4	48,564	7.8
Experiment and testing fee	83,136	7.1	83,245	6.6	77,910	5.9	33,555	5.4	33,950	5.5
Depreciation and amortization	60,035	5.0	68,696	5.4	79,814	5.9	35,735	5.8	35,020	5.7
Rental and utility expenses	21,052	1.8	15,989	1.3	19,437	1.5	11,819	1.9	9,349	1.5
Professional service fees	22,654	1.9	19,252	1.5	18,272	1.4	4,191	0.7	3,147	0.5
Development cost	29,848	2.6	27,537	2.2	13,904	1.0	19,149	3.1	8,910	1.4
Others[1]	47,376	4.0	37,069	2.9	35,110	2.8	20,313	3.4	22,438	3.7
Total research and development expenses	**1,179,215**	**100.0**	**1,267,307**	**100.0**	**1,325,959**	**100.0**	**617,271**	**100.0**	**619,102**	**100.0**

(1) Primarily represent office expenses and travelling expenses.

Impairment Losses (Including Reversals of Impairment Losses) on Financial Assets and Other Items

Impairment losses (including reversals of impairment losses) on financial assets and other items primarily represented expected credit loss allowances recognized under IFRS Accounting Standards in respect of trade receivables, other receivables, loan receivables, contract assets and financial guarantee contracts. Such impairment reflected our management's assessment of credit risk and recoverability, taking into account, among others, aging, historical payment and default experience, the financial condition and credit profile of the relevant counterparties, and forward-looking macroeconomic information. Trade receivables and contract assets were measured using lifetime expected credit losses, while other receivables, loan receivables and financial guarantee contracts were assessed under the applicable three-stage expected credit loss model, under which 12-month expected credit losses are generally recognized at Stage 1 and lifetime expected credit losses are recognized at Stages 2 and 3. See Note 45 to the Accountants' Report in Appendix I to this document.

The following table sets forth a breakdown of our impairment losses (including reversals of impairment losses) on financial assets and other items 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)			
Trade receivables allowance/(reversals)	46,164	30.7	212,032	36.6	(79,108)	(88.1)	89,881	40.5	94,578	64.8
Other receivables allowance	100,298	66.7	257,243	44.4	91,266	101.6	94,757	42.8	39,110	26.8
Loan receivables allowance	1,693	1.1	587	0.1	627	0.7	474	0.2	114	0.1
(Reversals of)/loss on impairment of contract assets	(601)	(0.4)	76,739	13.2	83,435	92.9	43,426	19.6	19,021	13.0
Impairment loss/(reversals) on financial guarantee contracts	2,795	1.9	33,085	5.7	(6,386)	(7.1)	(6,834)	(3.1)	(6,917)	(4.7)
Total impairment losses (including reversals of impairment losses) on financial assets and other items	**150,349**	**100.0**	**579,686**	**100.0**	**89,834**	**100.0**	**221,704**	**100.0**	**145,906**	**100.0**

Finance Costs

The following table sets forth a breakdown of our finance costs 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)			
Interest expenses on lease liabilities	62,851	4.5	143,112	8.0	334,494	16.7	144,075	13.8	192,096	16.2
Interest expenses on borrowings	1,334,762	94.5	1,629,632	91.1	1,649,918	82.4	880,341	84.6	968,676	81.6
Others	27,573	2.0	39,935	2.2	30,521	1.5	19,334	1.9	40,589	3.4
Finance costs before capitalization	1,425,186	101.0	1,812,679	101.3	2,014,933	100.6	1,043,750	100.3	1,201,361	101.2
Less: capitalized finance costs[1]	(14,015)	(1.0)	(23,181)	(1.3)	(11,890)	(0.6)	(3,153)	(0.3)	(13,857)	(1.2)
Total finance costs	**1,411,171**	**100.0**	**1,789,498**	**100.0**	**2,003,043**	**100.0**	**1,040,597**	**100.0**	**1,187,504**	**100.0**

(1) Capitalized finance costs represented borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that were capitalized as part of the costs of such assets in accordance with IAS 23 Borrowing Costs. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our capitalized finance costs were determined based on capitalization rates of 4.2%, 4.8%, 3.9%, 2.7% and 2.9%, respectively.

Share of Results of Associates and Joint Ventures

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our share of results of associates and joint ventures was RMB419.7 million, RMB331.6 million, RMB238.7 million, RMB126.0 million and RMB69.5 million, respectively. Share of results of associates and joint ventures primarily represented our Group's share of the post-acquisition profits or losses of associates and joint ventures accounted for using the equity method, after deducting impairment provisions recognized in respect of such investments. Under the equity method, investments in associates and joint ventures are initially recognized at cost and subsequently adjusted to recognize our Group's share of the investees' profits or losses in profit or loss and our share of their other comprehensive income in other comprehensive income. Where objective evidence indicates that an equity-accounted investment may be impaired, its entire carrying amount, including any goodwill included therein, is tested for impairment as a single asset by comparing its carrying amount with its recoverable amount, being the higher of value in use and fair value less costs of disposal. Any impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. See Notes 4 and 16 to the Accountants' Report in Appendix I to this document.

Income Tax Expense

We recorded income tax expense of RMB1,544.9 million, RMB1,557.1 million, RMB1,485.4 million, RMB830.3 million and RMB1,163.7 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. Our effective tax rate (calculated as income tax expense divided by profit before tax) was 23.8%, 23.0%, 19.5%, 19.4% and 22.2% in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. Our income tax expenses primarily comprise our current and deferred income tax expenses under the applicable tax rates in accordance with the relevant laws and regulations.

Pursuant to the Enterprise Income Tax Law of China and the relevant regulations, our PRC subsidiaries are generally subject to corporate income tax at a rate of 25%, except where preferential tax treatment applies. For details of the preferential tax treatments, see Note 13 to the Accountants' Report in Appendix I and Note 10 to the Condensed Consolidated Financial Statements in Appendix IA to this document. As of the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

Profit for the Year/Period

As a result of the foregoing, we recorded a net profit of RMB4,948.8 million, RMB5,211.3 million, RMB6,137.6 million, RMB3,440.1 million and RMB4,074.4 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. Our net profit margin was 8.6%, 8.1%, 10.4%, 11.6% and 10.7% in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared with Six Months Ended June 30, 2025

Revenue

Our revenue increased by 28.5% from RMB29,630.7 million in the six months ended June 30, 2025 to RMB38,064.2 million in the six months ended June 30, 2026, primarily due to a substantial increase of 45.7% in revenue from green energy solutions and an increase of 3.6% in revenue from intelligent electrical products.

- Revenue from green energy solutions increased by 45.7% from RMB17,491.6 million in the six months ended June 30, 2025 to RMB25,485.4 million in the six months ended June 30, 2026. This increase was primarily attributable to a significant increase in PV station solutions revenue from RMB9,550.4 million to RMB17,691.4 million, primarily due to an increase in sales of residential PV stations to third-party investors, with the installed capacity of PV stations sold increasing from 3,423 MW in the six months ended June 30, 2025 to 6,457 MW in the six months ended June 30, 2026. 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. Such increase was partially offset by a decrease in operations and maintenance services revenue from RMB5,577.5 million to RMB5,261.0 million, primarily due to lower share of electricity revenue arising from fluctuations in the power generation efficiency of residential PV stations under our cooperative co-build arrangements.

- Revenue from intelligent electrical products increased by 3.6% from RMB11,725.0 million in the six months ended June 30, 2025 to RMB12,146.8 million in the six months ended June 30, 2026. This increase was primarily attributable to higher revenue from terminal electrical products and control electrical products, driven by pricing adjustments made in response to increases in raw material costs.

Revenue from Chinese Mainland increased by 29.9% from RMB25,644.0 million in the six months ended June 30, 2025 to RMB33,315.7 million in the six months ended June 30, 2026, primarily due to an increase in PV station solutions revenue. Revenue from overseas markets increased by 19.1% from RMB3,986.7 million in the six months ended June 30, 2025 to RMB4,748.5 million in the six months ended June 30, 2026. The increase in overseas revenue was primarily driven by European markets, where revenue increased by 44.7% from RMB1,223.8 million to RMB1,771.3 million, and by Asia-Pacific markets, where revenue increased by 45.8% from RMB595.2 million to RMB867.7 million. The increases in the European and Asia-Pacific markets were primarily attributable to higher revenue from sales of intelligent electrical products in such markets.

Cost of sales

Our cost of sales increased by 36.6% from RMB21,296.6 million in the six months ended June 30, 2025 to RMB29,090.2 million in the six months ended June 30, 2026. As a percentage of revenue, our cost of sales increased from 71.9% in the six months ended June 30, 2025 to 76.4% in the six months ended June 30, 2026. The increase in cost of sales was primarily attributable to (1) increases in market prices of raw materials and consumables used and (2) higher installation and development costs, which were in line with the increase in PV station solutions revenue.

Gross profit and gross profit margin

Our gross profit increased by 7.7% from RMB8,334.1 million in the six months ended June 30, 2025 to RMB8,974.0 million in the six months ended June 30, 2026, while our gross profit margin decreased from 28.1% to 23.6%. This decrease was primarily attributable to a higher contribution from comparatively lower-margin PV station solutions and a lower contribution from higher-margin operations and maintenance services.

Other income, other gains and losses

Our other income, other gains and losses increased by 27.3% from RMB531.3 million in the six months ended June 30, 2025 to RMB676.1 million in the six months ended June 30, 2026, primarily due to (1) an increase in gains on financial instruments at FVTPL from RMB12.5 million to RMB517.7 million, mainly reflecting changes in the fair value of our listed equity investments and (2) a decrease in asset impairment provision from RMB85.4 million to RMB6.4 million. The increase in our other income, other gains and losses was partially offset by a movement from net foreign exchange gains of RMB145.6 million to net foreign exchange losses of RMB167.7 million due to fluctuations in exchange rates.

Other expenses

Our other expenses increased by 30.2% from RMB30.8 million in the six months ended June 30, 2025 to RMB40.1 million in the six months ended June 30, 2026. This increase was primarily attributable to an increase in construction cost overruns.

Administrative expenses

Our administrative expenses decreased by 18.1% from RMB1,580.6 million in the six months ended June 30, 2025 to RMB1,294.8 million in the six months ended June 30, 2026. This decrease was primarily attributable to decreases in taxes and surcharges, employee benefit expenses and other administrative expenses.

Selling and marketing expenses

Our selling and marketing expenses remained stable at RMB1,230.1 million in the six months ended June 30, 2025 and RMB1,194.0 million in the six months ended June 30, 2026.

Research and development expenses

Our research and development expenses remained stable at RMB617.3 million in the six months ended June 30, 2025 and RMB619.1 million in the six months ended June 30, 2026.

Impairment losses (including reversals of impairment losses) on financial assets and other items

Our impairment losses (including reversals of impairment losses) on financial assets and other items decreased by 34.2% from RMB221.7 million in the six months ended June 30, 2025 to RMB145.9 million in the six months ended June 30, 2026, primarily reflecting decreases in impairment losses on other receivables and loss on impairment of contract assets.

Finance costs

Our finance costs increased by 14.1% from RMB1,040.6 million in the six months ended June 30, 2025 to RMB1,187.5 million in the six months ended June 30, 2026. This increase was primarily attributable to increases in interest expenses on borrowings and interest expenses on lease liabilities.

Share of results of associates and joint ventures

Our share of results of associates and joint ventures decreased by 44.9% from RMB126.0 million in the six months ended June 30, 2025 to RMB69.5 million in the six months ended June 30, 2026, mainly reflecting the financial performance of the relevant investees.

Income tax expense

Our income tax expense increased by 40.2% from RMB830.3 million in the six months ended June 30, 2025 to RMB1,163.7 million in the six months ended June 30, 2026. Our effective tax rate increased from 19.4% to 22.2% over the same period, primarily reflecting changes in the mix of taxable profits, the tax effect of utilization of previously unrecognized tax losses and temporary differences, and other tax adjustments and permanent differences.

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

Revenue

Our revenue decreased by 8.3% from RMB64,524.4 million in 2024 to RMB59,166.5 million in 2025, primarily due to a decrease of 15.6% in revenue from green energy solutions, partially offset by an increase of 4.8% in revenue from intelligent electrical products.

- Revenue from green energy solutions decreased by 15.6% from RMB42,992.9 million in 2024 to RMB36,296.1 million in 2025. This decrease was primarily attributable to (1) a decrease in PV station solutions revenue from RMB24,816.5 million to RMB18,309.1 million, primarily due to the decrease in sales of residential PV stations to third-party investors, with sold photovoltaic installed capacity decreasing from 8,377 MW in 2024 to 6,964 MW in 2025, and (2) a substantial decrease in EPC services revenue from RMB6,021.0 million to RMB1,722.2 million, primarily due to the number, size and timing of EPC projects completed and meeting the applicable grid-connection and power-generation conditions, partially offset by (i) an increase in operations and maintenance services revenue from RMB7,880.6 million to RMB11,057.6 million, primarily due to (a) the expansion of residential PV stations under our cooperative co-build arrangements, which increased electricity generation and the related electricity revenue, and (b) the growth in the number of serviced PV stations, which drove an increase in maintenance services revenue, and (ii) an increase in revenue from sales of inverters and energy storage systems from RMB1,646.3 million to RMB2,390.1 million, primarily due to robust global market demand and our continued expansion in overseas markets.

- Revenue from intelligent electrical products increased by 4.8% from RMB20,921.8 million in 2024 to RMB21,918.7 million in 2025. This increase was primarily attributable to the continued growth of our core product categories and the positive contribution from our overseas market expansion.

Cost of sales

Our cost of sales decreased by 11.6% from RMB49,600.4 million in 2024 to RMB43,858.6 million in 2025. As a percentage of revenue, our cost of sales decreased from 76.9% in 2024 to 74.1% in 2025. The decrease in cost of sales was primarily attributable to lower costs of raw materials and consumables used and lower installation and development costs associated with the decrease in sales of residential PV stations to third-party investors, as well as the number, size and timing of EPC projects completed and meeting the applicable grid-connection and power-generation conditions.

Gross profit and gross profit margin

Our gross profit increased by 2.6% from RMB14,924.0 million in 2024 to RMB15,307.9 million in 2025, while our gross profit margin improved from 23.1% to 25.9%. This improvement was primarily attributable to a more favorable business mix, including a lower contribution from comparatively lower-margin PV station solutions and a higher contribution from operations and maintenance services and sales of inverters and energy storage systems.

Other income, other gains and losses

Our other income, other gains and losses increased by 61.3% from RMB686.8 million in 2024 to RMB1,107.8 million in 2025, primarily due to (1) a movement from net foreign exchange losses of RMB233.5 million in 2024 to net foreign exchange gains of RMB27.7 million in 2025 due to fluctuations in exchange rates, (2) higher gains on financial instruments at FVTPL from RMB200.8 million in 2024 to RMB344.0 million in 2025, primarily reflecting changes in the fair value of derivative financial instruments, and (3) a decrease in asset impairment provision from RMB230.4 million in 2024 to RMB129.1 million in 2025. This increase was partially offset by an increase in net losses on disposal of property, plant and equipment and other long-term assets from RMB44.9 million in 2024 to RMB126.1 million in 2025, primarily due to disposals of PV station assets.

Other expenses

Our other expenses increased by 12.9% from RMB83.6 million in 2024 to RMB94.4 million in 2025, primarily due to higher one-off construction cost overruns incurred in 2025.

Administrative expenses

Our administrative expenses increased by 4.8% from RMB2,810.2 million in 2024 to RMB2,945.7 million in 2025. This increase was primarily attributable to a slight increase in relatively fixed expenses, especially employee benefit expenses, which increased from RMB1,432.6 million to RMB1,533.1 million.

Selling and marketing expenses

Our selling and marketing expenses remained stable at RMB2,643.7 million in 2024 and RMB2,572.3 million in 2025.

Research and development expenses

Our research and development expenses increased by 4.6% from RMB1,267.3 million in 2024 to RMB1,326.0 million in 2025. This increase was primarily attributable to our continued investment in research and development talent and technical reserves, including higher employee benefit expenses, which increased from RMB841.6 million to RMB908.7 million.

Impairment losses (including reversals of impairment losses) on financial assets and other items

Our impairment losses (including reversals of impairment losses) on financial assets and other items decreased by 84.5% from RMB579.7 million in 2024 to RMB89.8 million in 2025, primarily reflecting lower expected credit loss provisions recognized in 2025.

Finance costs

Our finance costs increased by 11.9% from RMB1,789.5 million in 2024 to RMB2,003.0 million in 2025. This increase was primarily attributable to an increase in interest expenses on lease liabilities from RMB143.1 million to RMB334.5 million.

Share of results of associates and joint ventures

Our share of results of associates and joint ventures decreased by 28.0% from RMB331.6 million in 2024 to RMB238.7 million in 2025, mainly reflecting the financial performance of the relevant investees.

Income tax expense

Our income tax expense decreased by 4.6% from RMB1,557.1 million in 2024 to RMB1,485.4 million in 2025. Our effective tax rate decreased from 23.0% in 2024 to 19.5% in 2025, primarily reflecting changes in the mix of taxable profits, the tax effect of utilization of previously unrecognized tax losses and temporary differences, and other tax adjustments and permanent differences.

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

Revenue

Our revenue increased by 12.7% from RMB57,250.8 million in 2023 to RMB64,524.4 million in 2024, primarily due to a favorable growth of 17.5% in green energy solutions and a moderate growth of 3.9% in intelligent electrical products.

- Revenue from green energy solutions increased by 17.5% from RMB36,604.0 million in 2023 to RMB42,992.9 million in 2024. This increase was primarily attributable to (1) a substantial increase in EPC services revenue from RMB2,537.6 million to RMB6,021.0 million, driven by our ability to secure more project opportunities and the contribution from large-scale EPC projects, and (2) an increase in operations and maintenance services revenue from RMB6,022.8 million to RMB7,880.6 million, primarily due to our continued growth in residential PV station development, including an increase in residential PV stations under our cooperative co-build arrangements, which in turn increased our share of electricity revenue.

- Revenue from intelligent electrical products increased by 3.9% from RMB20,138.5 million in 2023 to RMB20,921.8 million in 2024. This increase was primarily driven by higher sales volume in terminal electrical products from 414.6 million units in 2023 to 451.4 million units in 2024.

Revenue from Chinese Mainland increased by 11.2% from RMB48,983.3 million in 2023 to RMB54,476.5 million in 2024. Revenue from overseas markets increased by 21.5% from RMB8,267.5 million in 2023 to RMB10,047.9 million in 2024. The increase in overseas revenue was primarily driven by European markets, where revenue increased from RMB2,888.7 million to RMB4,212.4 million, and by the Americas, where revenue increased from RMB2,067.0 million to RMB2,804.7 million. The increase in European markets was primarily due to the expansion of overseas EPC services, and the increase in the Americas was primarily due to continued growth in our sales of inverters and energy storage systems.

Cost of sales

Our cost of sales increased by 10.5% from RMB44,873.0 million in 2023 to RMB49,600.4 million in 2024. As a percentage of revenue, our cost of sales slightly decreased from 78.4% in 2023 to 76.9% in 2024. The increase in cost of sales was primarily attributable to:

- an increase in installation and development costs from RMB7,847.3 million in 2023 to RMB11,534.5 million in 2024, representing an increase of 47.0%; this increase was primarily attributable to the increase in market prices for installation services; and

- an increase in depreciation and amortization from RMB2,623.1 million to RMB3,429.9 million, representing an increase of 30.8%; this increase was primarily attributable to higher depreciation and amortization associated with right-of-use assets arising from the large number of long-term rooftop lease agreements entered into in 2024 to expand our PV station solutions.

Such increases were partially offset by a decrease in raw materials and consumables used from RMB30,250.8 million in 2023 to RMB29,544.0 million in 2024, representing a decrease of 2.3%, and its contribution to total cost of sales decreased from 67.4% to 59.6%. This decrease was attributed principally to the decline in market prices of photovoltaic modules.

Gross profit and gross profit margin

Our gross profit increased by 20.6% from RMB12,377.9 million in 2023 to RMB14,924.0 million in 2024, while our gross profit margin improved from 21.6% to 23.1%. The increase in our gross profit margin was primarily attributable to (1) an increase in the gross profit margin of our intelligent electrical products, mainly driven by pricing adjustments, and (2) an increase in the gross profit margin of our green energy solutions, mainly reflecting a more favorable revenue mix, with a lower proportion of revenue contributed by comparatively lower-margin PV station solutions and a higher proportion contributed by higher-margin operations and maintenance services, together with increases in the gross profit margins of PV station solutions, EPC services and sales of inverters and energy storage systems.

Other income, other gains and losses

Our other income, other gains and losses decreased by 24.9% from RMB915.1 million in 2023 to RMB686.8 million in 2024, primarily due to (1) a movement from net foreign exchange gains of RMB73.0 million in 2023 to net foreign exchange losses of RMB233.5 million in 2024 due to exchange rate fluctuations and (2) an increase in asset impairment provision from RMB87.8 million to RMB230.4 million. Such decrease was partially offset by (i) an increase in gains from disposal of investments in associates and joint ventures from RMB15.1 million in 2023 to RMB92.7 million in 2024, (ii) an increase

in interest income from RMB237.5 million in 2023 to RMB309.8 million in 2024, (iii) higher gains on financial instruments at FVTPL from RMB142.7 million in 2023 to RMB200.8 million in 2024, primarily reflecting changes in the fair value of financial instruments, and (iv) an increase in government grants from RMB329.3 million in 2023 to RMB383.5 million in 2024.

Other expenses

Our other expenses remained stable at RMB96.8 million in 2023 and RMB83.6 million in 2024.

Administrative expenses

Our administrative expenses increased by 31.3% from RMB2,140.0 million in 2023 to RMB2,810.2 million in 2024. This increase was primarily attributable to higher employee benefit expenses and higher taxes and surcharges. The increase also reflected the acquisition impact of Chint Power since May 2023 and the expansion of our operation.

Selling and marketing expenses

Our selling and marketing expenses increased by 17.9% from RMB2,241.4 million in 2023 to RMB2,643.7 million in 2024. This increase was driven mainly by higher employee benefit expenses and higher professional service fees, which was generally in line with our business expansion and continued customer development efforts.

Research and development expenses

Our research and development expenses increased by 7.5% from RMB1,179.2 million in 2023 to RMB1,267.3 million in 2024. This increase was primarily attributable to higher employee benefit expenses, which was consistent with our continued investment in research and development talent and new product development.

Impairment losses (including reversals of impairment losses) on financial assets and other items

Our impairment losses (including reversals of impairment losses) on financial assets and other items increased by 285.6% from RMB150.3 million in 2023 to RMB579.7 million in 2024, primarily reflecting increases in expected credit loss allowances recognized on trade receivables and other receivables.

Finance costs

Our finance costs increased by 26.8% from RMB1,411.2 million in 2023 to RMB1,789.5 million in 2024. This increase was primarily driven by higher interest expenses on borrowings and higher interest expenses on lease liabilities, as our funding needs increased in line with business expansion.

Share of results of associates and joint ventures

Our share of results of associates and joint ventures decreased by 21.0% from RMB419.7 million in 2023 to RMB331.6 million in 2024, reflecting the financial performance of the relevant investees.

Income tax expense

Our income tax expense remained stable at RMB1,544.9 million in 2023 and RMB1,557.1 million in 2024. Our effective tax rate decreased from 23.8% to 23.0%, reflecting changes in the mix of taxable profits, tax incentives and deferred tax movements.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically funded our cash requirements primarily through cash generated from operating activities and external financing, including bank borrowings and finance lease arrangements. Our liquidity position is affected by residential PV station development and project execution, as well as the timing of project-related cash collections, transfers of PV station assets and ongoing capital expenditure. After the **[REDACTED]**, we intend to finance our future capital requirements through cash generated from our business operations, the **[REDACTED]** from the **[REDACTED]**, and other future equity or debt financings. We currently do not anticipate any material changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB11,324.6 million, RMB11,435.7 million, RMB13,078.5 million and RMB14,862.6 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

Working Capital Sufficiency

Taking into account the **[REDACTED]** from the **[REDACTED]** and the financial resources available to us, including cash and cash equivalents and cash flows from operating activities, our Directors are of the view that we have sufficient working capital to meet our present needs and for the next twelve months from the date of this document. Our Directors confirm that we had no material defaults on trade and non-trade payables and borrowings, nor did we breach any covenants during the Track Record Period and up to the date of this document.

Cash Flows Analysis

The following table sets forth selected cash flow statement information for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Net cash from operating activities	4,140,356	15,205,695	23,113,829	7,138,124	13,181,582
Net cash used in investing activities	(2,767,584)	(3,879,424)	(4,358,944)	(2,613,091)	(170,323)
Net cash used in financing activities	(1,732,211)	(11,014,141)	(17,131,759)	(3,251,917)	(11,220,336)
Net (decrease)/increase in cash and cash equivalents	**(359,439)**	**312,130**	**1,623,126**	**1,273,116**	**1,790,923**
Cash and cash equivalents at the beginning of the year/period	11,663,324	11,324,586	11,435,730	11,435,730	13,078,471
Effects of foreign exchange rate changes	20,701	(200,986)	19,615	(52,577)	(6,749)
Cash and cash equivalents at the end of the year/period	**11,324,586**	**11,435,730**	**13,078,471**	**12,656,269**	**14,862,645**

Net cash flows generated from operating activities

In the six months ended June 30, 2026, net cash generated from operating activities was RMB13,181.6 million, primarily reflecting cash generated from operations of RMB13,998.2 million and interest received of RMB38.4 million, partially offset by income tax paid of RMB854.9 million. Cash generated from operations was primarily derived from profit before tax of RMB5,238.1 million, as adjusted for certain non-cash and non-operating items, mainly depreciation and amortization of non-current assets of RMB1,494.3 million and finance costs of RMB1,187.5 million, and favorable working capital movements, mainly an increase in payables of RMB6,008.5 million and a decrease in inventories of RMB3,045.3 million, partially offset by an increase in receivables of RMB2,420.1 million.

In 2025, net cash generated from operating activities was RMB23,113.8 million, primarily reflecting cash generated from operations of RMB25,001.6 million and interest received of RMB109.1 million, partially offset by income tax paid of RMB1,996.9 million. Cash generated from operations was primarily derived from profit before tax of RMB7,623.1 million, as adjusted for certain non-cash and non-operating items, mainly depreciation and amortization of non-current assets of RMB2,684.9 million and finance costs of RMB2,003.0 million, and favorable working capital movements, mainly an increase in payables of RMB23,735.1 million and a decrease in receivables of RMB1,980.4 million, partially offset by an increase in inventories of RMB12,507.9 million.

In 2024, net cash generated from operating activities was RMB15,205.7 million, primarily reflecting cash generated from operations of RMB17,288.6 million and interest received of RMB119.8 million, partially offset by income tax paid of RMB2,202.8 million. Cash generated from operations was primarily derived from profit before tax of RMB6,768.4 million, as adjusted for certain non-cash and non-operating items, mainly depreciation and amortization of non-current assets of RMB2,324.3 million, finance costs of RMB1,789.5 million and impairment losses (including reversals of impairment losses) on financial assets and other items of RMB579.7 million, and favorable working capital movements, mainly an increase in payables of RMB15,975.9 million, partially offset by an increase in inventories of RMB6,731.8 million and an increase in receivables of RMB3,327.9 million.

In 2023, net cash generated from operating activities was RMB4,140.4 million, primarily reflecting cash generated from operations of RMB5,134.7 million and interest received of RMB92.8 million, partially offset by income tax paid of RMB1,087.2 million. Cash generated from operations was primarily derived from profit before tax of RMB6,493.8 million, as adjusted for certain non-cash and non-operating items, mainly depreciation and amortization of non-current assets of RMB2,156.4 million and finance costs of RMB1,411.2 million, and favorable working capital movements, mainly an increase in payables of RMB10,339.3 million and a decrease in receivables of RMB767.6 million, partially offset by an increase in inventories of RMB15,531.4 million.

Net cash flows used in investing activities

In the six months ended June 30, 2026, our net cash used in investing activities was RMB170.3 million, primarily attributable to (1) purchases of property, plant and equipment, intangible assets and other non-current assets of RMB639.1 million, (2) purchases of financial assets at FVTPL of RMB166.5 million, (3) purchases of equity investments at FVTOCI of RMB120.9 million and (4) loans to equity investments at FVTOCI and FVTPL of RMB113.1 million, partially offset by (i) proceeds on disposal of equity investments of RMB532.0 million and (ii) proceeds from repayment of loans by equity investments at FVTOCI and FVTPL of RMB147.5 million.

In 2025, our net cash used in investing activities was RMB4,358.9 million, primarily attributable to (1) purchase of financial assets at FVTPL of RMB2,271.0 million, (2) purchase of property, plant and equipment, intangible assets and other non-current assets of RMB1,938.3 million, (3) payments for loans to equity investments of RMB1,097.5 million and (4) purchase of equity investments at FVTOCI of RMB615.3 million, partially offset by (i) proceeds from repayment of loans by equity investments at FVTOCI and FVTPL of RMB690.9 million, (ii) proceeds on disposal of investments of RMB526.0 million and (iii) dividends received from equity investments of RMB433.0 million.

In 2024, our net cash used in investing activities was RMB3,879.4 million, primarily attributable to (1) purchase of property, plant and equipment, intangible assets and other non-current assets of RMB3,007.5 million, (2) purchase of financial assets at FVTPL of RMB1,680.8 million, and (3) payments for loans to equity investments of RMB688.8 million, partially offset by (i) proceeds from repayment of loans by equity investments at FVTOCI and FVTPL of RMB1,270.7 million and (ii) proceeds on disposal of investments of RMB593.6 million.

In 2023, our net cash used in investing activities was RMB2,767.6 million, primarily attributable to (1) purchase of property, plant and equipment, intangible assets and other non-current assets of RMB4,363.7 million, (2) purchase of financial assets at FVTPL of RMB1,903.0 million, (3) payments for purchase of investments in associates and joint ventures of RMB487.8 million and (4) purchase of equity investments at FVTOCI of RMB392.5 million, partially offset by (i) net inflow of cash resulting from the disposal of subsidiaries of RMB1,626.9 million, (ii) proceeds from repayment of loans by equity investments at FVTOCI and FVTPL of RMB1,241.6 million and (iii) dividends received from equity investments of RMB762.1 million.

Net cash flows used in financing activities

In the six months ended June 30, 2026, our net cash used in financing activities was RMB11,220.3 million, primarily attributable to (1) repayments of borrowings of RMB21,818.7 million, (2) dividends paid to the Company's shareholders of RMB1,276.9 million, (3) interests paid of RMB600.2 million, (4) repayment of principal elements of lease payments of RMB346.7 million, and (5) transactions with non-controlling shareholders of RMB241.3 million, partially offset by proceeds from borrowings of RMB13,304.8 million.

In 2025, our net cash used in financing activities was RMB17,131.8 million, primarily attributable to (1) repayments of borrowings of RMB31,382.5 million, (2) transactions with non-controlling shareholders of RMB1,412.8 million, (3) interests paid of RMB1,302.2 million, (4) dividends paid to the Company's shareholders of RMB1,286.4 million and (5) payments for repurchase of shares of RMB500.0 million, partially offset by proceeds from borrowings of RMB19,384.5 million.

In 2024, our net cash used in financing activities was RMB11,014.1 million, primarily attributable to (1) repayments of borrowings of RMB23,529.3 million, (2) dividends paid to the Company's shareholders of RMB1,181.9 million and (3) interests paid of RMB1,103.8 million, partially offset by (i) proceeds from borrowings of RMB14,857.7 million and (ii) proceeds from share schemes of RMB296.1 million.

In 2023, our net cash used in financing activities was RMB1,732.2 million, primarily attributable to (1) repayments of borrowings of RMB15,878.2 million, (2) interests paid of RMB866.1 million, (3) dividends paid to the Company's shareholders of RMB851.1 million and (4) transactions with non-controlling shareholders of RMB572.2 million, partially offset by (i) proceeds from borrowings of RMB16,442.5 million and (ii) capital contributions from the non-controlling shareholders of RMB333.2 million.

DISCUSSION OF CERTAIN KEY BALANCE SHEET ITEMS

Current Assets/(Liabilities)

The following table sets out our current assets and liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Current assets				
Inventories	37,943,634	44,560,792	57,203,968	54,202,178
Trade and note receivables	16,306,371	17,042,433	14,822,003	15,729,230
Prepayments, other receivables and other assets	5,381,362	6,265,535	4,731,538	6,169,960
Contract assets	419,656	996,563	1,042,975	969,797
Financial assets at FVTPL	11,394	12,550	126,223	13,490
Income tax assets	54,518	99,561	135,716	72,915
Note receivables at FVTOCI	130,493	112,871	148,161	150,412
Restricted bank deposits	769,243	747,820	968,653	890,318
Cash and cash equivalents	11,324,586	11,435,730	13,078,471	14,862,645
Assets classified as held for sale	–	98,645	20,690	–
Total current assets	**72,341,257**	**81,372,500**	**92,278,398**	**93,060,945**
Current liabilities				
Trade and note payables	19,336,161	20,136,115	19,598,707	18,088,338
Accruals and other payables	6,373,429	6,975,616	7,167,611	6,671,593
Income tax payables	830,360	737,165	546,556	517,108
Borrowings	17,530,853	24,761,275	27,700,940	24,756,624
Derivative financial instruments	6,603	1,934	1,201	46,959
Lease liabilities	192,486	314,654	412,748	446,539
Provisions	–	179,109	197,764	181,365
Contract liabilities	4,100,054	3,424,619	6,005,612	5,553,254
Other current liabilities	258,516	183,481	126,698	162,639
Received in advance	20,398	125,622	43,775	16,650
Total current liabilities	**48,648,860**	**56,839,590**	**61,801,612**	**56,441,069**
Net current assets	**23,692,397**	**24,532,910**	**30,476,786**	**36,619,876**

Inventories

The following table sets forth a breakdown of our inventories as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Materials in transit	165,956	207,489	209,941	219,931
Raw materials	2,713,746	2,055,579	1,666,035	2,385,892
Work in progress	339,904	300,394	314,203	339,941
Finished goods	26,433,016	37,397,311	52,660,748	50,702,508
Contract fulfillment costs	7,699,766	4,057,144	1,657,939	–
Goods in transit	354,631	412,601	367,431	230,594
Outsourced processing materials	90,791	174,496	291,286	240,266
Consumptive biological assets	28,656	26,478	24,174	22,398
Low value consumables	1,367	2,561	222	593
Properties under development	364,555	376,328	–	–
Properties for sale	–	–	385,344	389,883
Less: provision for impairment	(248,754)	(449,589)	(373,355)	(329,828)
Total	**37,943,634**	**44,560,792**	**57,203,968**	**54,202,178**

Our inventories increased by 17.4% from RMB37,943.6 million as of December 31, 2023 to RMB44,560.8 million as of December 31, 2024, and further increased by 28.4% to RMB57,204.0 million as of December 31, 2025, primarily due to the increase in finished goods, which was mainly attributable to the growth in closing reserves of photovoltaic installed capacity from 14,069 MW as of December 31, 2023 to 26,686 MW as of December 31, 2025. Our inventories decreased by 5.2% from RMB57,204.0 million as of December 31, 2025 to RMB54,202.2 million as of June 30, 2026, primarily due to a decrease in finished goods, mainly reflecting increased sales of PV stations during the period, which also contributed to the increase in revenue from PV station solutions.

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

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Inventory turnover days[(1)]	246	304	423	349

(1) Calculated based on the average of the beginning and ending balances of inventories of a given period divided by cost of sales for that corresponding period and multiplied by the number of days in that period.

Our inventory turnover days increased from 246 days in 2023 to 304 days in 2024 and further to 423 days in 2025, primarily due to the increase in closing reserves of photovoltaic installed capacity. Our inventory turnover days decreased from 423 days in 2025 to 349 days in the six months ended June 30, 2026, primarily reflecting the acceleration of residential PV station sales.

As of July 31, 2026, RMB4,385.1 million, or 8.1%, of inventories as of June 30, 2026, had been subsequently sold or utilized.

Trade and note receivables – current

The following table sets forth a breakdown of the current portion of our trade and note receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Trade receivables	**15,831,854**	**16,180,264**	**13,607,761**	**15,576,644**
– due from related parties	2,408,612	1,887,900	763,865	1,102,435
– due from third parties	13,423,242	14,292,364	12,843,896	14,474,209
Note receivables	**1,899,059**	**2,373,044**	**2,529,271**	**1,550,628**
– due from related parties	55,718	315	36,997	131,295
– due from third parties	1,843,341	2,372,729	2,492,274	1,419,333
Less: allowance for credit loss	(1,424,542)	(1,510,875)	(1,315,029)	(1,398,042)
Total	**16,306,371**	**17,042,433**	**14,822,003**	**15,729,230**

Trade and note receivables increased by 4.5% from RMB16,306.4 million as of December 31, 2023 to RMB17,042.4 million as of December 31, 2024, generally in line with revenue growth and the project-based nature of certain green energy solution businesses. Trade and note receivables decreased by 13.0% from RMB17,042.4 million as of December 31, 2024 to RMB14,822.0 million as of December 31, 2025, which was in line with the decrease in our revenue in 2025. Trade and note receivables increased by 6.1% from RMB14,822.0 million as of December 31, 2025 to RMB15,729.2 million as of June 30, 2026, primarily due to the normal timing of customer settlements, with the relevant outstanding balances remaining within the applicable credit periods.

We normally grant credit periods ranging from 30 days to 180 days to our customers. The following table sets forth an aging analysis of our current and non-current trade receivables based on invoice date as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Within 1 year	12,674,341	11,888,196	10,871,558	12,476,902
1 to 2 years	1,208,401	2,067,028	1,291,666	1,694,554
2 to 3 years	775,082	837,731	615,131	623,923
Over 3 years	1,177,560	1,392,080	843,782	806,930
Total	**15,835,384**	**16,185,035**	**13,622,137**	**15,602,309**

The following table sets forth our trade and note receivables turnover days during the periods indicated.

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Trade and note receivable turnover days[(1)]	106	94	98	73

(1) Calculated based on the average of opening and closing balance of trade and note receivables for the relevant period, divided by the revenue for the same period and multiplied by the number of days in that period.

Our trade and note receivables turnover days decreased from 106 days in 2023 to 94 days in 2024, primarily due to the favorable timing of collection of receivables related to our green energy solutions. Our trade and note receivables turnover days decreased from 98 days in 2025 to 73 days in the six months ended June 30, 2026, primarily due to a higher contribution from PV station solutions to our revenue during the period, the customers of which generally have shorter payment cycles. During the Track Record Period, we did not experience any significant losses associated with our trade and note receivables, and the fluctuation in our trade and note receivables did not have any material adverse impact on our liquidity or cash flows.

As of July 31, 2026, RMB4,559.3 million, or 29.0%, of our trade and note receivables as of June 30, 2026, had been settled.

Prepayments, other receivables and other assets – current

The following table sets forth our current prepayments and other receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Prepayments				
Prepayments for operating expenses, raw material and finished goods	1,253,251	1,200,455	1,873,831	2,020,916
Other receivables				
Deposits receivable	367,548	417,815	340,885	473,098
Due from related parties	941,106	367,194	605,109	599,839
Due from third parties	1,255,971	2,895,138	614,837	1,705,376
Receivables from equity investments disposal	467,373	449,468	383,775	428,974
Dividends receivables	344,227	402,049	131,974	221,515
Others	126,390	89,583	104,160	182,481
	3,502,615	**4,621,247**	**2,180,740**	**3,611,283**
Less: impairment provision	(442,285)	(697,957)	(789,525)	(807,405)
	3,060,330	**3,923,290**	**1,391,215**	**2,803,878**
Other current assets				
Deductible taxes	954,932	1,069,958	1,384,189	1,308,450
Prepaid taxes	82,572	36,071	26,106	9,073
Others	30,277	35,761	56,197	27,643
	1,067,781	**1,141,790**	**1,466,492**	**1,345,166**
Total	**5,381,362**	**6,265,535**	**4,731,538**	**6,169,960**

The current portion of our prepayments, other receivables and other assets increased by 16.4% from RMB5,381.4 million as of December 31, 2023 to RMB6,265.5 million as of December 31, 2024, primarily due to an increase in amounts due from third parties and an increase in deductible taxes. The increase in amounts due from related parties was connected in part with funding arrangements relating to jointly developed power station projects.

The current portion of our prepayments, other receivables and other assets decreased by 24.5% from RMB6,265.5 million as of December 31, 2024 to RMB4,731.5 million as of December 31, 2025, primarily due to the substantial decrease in amounts due from related parties, mainly as we recovered balances from derecognized project companies. Such decrease was partially offset by an increase in prepayments for operating expenses, raw material and finished goods, primarily due to increased stocking of raw materials amid the continued rise in raw material prices.

The current portion of our prepayments, other receivables and other assets increased by 30.4% from RMB4,731.5 million as of December 31, 2025 to RMB6,170.0 million as of June 30, 2026, primarily because of (1) an increase in amounts due from third parties, mainly reflecting higher receivables arising from increased sales of PV stations during the period; (2) an increase in prepayments for operating expenses, raw material and finished goods, primarily due to increased procurement and stocking of raw materials; and (3) an increase in deposits receivable, primarily due to a bidding deposit paid in connection with our participation in the competitive bidding process for the acquisition of a 3.16% equity interest in Chint Anneng.

Contract assets

The following table sets forth our contract assets as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Warranty deposits[(1)]	254,015	766,377	658,881	661,995
Work completed but not yet billed[(2)]	165,641	230,186	384,094	307,802
Total	**419,656**	**996,563**	**1,042,975**	**969,797**

(1) Primarily represent amounts retained by our customers pursuant to contractual arrangements as security for our warranty obligations following the completion and delivery of PV stations, and primarily relate to our PV station solutions and EPC services.

(2) Primarily represent our share of electricity that had been earned but not yet billed or received from residential PV stations under our cooperative co-build arrangements.

Our contract assets increased from RMB419.7 million as of December 31, 2023 to RMB996.6 million as of December 31, 2024, primarily reflecting an increase in warranty deposits from RMB254.0 million to RMB766.4 million, which was mainly attributable to the increase in revenue generated from our PV station solutions and EPC services. Our contract assets further increased to RMB1,043.0 million as of December 31, 2025, and then decreased to RMB969.8 million as of June 30, 2026, primarily due to fluctuations in work completed but not yet billed arising from fluctuations in the power generation efficiency of residential PV stations under our cooperative co-build arrangements.

Income tax assets

Our income tax assets were RMB54.5 million, RMB99.6 million, RMB135.7 million and RMB72.9 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. Our income tax assets primarily represented prepaid income taxes.

Note receivables at FVTOCI

Our note receivables at FVTOCI were RMB130.5 million, RMB112.9 million, RMB148.2 million and RMB150.4 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. Our note receivables at FVTOCI primarily comprised bank acceptance notes that we may discount or endorse in the ordinary course of cash management. As our business model for managing such notes is achieved through both the collection of contractual cash flows and the sale of the notes, they are classified as financial assets at FVTOCI. All of our note receivables at FVTOCI had maturities of less than one year. Our note receivables at FVTOCI decreased by 13.5% from RMB130.5 million as of December 31, 2023 to RMB112.9 million as of December 31, 2024, and increased by 31.3% to RMB148.2 million as of December 31, 2025, primarily due to the timing of the receipt, discounting, endorsement and settlement of the relevant notes during the respective years. The counterparties to such notes were banks with high credit ratings. Our Directors consider that the credit risk associated with our note receivables at FVTOCI was minimal, and no impairment allowance was recognized during the Track Record Period. The impairment of such notes is assessed based on lifetime expected credit losses. See Notes 17 and 46 to the Accountants' Report in Appendix I to this document.

Restricted bank deposits

The following table sets forth our restricted bank deposits as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
				(Unaudited)
Deposits	606,042	396,204	414,819	395,771
Restricted cash for loan repayment	80,000	80,000	86,500	86,000
Term deposits pledged	1,653	30,053	5,000	–
Term deposits over three months	56,271	112,900	360,000	324,000
Deposits for investment activities	13,149	119,547	70,874	69,194
Blocked bank balances	10,561	6,250	9,460	4,878
Others	1,567	2,866	22,000	10,475
Total	**769,243**	**747,820**	**968,653**	**890,318**

Our restricted bank deposits increased by 29.5% from RMB747.8 million as of December 31, 2024 to RMB968.7 million as of December 31, 2025, primarily due to our optimization of cash management. Our restricted bank deposits decreased by 8.1% from RMB968.7 million as of December 31, 2025 to RMB890.3 million as of June 30, 2026, primarily due to the maturity of certain term deposits with original maturities of over three months.

Cash and cash equivalents

The following table sets forth our cash and cash equivalents as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Cash and bank balances	12,093,829	12,183,550	14,047,124	15,752,963
Less: restricted cash	(769,243)	(747,820)	(968,653)	(890,318)
Total	**11,324,586**	**11,435,730**	**13,078,471**	**14,862,645**

Trade and note payables

The following table sets forth our trade and note payables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Trade payables[(1)]	**17,659,801**	**18,686,108**	**18,283,244**	**16,061,982**
– due to related parties	2,155,351	1,480,679	1,346,922	1,915,227
– due to third parties	15,504,450	17,205,429	16,936,322	14,146,755
Note payables[(2)]	**1,591,846**	**1,399,290**	**1,305,898**	**1,730,682**
– due to related parties	348,877	45,516	–	5,233
– due to third parties	1,242,969	1,353,774	1,305,898	1,725,449
Letter of credit	84,514	50,717	9,565	295,674
Total	**19,336,161**	**20,136,115**	**19,598,707**	**18,088,338**

(1) As of December 31, 2023, 2024 and 2025 and June 30, 2026, trade payables included payables for equipment of RMB1,119.3 million, RMB353.4 million, RMB211.9 million and RMB105.5 million, respectively.

(2) As of December 31, 2023, 2024 and 2025 and June 30, 2026, note payables included bank acceptance bills of RMB1,563.1 million, RMB1,188.2 million, RMB961.8 million and RMB834.9 million, respectively, and trade acceptance bills of RMB28.8 million, RMB211.1 million, RMB344.1 million and RMB895.7 million, respectively.

The following table sets forth an aging analysis of our trade payables based on the date of goods and services received as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Within 1 year	16,811,830	17,527,600	16,947,896	15,111,283
1 to 2 years	412,588	705,859	611,172	514,877
2 to 3 years	249,935	172,418	363,980	160,735
Over 3 years	185,448	280,231	360,196	275,087
Total	**17,659,801**	**18,686,108**	**18,283,244**	**16,061,982**

Trade and note payables increased from RMB19,336.2 million as of December 31, 2023 to RMB20,136.1 million as of December 31, 2024, reflecting the expansion of procurement and project activities. Trade and note payables remained stable at RMB20,136.1 million as of December 31, 2024 and RMB19,598.7 million as of December 31, 2025, and decreased by 7.7% to RMB18,088.3 million as of June 30, 2026, reflecting the optimization of our payment arrangements and an acceleration in the timing of payments to suppliers.

The following table sets forth our trade and note payables turnover days for the periods indicated.

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Trade and note payable turnover days[(1)]	152	145	165	118

(1) Calculated using the average of opening balance and closing balance of trade and note payables for a period divided by our cost of sales for the relevant period and multiplied by the number of days in that period.

Our trade and note payables turnover days increased from 145 days in 2024 to 165 days in 2025, primarily due to the favorable timing of procurement settlement and payments. Our trade and notes payables turnover days decreased from 165 days in 2025 to 118 days in the six months ended June 30, 2026, primarily due to the optimization of our payment arrangements and an acceleration in the timing of payments to suppliers.

As of July 31, 2026, RMB5,278.9 million, or 29.2%, of total trade and note payables as of June 30, 2026, had been subsequently settled.

Accruals and other payables

The following table sets forth a breakdown of our accruals and other payables as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Salaries, wages and benefits	1,585,593	1,722,507	1,773,782	1,343,745
Deposits payables	2,672,695	2,682,209	2,532,097	2,391,337
Accruals and other payables	1,248,281	1,034,822	911,578	1,040,934
Consideration for share transfer	144,717	185,030	274,558	333,528
Other tax payables	227,898	364,026	583,424	517,135
Dividends payable	13,167	10,494	8,266	60,392
Sales rebate	331,018	853,992	971,354	863,194
Others	150,060	122,536	112,552	121,328
Total	**6,373,429**	**6,975,616**	**7,167,611**	**6,671,593**

Our accruals and other payables increased by 9.4% from RMB6,373.4 million as of December 31, 2023 to RMB6,975.6 million as of December 31, 2024, primarily due to an increase in sales rebate from RMB331.0 million to RMB854.0 million, which mainly represented sales rebate payable to distributors. Prior to 2024, such sales rebate was generally settled with distributors from time to time during the year. In 2024, we changed our settlement policy such that such sales rebate is generally calculated and settled on a year-end basis, which resulted in a higher outstanding balance of sales rebate payable to distributors as of December 31, 2024. Our accruals and other payables remained stable at RMB6,975.6 million as of December 31, 2024 and RMB7,167.6 million as of December 31, 2025. Our accruals and other payables decreased by 6.9% from RMB7,167.6 million as of December 31, 2025 to RMB6,671.6 million as of June 30, 2026, primarily due to the payment of year-end employee bonuses in the first half of 2026.

Borrowings – current

The following table sets forth our borrowings as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Short-term borrowings				
Bank borrowings				
– Secured	1,492,571	1,563,362	1,483,440	1,790,183
– Unsecured	3,730,655	1,678,880	1,115,137	2,916,370
Borrowings from related finance company				
– Secured	100	40,037	100,000	–
– Unsecured	1,271,203	1,312,141	901,553	940,105
Other borrowings				
– Unsecured	506,718	7,282,792	9,579,175	9,682,936
Long-term borrowings amounts due within one year				
Finance leasing				
– Secured	1,405,308	1,487,541	1,816,299	620,000
Bank borrowings				
– Secured	8,148,741	8,788,904	9,810,811	6,594,125
– Unsecured	975,557	2,607,618	2,894,525	2,212,905
Total	**17,530,853**	**24,761,275**	**27,700,940**	**24,756,624**

Current borrowings increased from RMB17,530.9 million as of December 31, 2023 to RMB24,761.3 million as of December 31, 2024 and further to RMB27,700.9 million as of December 31, 2025, consistent with the larger scale of operations and funding requirements of our green energy solution business. Our current borrowings decreased by 10.6% from RMB27,700.9 million as of December 31, 2025 to RMB24,756.6 million as of June 30, 2026, primarily due to the repayment of certain long-term borrowings upon maturity, partially offset by an increase in short-term bank borrowings.

Lease liabilities – current

Our current lease liabilities primarily represent the portion of lease obligations due within one year under our lease arrangements, which mainly relate to leases of rooftops, buildings and other facilities, land, and certain other equipment. Our current lease liabilities increased by 63.5% from RMB192.5 million as of December 31, 2023 to RMB314.7 million as of December 31, 2024, increased by 31.1% to RMB412.7 million as of December 31, 2025 and further increased by 8.2% to RMB446.5 million as of June 30, 2026, primarily due to the increase in rooftop lease arrangements entered into in connection with the rapid growth of PV station solutions.

Contract liabilities – current

Our current contract liabilities primarily represent advance consideration received from customers in relation to the sale of goods and provision of services before we have fulfilled the relevant performance obligations. Under our revenue recognition policy, if a customer pays consideration, or we have an unconditional right to consideration, before we transfer goods or services to the customer, we recognize such amount as a contract liability. Our management expects that the unsatisfied performance obligations recognized as current contract liabilities will generally be fulfilled within one year.

Our current contract liabilities decreased by 16.5% from RMB4,100.1 million as of December 31, 2023 to RMB3,424.6 million as of December 31, 2024, primarily due to the timing of advance collections from customers and the subsequent recognition of revenue upon fulfillment of the relevant performance obligations. Our current contract liabilities increased by 75.4% from RMB3,424.6 million as of December 31, 2024 to RMB6,005.6 million as of December 31, 2025, primarily due to increased advance receipts relating to PV station solutions and operations and maintenance services.

As of July 31, 2026, RMB1,673.90 million, or 30.1%, of our contract liabilities as of June 30, 2026 had been subsequently recognized as revenue.

Received in advance – current

The following table sets forth a breakdown of our current received in advance as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Advance receipt from disposal of assets classified as held for sale[(1)]	–	105,183	22,127	–
Rental[(2)]	19,398	17,439	10,413	10,170
Advance receipt for equity investments transfer	1,000	3,000	11,235	6,480
Total	**20,398**	**125,622**	**43,775**	**16,650**

(1) Primarily represent advance consideration received in connection with the proposed transfer of land use rights and related buildings under a cooperative co-build project.

(2) Primarily represent advance receipts of rental income from tenants of certain properties leased by us.

Our current advance receipts from disposal of assets classified as held for sale increased from nil as of December 31, 2023 to RMB105.2 million as of December 31, 2024, and decreased to RMB22.1 million as of December 31, 2025, primarily reflecting the timing of receipt of advance consideration and the progress of the relevant asset disposal transactions.

Non-current Assets and Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Non-current assets				
Property, plant and equipment	28,896,523	29,503,508	29,719,403	29,158,568
Right-of-use assets	2,650,667	6,754,080	11,296,986	10,686,032
Investment properties	374,270	389,820	413,434	548,485
Investments in associates and joint ventures	5,828,190	5,866,869	6,040,517	6,076,964
Deferred tax assets	1,212,661	1,693,688	1,990,479	1,700,128
Intangible assets	143,756	136,773	129,450	110,191
Goodwill	527,624	511,594	490,917	490,917
Equity investments at FVTOCI	1,722,996	2,193,438	2,834,325	2,932,187
Financial assets at FVTPL	2,762,362	4,303,365	6,434,115	6,519,635
Prepayments, other receivables and other assets	4,340,998	5,491,885	7,158,763	6,815,404
Trade receivables	3,352	4,658	13,840	25,027
Total non-current assets	**48,463,399**	**56,849,678**	**66,522,229**	**65,063,538**
Non-current liabilities				
Deferred tax liabilities	1,415,218	1,368,557	1,341,228	1,309,338
Borrowings	22,040,366	23,044,197	30,714,791	34,046,007
Lease liabilities	1,314,724	5,549,947	10,093,177	9,465,648
Provisions	323,954	321,323	716,195	649,012
Contract liabilities	–	84,419	123,795	134,079
Deferred income	330,117	269,915	213,283	196,705
Other non-current liabilities	513	492	1,265	22,642
Received in advance	224,517	–	–	–
Total non-current liabilities	**25,649,409**	**30,638,850**	**43,203,734**	**45,823,431**

Property, plant and equipment

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

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Freehold land	38,122	31,325	35,844	33,913
Buildings	2,624,258	2,775,618	2,999,057	2,816,737
Machinery devices	2,531,734	2,404,219	2,219,225	2,093,922
Motor vehicles	26,976	27,135	24,499	21,315
Electronic equipment	59,667	70,315	71,444	62,450
PV stations	21,374,653	21,991,776	23,027,885	22,282,859
R&D equipment	7,824	13,661	9,217	6,328
Other equipment	249,564	213,845	193,725	185,909
Construction in progress	1,891,892	1,877,882	1,066,931	1,568,620
Leasehold improvements	91,833	97,732	71,576	86,515
Total	**28,896,523**	**29,503,508**	**29,719,403**	**29,158,568**

Right-of-use assets

The following table sets forth our right-of-use assets as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Buildings	159,089	143,642	166,070	167,609
Leasehold land	202,351	243,330	240,950	237,205
Land use right	1,076,045	837,682	830,101	829,150
Roof	540,681	4,945,925	9,594,612	9,053,308
PV stations	659,526	571,645	454,000	388,998
Machinery devices	576	240	39	–
Other equipment	12,399	11,616	11,214	9,762
Total	**2,650,667**	**6,754,080**	**11,296,986**	**10,686,032**

Our right-of-use assets increased by 154.8% from RMB2,650.7 million as of December 31, 2023 to RMB6,754.1 million as of December 31, 2024, and increased further by 67.3% to RMB11,297.0 million as of December 31, 2025. This increase was primarily attributable to the significant increase in roof right-of-use assets, which was broadly in line with the expansion of our PV station solutions involving rooftop resources. Our right-of-use assets decreased by 5.4% from RMB11,297.0 million as of December 31, 2025 to RMB10,686.0 million as of June 30, 2026, primarily due to a decrease in roof right-of-use assets as a result of increased sales of residential PV stations during the six months ended June 30, 2026.

Investment properties

Our investment properties increased by 4.1% from RMB374.3 million as of December 31, 2023 to RMB389.8 million as of December 31, 2024, and increased further by 6.1% from RMB389.8 million as of December 31, 2024 to RMB413.4 million as of December 31, 2025, primarily due to the transfer of an idle production base into investment property for external leasing. Our investment properties increased by 32.7% from RMB413.4 million as of December 31, 2025 to RMB548.5 million as of June 30, 2026, primarily due to the completion of certain properties that were previously under construction.

Investments in associates and joint ventures

The following table sets forth our investments in associates and joint ventures as of the dates indicated.

	As of December 31,			As of June 30,
	2023	**2024**	**2025**	**2026**
	(RMB in thousands)			
				(Unaudited)
Associates	5,716,037	5,762,865	5,956,412	5,992,859
Joint ventures	112,153	104,004	84,105	84,105
Total	**5,828,190**	**5,866,869**	**6,040,517**	**6,076,964**

In 2023, we disposed of our entire 37.5% equity interest in Taixia Smart Energy Co., Ltd., which had been accounted for as an associate of our Group, to a third party for total proceeds of RMB210.0 million. We recognized a gain on disposal of RMB14.7 million in respect of the transaction. Following the disposal, Taixia Smart Energy Co., Ltd. ceased to be an associate of our Group, and we no longer held any equity interest in it. In the same year, we disposed of our entire 25% equity interest in an overseas associate to an independent third party for total proceeds of US$28.0 million. We recognized a loss on disposal of RMB104.9 million in profit or loss in respect of the transaction. Following the disposal, we no longer held any equity interest in the overseas associate. For details of our material associates, see Note 16 to the Accountants' Report in Appendix I to this document.

Deferred tax assets

Our deferred tax assets increased by 39.7% from RMB1,212.7 million as of December 31, 2023 to RMB1,693.7 million as of December 31, 2024, primarily due to increases in deferred tax assets recognized in relation to unrealized profits, loss allowance and impairment provision, and accruals. Our deferred tax assets further increased by 17.5% to RMB1,990.5 million as of December 31, 2025, primarily due to increases in deferred tax assets recognized in relation to lease liabilities, unrealized profits and deferred income. Our deferred tax assets decreased by 14.6% from RMB1,990.5 million as of December 31, 2025 to RMB1,700.1 million as of June 30, 2026, primarily due to decreases in deferred tax assets recognized in relation to lease liabilities and unrealized profits.

Intangible assets

Our intangible assets mainly consist of software, patent rights, non-patent technologies and trademarks. Our intangible assets decreased by 4.9% from RMB143.8 million as of December 31, 2023 to RMB136.8 million as of December 31, 2024, primarily reflecting amortization and impairment charges, partially offset by additions. Our intangible assets decreased by 5.3% from RMB136.8 million as of December 31, 2024 to RMB129.5 million as of December 31, 2025, primarily due to amortization charges, partially offset by additions and transfers from construction in progress. Our intangible assets further decreased by 14.9% to RMB110.2 million as of June 30, 2026, primarily due to amortization charges.

Goodwill

Our goodwill decreased by 3.0% from RMB527.6 million as of December 31, 2023 to RMB511.6 million as of December 31, 2024 and further decreased by 4.0% to RMB490.9 million as of December 31, 2025, primarily due to impairment losses recognized during the respective year.

Equity investments at FVTOCI

Our equity investments at FVTOCI increased by 27.3% from RMB1,723.0 million as of December 31, 2023 to RMB2,193.4 million as of December 31, 2024, and further increased by 29.2% to RMB2,834.3 million as of December 31, 2025, primarily due to the increase in unlisted equity investments and increased investments in overseas ground-mounted PV stations. Overseas ground-mounted PV stations with an aggregate installed capacity of 397.8 MW, 387.8 MW, 516.6 MW and 604.4 MW as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively, were classified as (1) equity investments at FVTOCI and (2) financial assets at FVTPL. As of June 30, 2026, these overseas ground-mounted PV stations were primarily located in Bulgaria, Egypt, the United States, Turkey, South Korea and Australia. Our equity investments at FVTOCI remained stable at RMB2,834.3 million as of December 31, 2025 and RMB2,932.2 million as of June 30, 2026.

Financial assets at FVTPL – non-current

The following table sets forth our financial assets at FVTPL as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Listed equity investments, at fair value	379,421	415,564	412,803	544,259
Unlisted equity investments, at fair value	2,382,946	3,887,801	6,021,312	5,975,376
Derivative financial instruments[(1)]	11,389	6,693	126,223	13,490
Performance compensation[(2)]	–	5,857	–	–
	2,773,756	4,315,915	6,560,338	6,533,125
Portion classified as non-current portion	(2,762,362)	(4,303,365)	(6,434,115)	(6,519,635)
Current portion	11,394	12,550	126,223	13,490

(1) Primarily represented foreign currency forwards, interest rate swap and commodity futures held for trading.

(2) Primarily represented one-off compensation received from a counterparty pursuant to a performance commitment arrangement.

Our non-current financial assets at FVTPL increased by 55.8% from RMB2,762.4 million as of December 31, 2023 to RMB4,303.4 million as of December 31, 2024, and further increased by 49.5% from RMB4,303.4 million as of December 31, 2024 to RMB6,434.1 million as of December 31, 2025, primarily due to continued investment in overseas ground-mounted PV stations and fair value gains on unlisted equity investments.

Prepayments, other receivables and other assets – non-current

The following table sets forth our non-current prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Prepayment				
Prepayment for non-current assets	128,923	109,986	79,035	94,289
Other receivables				
Deposits	84,057	121,269	363,230	551,022
Loan receivables				
Loan receivables	480,769	367,811	96,902	83,615
Other non-current assets				
Deductible taxes	3,441,924	4,513,518	5,883,752	5,397,767
Asset for the right to returned products	95,393	201,270	598,787	538,123
Vegetation restoration costs	31,837	38,432	35,266	33,639
Others	78,095	139,599	101,791	116,949
	3,647,249	4,892,819	6,619,596	6,086,478
Total	**4,340,998**	**5,491,885**	**7,158,763**	**6,815,404**

Our non-current prepayments, other receivables and other assets increased by 26.5% from RMB4,341.0 million as of December 31, 2023 to RMB5,491.9 million as of December 31, 2024, primarily attributable to (1) an increase in deductible taxes driven by the expansion of our procurement activities and fixed asset investments, and (2) an increase in the asset for the right to returned products, which was broadly in line with the increase in sales of residential PV stations under arrangements pursuant to which our customers may return the relevant PV stations if actual electricity generation falls short of agreed levels.

Our non-current prepayments, other receivables and other assets increased by 30.4% from RMB5,491.9 million as of December 31, 2024 to RMB7,158.8 million as of December 31, 2025, primarily attributable to the continued increase in deductible taxes arising from procurement inputs, as well as an increase in the asset for the right to returned products.

Our non-current prepayments, other receivables and other assets decreased by 4.8% from RMB7,158.8 million as of December 31, 2025 to RMB6,815.4 million as of June 30, 2026, primarily attributable to a decrease in deductible taxes arising from procurement inputs, partially offset by an increase in deposits from RMB363.2 million to RMB551.0 million.

Our loan receivables decreased by 23.5% from RMB480.8 million as of December 31, 2023 to RMB367.8 million as of December 31, 2024. This decrease primarily reflected the effect of repayments and settlement in loan-related balances during the year. Our loan receivables decreased by 73.7% from RMB367.8 million as of December 31, 2024 to RMB96.9 million as of December 31, 2025, primarily due to the effect of repayments, settlements and changes in the financing structure of overseas ground-mounted PV stations.

Borrowings – non-current

The following table sets forth the non-current portion of our borrowings as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Bank borrowings				
– Secured	5,820,731	7,441,630	10,536,531	10,469,130
– Unsecured	6,641,848	4,985,304	5,244,850	4,641,034
Finance leasing				
– Secured	9,577,787	10,617,263	14,933,410	18,935,843
Total	**22,040,366**	**23,044,197**	**30,714,791**	**34,046,007**

Our non-current borrowings increased by 33.3% from RMB23,044.2 million as of December 31, 2024 to RMB30,714.8 million as of December 31, 2025 and further increased by 10.8% to RMB34,046.0 million as of June 30, 2026, primarily due to the continued expansion of our PV station development, which increased our long-term funding needs.

Lease liabilities – non-current

Our non-current lease liabilities primarily represent the portion of lease obligations due beyond one year under our long-term lease arrangements. Our non-current lease liabilities increased significantly by 322.1% from RMB1,314.7 million as of December 31, 2023 to RMB5,549.9 million as of December 31, 2024, and increased further by 81.9% to RMB10,093.2 million as of December 31, 2025. This increase was primarily attributable to the large number of long-term rooftop lease agreements entered into in 2024 in connection with the rapid expansion of our PV station solutions. Our non-current lease liabilities decreased by 6.2% from RMB10,093.2 million as of December 31, 2025 to RMB9,465.6 million as of June 30, 2026, primarily as a result of the increase in sales of residential PV stations in the six months ended June 30, 2026.

Provisions – non-current

The following table sets forth the non-current portion of our provisions as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Warranty	201,342	20,527	22,595	31,572
Allowance for financial guarantee contracts	18,115	51,200	44,814	37,897
Refunded liability	103,399	217,255	644,080	578,074
Onerous contract	–	32,341	–	–
Others	1,098	–	4,706	1,469
Total	**323,954**	**321,323**	**716,195**	**649,012**

Allowance for financial guarantee contracts primarily represented expected credit loss allowances recognized in respect of financial guarantees provided by Chint Anneng. See "–Contingent Liabilities and Guarantees" for details of financial guarantee contracts. Such expected credit loss allowances were recognized in respect of Chint Anneng's residual exposure under joint and several liability guarantees provided for bank loans obtained by certain individual customers to finance their purchases of residential photovoltaic equipment, after taking into account the portion of such exposure covered by counter-guarantees provided by our service suppliers.

Refunded liability primarily represented provisions recognized in connection with certain clauses entered into by Chint Anneng in the course of its power station business with financial leasing companies. Under such arrangements, Chint Anneng estimates, at each year/period end, the expected return rate for the relevant power stations sold to financial leasing companies. The relevant evaluation period is determined by reference to the operation and maintenance period of the power stations, which is typically 20 to 25 years. Chint Anneng recognizes the relevant provision by applying the estimated return rate to the sales amount of the relevant power stations.

Onerous contract primarily related to provisions recognized for estimated losses arising from after-sales support obligations in connection with our operations and maintenance services.

Our non-current provisions remained stable at RMB324.0 million as of December 31, 2023 and RMB321.3 million as of December 31, 2024. Our non-current provisions increased significantly by 122.9% to RMB716.2 million as of December 31, 2025, primarily due to an increase in provisions for estimated obligations in connection with residential PV station sales arrangements under which our customers may return the relevant PV stations if actual electricity generation falls short of agreed levels. Such provisions reflect the estimated cash outflows expected to be incurred for such returns and increased broadly in line with the growth in the scale of the relevant residential PV station sales. Our non-current provisions decreased by 9.4% from RMB716.2 million as of December 31, 2025 to RMB649.0 million as of June 30, 2026, primarily due to decreases in refunded liability and allowance for financial guarantee contracts.

Contract liabilities – non-current

Our non-current contract liabilities primarily represent advance consideration received from customers in relation to the provision of services for which the relevant performance obligations are expected to be fulfilled beyond one year. We expect the unsatisfied performance obligations recognized as non-current contract liabilities will generally be fulfilled over the following 20 years. Our non-current contract liabilities increased from nil as of December 31, 2023 to RMB84.4 million as of December 31, 2024, RMB123.8 million as of December 31, 2025 and RMB134.1 million as of June 30, 2026, primarily due to the continued provision of extended warranty services for energy storage systems and the resulting cumulative growth in the related service obligations.

Deferred income

Our deferred income primarily represents government grants relating to assets, which are included in non-current liabilities and recognized in profit or loss over the expected useful lives of the related assets. Our deferred income decreased by 18.2% from RMB330.1 million as of December 31, 2023 to RMB269.9 million as of December 31, 2024, primarily due to the amortization of such deferred government grants to profit or loss during the year, partially offset by new government grants received. Our deferred income decreased by 21.0% from RMB269.9 million as of December 31, 2024 to RMB213.3 million as of December 31, 2025, and further decreased by 7.8% to RMB196.7 million as of June 30, 2026, primarily due to the continued recognition of asset-related government grants to profit or loss.

Received in advance – non-current

Our non-current received in advance consisted solely of advance receipt from disposal of assets classified as held for sale as of December 31, 2023. The decrease in non-current received in advance from RMB224.5 million as of December 31, 2023 to nil as of December 31, 2024, primarily reflected the absence of a non-current balance for advance receipt from disposal of assets. This movement was attributable to the timing and balance-sheet classification of advance receipt from disposal of assets classified as held for sale. As of June 30, 2026, our non-current received in advance remained nil.

INDEBTEDNESS

The table below sets out the details of our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Borrowing				
– Secured	26,445,238	29,938,737	38,680,491	38,409,281
– Unsecured	13,125,981	17,866,735	19,735,240	20,393,350
Lease liabilities				
– Unsecured	1,507,210	5,864,601	10,505,925	9,912,187
	41,078,429	**53,670,073**	**68,921,656**	**68,714,818**

Except as disclosed above and save for the financial guarantee contracts disclosed below, as of June 30, 2026, we did not have any other outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. After due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material adverse change in our indebtedness since June 30, 2026.

CONTINGENT LIABILITIES AND GUARANTEES

As of December 31, 2023, 2024 and 2025 and June 30, 2026, the outstanding amount of our financial guarantee contracts was RMB3,193.8 million, RMB2,413.7 million, RMB2,342.8 million and RMB1,917.9 million, respectively. These financial guarantee contracts and contingent liabilities primarily comprised: (1) joint and several liability guarantees provided by Chint Anneng in respect of bank loans obtained by certain individual customers to finance their purchases of residential photovoltaic equipment, a portion of which was supported by counter-guarantees provided by our service suppliers; (2) guarantees provided by Chint Anneng, with an average coverage ratio of 18.0%, in respect of bank loans obtained by an investee company, our investment in which is measured at FVTOCI, to finance its acquisition of our residential PV station assets; (3) financial guarantees provided in respect of bank loans obtained by related parties; and (4) shortfall coverage obligations undertaken by Chint Anneng in connection with its cooperation arrangements with two financial leasing companies, pursuant to which Chint Anneng sold residential PV stations to such financial leasing companies, which subsequently leased the relevant PV stations to end-users; the rental payments under such leasing arrangements were primarily funded by electricity income and subsidy income, if any, generated by the relevant PV stations; under such arrangements, Chint Anneng agreed to cover any shortfall between the actual electricity income generated by the relevant PV stations and the rental payments payable by the end-users. Save for the above, during the Track Record Period and up to the Latest Practicable Date, we did not have any other material contingent liabilities or guarantees that would have a material impact on our financial position or results of operations.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

The following table sets forth a breakdown of our capital expenditures for the periods indicated.

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	(RMB in thousands)			*(Unaudited)*
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets	4,363,713	3,007,495	1,938,254	639,129
Purchase of equity investments at FVTOCI	392,501	617,893	615,342	120,860
Purchase of financial assets at FVTPL	1,903,015	1,680,842	2,270,962	166,503
Total	**6,659,229**	**5,306,230**	**4,824,558**	**926,492**

Our capital expenditures during the Track Record Period primarily consisted of payments for purchase of property, plant and equipment, intangible assets and other non-current assets, purchase of equity investments at FVTOCI and purchase of financial assets at FVTPL. We funded our capital expenditures during the Track Record Period mainly through cash generated from operating activities and external financing. We expect to incur capital expenditure in the near future, primarily to support the growth of our business. We expect to fund these capital expenditures with a combination of cash flow generated from operating activities, equity and debt financing and **[REDACTED]** from the **[REDACTED]**. See "Future Plans and Use of **[REDACTED]**" for further details about our planned capital expenditure. We may adjust our capital expenditure for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

Capital Commitments

Our capital commitments are mainly related to property, plant and equipment which had been contracted but not yet provided for. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our capital commitments were RMB994.2 million, RMB1,246.5 million, RMB1,386.5 million and RMB1,646.8 million, respectively.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated.

	As of/for the year ended December 31,			As of/for the six months ended June 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Gross profit margin *(%)*[1]	21.6	23.1	25.9	28.1	23.6
Net profit margin *(%)*[2]	8.6	8.1	10.4	11.6	10.7
Debt-to-asset ratio *(%)*[3]	61.5	63.3	66.1	N/A	64.7
Current ratio *(times)*[4]	1.49	1.43	1.49	N/A	1.65

(1) Equals gross profit divided by revenue and multiplied by 100%.

(2) Equals profit for the year/period divided by revenue and multiplied by 100%.

(3) Equals total liabilities divided by total assets and multiplied by 100%.

(4) Equals total current assets divided by total current liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, save for the financial guarantee contracts disclosed above, we had not entered into any off-balance sheet arrangements. Except for the financial guarantee contracts disclosed above, we have not entered into any other financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

MATERIAL RELATED PARTY TRANSACTIONS

Related party transactions are set out in Note 46 to the Accountants' Report included in Appendix I and Note 24 to the Condensed Consolidated Financial Statements in Appendix IA. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 45 to the Accountants' Report in Appendix I to this document for details.

DIVIDENDS

We paid dividends to the Company's shareholders of RMB851.1 million, RMB1,181.9 million, RMB1,286.4 million and RMB1,276.9 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. Subject to PRC laws and regulations, including the PRC Company Law and the No. 3 Guideline for the Supervision of Listed Companies–Cash Dividend Distribution of Listed Companies (2025 Revision) (上市公司監管指引第3號–上市公司現金分紅(2025年修訂)) and pursuant to our dividend policy under the Articles of Association, we are required to pay cash dividends where we have recorded a positive net profit for the current year and have positive accumulated undistributed profits as of the end of that year, and cumulative cash dividends of any three consecutive fiscal years that account for not less than 30% of our average annual net profits attributable to owners of our Company for those three fiscal years which are available for distribution, calculated in accordance with PRC GAAP, provided that the sustainable operation and long-term development of our Company will not be impacted and there is no plan for significant capital expenditure. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of both. We do not have a fixed dividend distribution ratio. Any proposed distribution of dividends is subject to the discretion of our Board and approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

DISTRIBUTABLE RESERVES

As of June 30, 2026, our distributable reserves were RMB31,466.0 million.

[REDACTED]

In 2023, 2024, 2025 and the six months ended June 30, 2026, our **[REDACTED]** were nil, nil, nil and RMB1.7 million, respectively. Our **[REDACTED]** mainly include (1) **[REDACTED]**-related expenses, such as **[REDACTED]** and **[REDACTED]**, and (2) non-**[REDACTED]**-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and (3) other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total **[REDACTED]** (based on the mid-point of the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately HK$**[REDACTED]**, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**. Among such estimated total **[REDACTED]**, we expect to pay **[REDACTED]** of HK$**[REDACTED]**, professional fees for our legal advisors and Reporting Accountants of HK$**[REDACTED]** and other fees and expenses of HK$**[REDACTED]**. An estimated amount of HK$**[REDACTED]** for our **[REDACTED]**, accounting for approximately **[REDACTED]**% of our **[REDACTED]**, was or is expected to be expensed through the statement of profit or loss and the remaining amount of HK$**[REDACTED]** is expected to be recognized directly as a deduction from equity upon the **[REDACTED]**.

UNAUDITED [REDACTED] ADJUSTED COMBINED NET TANGIBLE ASSETS

See "Appendix II–Unaudited **[REDACTED]** Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since June 30, 2026, being the end date of the period reported in Appendix IA to this document, and there has been no event since June 30, 2026 which would materially affect the information shown in the Accountants' Report set out in Appendix I or the Condensed Consolidated Financial Statements in Appendix IA to this document.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this document, our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

OVERVIEW

As of the Latest Practicable Date, our Company was owned as to (i) 41.18% by CHINT Group, which was owned as to approximately 31.23% by Mr. Nan Cunhui (南存輝) and 12.14% by Huitai Limited, and Huitai Limited was owned as to 1% by Mr. Nan Cunhui and 99% by Huitai Partnership, in which Mr. Nan Cunhui acts as the sole general partner holding 99% partnership interests therein; (ii) 8.39% by New Energy Investment, which was owned as to approximately 96.32% by CHINT Group and 3.68% by Shanghai Taiyi, and Shanghai Taiyi was owned as to 80% by Mr. Nan Cunhui; and (iii) 3.45% directly by Mr. Nan Cunhui (together with CHINT Group, New Energy Investment, Huitai Limited, Shanghai Taiyi and Huitai Partnership, collectively referred to as the "**Controlling Shareholders Group**"). For further details, see "History and Corporate Structure–Corporate Structure" in this document.

As of the Latest Practicable Date, our Controlling Shareholders Group in aggregate was interested in 1,139,490,798 Shares of our Company, representing approximately 53.54% of the voting power of our Company (excluding the 20,839,551 A Shares held by our Company as treasury Shares). Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the Controlling Shareholders Group will collectively be entitled to exercise **[REDACTED]**% of the voting power at general meetings of our Company (excluding the 20,839,551 A Shares held by our Company as treasury Shares). Therefore, they will remain as our Controlling Shareholders Group upon **[REDACTED]**.

CLEAR BUSINESS DELINEATION

Our Business

We are a leading global integrated power and energy solution provider from China, with two complementary business segments: intelligent electrical products and green energy solutions. Our Group primarily focuses on the manufacturing and sale of low-voltage electrical equipment, as well as the new energy industry, in which we specialize in (i) development and operation of PV stations, including residential, commercial & industrial, and ground-mounted PV stations; and (ii) the maintenance of residential PV stations. For further details, see "Business" in this document.

The Business of Our Controlling Shareholders

Apart from the interests in our Group, our Controlling Shareholders, individually or collectively, control and invest in companies principally engaged in, among others, (i) power transmission and distribution equipment manufacturing, (ii) manufacturing and sale of photovoltaic modules, (iii) maintenance services for ground-mounted PV stations and commercial & industrial PV stations, and (iv) other businesses including smart home solutions, investment and incubation activities and financial services.

Notwithstanding that our Group and our Controlling Shareholders operate within the broader electrical and new energy industry, there is a clear delineation between their respective businesses. In particular, our Company focuses on the manufacturing and sale of low-voltage electrical equipment and the maintenance of residential PV stations, whereas our Controlling Shareholders primarily engage in power transmission and distribution equipment and photovoltaic modules manufacturing, as well as maintenance services for ground-mounted PV stations and commercial & industrial PV stations, but not for any residential PV stations. For the three years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the revenue generated from the maintenance of residential PV stations accounted for approximately 0.6%, 0.9%, 2.0% and 1.2% of our total revenue for the corresponding periods, respectively.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

The following table sets out the key differences between our Group and CHINT Group (excluding our Group) in relation to the development, operation and maintenance of photovoltaic power stations:

	Businesses Engaged by our Group		Businesses Engaged by CHINT Group	
	Development & Operation	Maintenance	Development & Operation	Maintenance
1. Residential PV stations	Y	Y	N	N
2. Commercial & industrial PV stations	Y	N	N	Y
3. Ground-mounted PV stations	Y	N	N	Y

Note: "Y" indicates that the relevant party engages in the relevant business, and "N" indicates that the relevant party does not engage in the relevant business.

The relevant business delineation reflects the different service models, customer bases and existing capabilities of our Group and CHINT Group in relation to maintenance services. While our Group develops and operates residential, ground-mounted and commercial & industrial PV stations, we provide maintenance services primarily for residential PV stations developed by us as part of the after-sales support, leveraging our existing agent network and digital monitoring platform. By contrast, CHINT Group principally engages in the provision of maintenance services for ground-mounted and commercial & industrial PV stations sourcing business opportunities independently, including through public tendering, and leveraging its specialized maintenance teams and established maintenance systems tailored to the technical and service requirements of such PV stations.

According to the F&S Report, the residential, ground-mounted and commercial & industrial PV station markets are distinct markets serving different customer segments and application scenarios and operating under different business models. Such differences also distinguish the maintenance services provided by our Group and CHINT Group. In particular, residential PV stations are generally smaller in scale and geographically dispersed, and their maintenance primarily focuses on ongoing monitoring and after-sales support, whereas ground-mounted and commercial & industrial PV stations are generally larger and involve more complex equipment and, where applicable, require personnel with qualifications appropriate to the relevant voltage level. Accordingly, CHINT Group typically deploys dedicated professional maintenance teams at the relevant sites, while our Group primarily provides maintenance services through teams within its agent network, supported by its digital and intelligent monitoring platform and standardized training and management systems. Therefore, the respective maintenance businesses of our Group and CHINT Group are clearly delineated by reference to the distinct characteristics of the relevant PV station markets, customer bases, service requirements and service delivery models.

In addition to the above business delineation, our Group and CHINT Group maintain certain mutually complementary business collaborations in the ordinary and usual course of business, based on their respective business needs and resources and capabilities. Our Group has entered into, from time to time, products and services procurement and provision agreements with CHINT Group to (i) procure from CHINT Group the maintenance services for the ground-mounted PV stations and commercial & industrial PV stations developed and operated by us, and photovoltaic modules and other products, including cables, for our development and operation of PV stations; and (ii) provide CHINT Group with low-voltage electrical products and the related services for their assembly of power transmission and distribution equipment. See "Connected Transactions – Non-Exempt Continuing Connected Transactions – 10. CHINT Products and Services Purchase and Provision Framework Agreement" for more details. Such collaborative business arrangement with CHINT Group (i) enables our Group to expand the sale of its low-voltage electrical products and enhance its revenue base; and (ii) supports the efficient development and operation of our PV stations through our procurement of photovoltaic modules and maintenance services for our self-owned ground-mounted PV stations and commercial & industrial PV stations, by leveraging

CHINT Group's established resources, technical expertise and service capabilities. For the three years ended 31 December 2023, 2024 and 2025 and the six months ended June 30, 2026, the revenue generated from the provision of services and goods to CHINT Group accounted for approximately 4.0%, 4.2%, 4.7% and 3.9% of our total revenue, respectively, while the procurement amounts from the CHINT Group accounted for approximately 14.2%, 8.6%, 8.1% and 8.5% of our total procurement amount, respectively. Accordingly, such collaborative business arrangement (i) is mutually beneficial to our Group and CHINT Group and expected to continue after **[REDACTED]**; (ii) does not affect our business independence or the clear delineation between the businesses operated by our Group and CHINT Group.

Therefore, our Directors are of the view that there is a clear delineation between the businesses operated by our Controlling Shareholders and our Group. Our Controlling Shareholders have no interest in a business (apart from our Group's business), which competes, or is likely to compete, whether directly or indirectly, with our Group, which would otherwise require disclosure under Rule 8.10(1) of the Hong Kong Listing Rules.

NON-COMPETITION AGREEMENT AND UNDERTAKINGS

In March 2008, for the purpose of the listing of our A Shares on the Shanghai Stock Exchange and in order to avoid potential competition with our Company, CHINT Group entered into a non-competition agreement in favor of our Company. Pursuant to the non-competition agreement, CHINT Group has irrevocably undertaken, among other commitments, with effect from the execution date and terminating on the earlier of: (a) the date on which CHINT Group ceases to be our controlling shareholder; or (b) the date on which the Shares cease to be listed on the Shanghai Stock Exchange, that:

(a) it and its controlled entities shall not, and it shall use its best endeavors to procure its investee enterprises not to, (i) directly or indirectly, in any form, alone or with others, engage in, participate in or assist in engaging in or participating in any business within or outside the PRC that constitutes or may constitute direct or indirect competition with our principal business of manufacturing, selling, and providing technical services of low-voltage electrical products (the "**Principal Business**"); or (ii) support any third party, other than the Company or its subsidiaries, in conducting any business within or outside the PRC that constitutes or may constitute competition with our current or future Principal Business; or (iii) intervene, directly or indirectly, in any other manner in any business or activity that competes with our current or future Principal Business;

(b) if it or its controlled entities becomes aware of any new business opportunity, which is or may be in direct or indirect competition with the Principal Business, CHINT Group shall promptly notify our Company in writing. Upon receipt of such notice, we shall within thirty (30) days notify CHINT Group in writing if we have an intention to pursue such opportunity, and CHINT Group or its relevant controlled entity shall use its best efforts to ensure that the business opportunity is firstly provided to our Company on reasonable and fair terms and conditions; and

(c) if our Company or our subsidiaries, for any reason, decide not to pursue the aforementioned new business, we shall promptly notify CHINT Group. In such case, provided that the new business does not compete with the Principal Business, CHINT Group or its controlled entities may pursue such new business, while our Company shall be entitled to (i) acquire, at any time, either in one or multiple instances, any equity, assets, or other interests held by CHINT Group or its controlled entities in the new business, which is or may be in direct or indirect competition with the Principal Business, or in a manner permitted by applicable law, to entrust the operation, lease, or contract operation of CHINT Group's assets or business in such new business; (ii) exercise the right of first refusal within thirty (30) days from receipt of a written notice from the CHINT Group, to acquire any such new business, which CHINT Group or any of its controlled entities intends to transfer, sell, lease, license, or otherwise make available to any third party.

In addition, in March 2008, each of CHINT Group and Mr. Nan Cunhui further provided a long-term non-competition undertaking in favor of our Company, pursuant to which, each of CHINT Group and Mr. Nan Cunhui has undertaken that, among others:

(1) Neither CHINT Group nor any entities controlled by CHINT Group or Mr. Nan Cunhui engage, directly or indirectly and in any form, in any business within or outside the PRC that constitutes or may constitute direct or indirect competition with the principal business currently conducted by our Company.

(2) Neither CHINT Group nor any entities controlled by CHINT Group or Mr. Nan Cunhui will, directly or indirectly, engage in or operate any business within or outside the PRC that constitutes or may constitute direct or indirect competition with the principal business of our Company.

(3) In the event that any competition with our Company becomes unavoidable due to changes in national policies, force majeure or other unforeseen circumstances, or if there may be potential competition with our Company, our Company shall be entitled to require the elimination of such competition by any appropriate measures, including but not limited to the acquisition by our Company of equity interests in any relevant entities controlled by CHINT Group at market prices.

(4) Each of CHINT Group and its controlled subsidiaries and Mr. Nan Cunhui shall strictly comply with the above undertakings, and in the event of any breach, shall be liable for all losses and damage suffered by our Company in accordance with applicable laws.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS GROUP

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders Group and their respective close associates upon **[REDACTED]**.

Management Independence

Upon **[REDACTED]**, our Board will comprise ten Directors, including four executive Directors, two non-executive Director and four independent non-executive Directors. Our management and operational decisions are made collectively by our Board and senior management, most of whom have served our Group for a significant period of time and have substantial and extensive relevant industry experience and expertise as set out in "Directors and Senior Management."

Save as disclosed below, none of our Directors or members of our senior management holds a directorship or senior management position in our corporate Controlling Shareholders and their close associates (excluding our Group):

Name	Position(s) in our Company	Position(s) in our Controlling Shareholders and/or its close associates
Mr. Nan Cunhui	Executive Director and chairman of the Board	Director of Huitai Limited, Shanghai Taiyi, CHINT Group and three of its close associates General partner of Huitai Partnership
Mr. Chen Guoliang (陳國良)	Executive Director and president	Director of CHINT Group and 12 of its close associates
Mr. Lin Yiming (林貽明)	Executive Director, vice president and financial director	Director of 16 close associates of CHINT Group

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

Name	Position(s) in our Company	Position(s) in our Controlling Shareholders and/or its close associates
Mr. Nan Er (南爾)	Executive Director and vice president	Director of CHINT Group and 12 of its close associates
Mr. Zhu Xinmin (朱信敏)	Non-executive Director	Director of CHINT Group and 13 of its close associates
Mr. Lu Chuan (陸川)	Non-executive Director	Director of CHINT Group and ten of its close associates

Notwithstanding the fact that four executive Directors, namely Mr. Nan Cunhui, Mr. Chen Guoliang, Mr. Lin Yiming, Mr. Nan Er, and two non-executive Directors, namely Mr. Zhu Xinmin and Mr. Lu Chuan, hold overlapping directorship or senior management positions in our Controlling Shareholders and their close associates, we are of the view that our Company and our corporate Controlling Shareholders can be managed independently for the following reasons:

(i) Mr. Nan Cunhui, the founder of both our Group and CHINT Group, holds leading positions in our Company, our Controlling Shareholders and their close associates, which reflects recognition of his leadership, contributions, and seniority. Nevertheless, when performing his duty as the executive Directors and the chairman of the Board of our Company, Mr. Nan Cunhui has been devoting and will continue to allocate adequate amount of time and effort to the management and operation of our Group and would bear the best interests of our Company and Shareholders as whole in mind;

(ii) Save that Mr. Lin Yiming acts as the executive director and chairman of the board of directors of Zhejiang Private Enterprise Joint Investment Co., Ltd. (浙江民營企業聯合投資股份有限公司) ("**Zhejiang PEJ Investment**"), in which CHINT Group holds approximately 40% equity interest, none of our other executive Directors, namely Mr. Chen Guoliang, Mr. Lin Yiming and Mr. Nan Er, is acting as directors with management roles or holds any senior management positions in our Controlling Shareholders and their close associates.

Our Directors are of the view that the aforementioned roles of Mr. Lin Yiming in Zhejiang PEJ Investment, do not affect the management independence of our Group, due to the following reasons: (i) Zhejiang PEJ Investment is not a subsidiary controlled by CHINT Group, (ii) Mr. Lin Yiming is only involved in the high-level decision-making of Zhejiang PEJ Investment and when performing his duties, he has been and will continue to be supported by the senior management team of Zhejiang PEJ Investment, which is responsible for the day-to-day operation and management of Zhejiang PEJ Investment; and (iii) Mr. Lin Yiming does not expect that his role in Zhejiang PEJ Investment will require substantial time commitment, and he has been devoting and will continue to devote sufficient time and effort to discharge his responsibilities in our Group effectively.

(iii) Mr. Zhu Xinmin and Mr. Lu Chuan are our non-executive Directors, who will be mainly responsible for providing guidance for the overall management and development of our Company and will not be involved in the day-to-day operation and management of our Company. The day-to-day management and operations of our Company will be dealt with by our executive Directors and senior management;

(iv) each Director is aware of his or her fiduciary duties as a Director which require, among other things, that such Director acts for the best interests of our Company and our Shareholders as a whole and should not allow any conflict of interests between his or her duties as a Director and his or her personal interests;

(v) our daily management and operation decisions are made by our executive Directors and senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our executive Directors and senior management, see "Directors and Senior Management" in this document;

(vi) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions pursuant to the relevant requirements under our Articles of Association and/or the Listing Rules;

(vii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) is required to declare the nature of such interest before voting and shall abstain from voting in respect of such transaction and not be counted towards the quorum at the relevant Board meetings of our Company; and

(viii) we have appointed four independent non-executive Directors, comprising more than one third of the total members of our Board, who have sufficient knowledge, experience and competence to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions and in the best interests of our Company and our Shareholders as a whole.

Based on the above, our Directors are of the view that our Board as a whole and together with our senior management are capable to perform their roles in our Company independently and manage our business independently of our Controlling Shareholders Group and their respective close associates after the **[REDACTED]**.

Operational Independence

We have full rights to make all decisions regarding, and carry out, our business operations independently. We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently of our Controlling Shareholders Group and their respective close associates. Our access to, and relationship with, our key customers and suppliers are independent from our Controlling Shareholders Group. We are in possession of, or have the right to use, all material assets, licenses, intellectual property rights and research and development facilities necessary to carry on and operate our business.

Due to the nature and characteristics of our businesses, we entered into certain continuing connected transactions with CHINT Group and its associates in respect of some of our businesses, including the licensing of certain trademarks from CHINT Group to our Group, the leasing of certain office premises and machinery equipment to and from CHINT Group and its associates, the procurement of financial services from CHINT Group, and the provision and procurement of products and services to and from CHINT Group and its associates. Such connected transactions with the CHINT Group will be conducted on arm's length basis and on normal commercial terms in the ordinary and usual course of our business. For more details, see "Connected Transactions". Considering that our access to independent sources and the sufficiently competitive market, our Directors believe that, even if such agreements are terminated, our Company will be able to easily identify other suitable partners or substitutes that would be readily available to our Company through fair negotiation at similar terms and conditions in line with the market terms to meet our business and the operational needs without causing any undue delay.

Based on the above, our Directors are satisfied that we have been operating independently from our Controlling Shareholders Group and their respective close associates during the Track Record Period and will continue to be able to operate independently upon **[REDACTED]**.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

Financial Independence

We are able to operate independently from our Controlling Shareholders Group and their respective close associates from a financial perspective. We have an independent financial system and make financial decisions according to our own business needs. We have our independent financial department with a team of financial staff responsible for financial control, accounting and reporting function, and an audit committee comprising solely of independent non-executive Directors to oversee our accounting and financial reporting processes. We make tax registration and pay tax independently with our own funds. As such, our financial functions, such as cash and accounting management, invoices and bills, operate independently from our Controlling Shareholders Group and their respective close associates.

During the Track Record Period, our Controlling Shareholders provided guarantees (the "**Connected Guarantees**") for our Group's bank borrowings and credit facilities (the "**Guaranteed Borrowings and Credit Facilities**") from various commercial banks and financial institutions. Connected Guarantees in an aggregate amount of approximately RMB6.4 billion was not released as of June 30, 2026 and are not expected to be released upon the **[REDACTED]**. Besides, we have been receiving financial services from CHINT Finance, a subsidiary of CHINT Group, including deposit services, credit services and other financial services in connection with our ordinary course of business operation, which are expected to continue after **[REDACTED]** and subject to compliance with the applicable requirements under Chapter 14A of the Listing Rules. As of June 30, 2026, the aggregate amount of credit services provided by CHINT Finance to our Group was approximately RMB6.3 billion. For more details, see "Connected Transactions".

We are of the view that the early release of all guarantees provided by our Controlling Shareholders prior to the **[REDACTED]** is not in the best commercial interests of our Company and Shareholders as a whole, as our Group would need to go through the formalities for refinancing and incur unnecessary additional costs, expenses and time. In addition, our Directors consider that the financial services arrangements with CHINT Group are fair and reasonable and are in the interests of our Group and the Shareholders as a whole. To maintain the procurement of financial services from CHINT Group provides our Group with an additional financing channel and enhances flexibility in treasury management. Our Group is able to choose deposit services, loan services and other financial services provided by Independent-Third-Party commercial banks and financial services institutions, even if the arrangements with CHINT Finance is terminated. Therefore, our Group expects to continue such arrangements after **[REDACTED]**. For further details of the Connected Guarantees and the procurement of financial services, see "Connected Transactions" in this document.

Notwithstanding the above, our Directors believe that our Group is capable of operating financially independently from our Controlling Shareholders and their close associates for the following reasons:

(i) as of June 30, 2026, we obtained unutilized credit facilities from independent financial institutions in an amount of RMB43.4 billion, which were not guaranteed by our Controlling Shareholders or their close associates. Such amount substantially exceeds the aggregate amount of the Connected Guarantees;

(ii) during the Track Record Period, in addition to the credit facilities guaranteed by the Controlling Shareholders, we have been able to obtain credit facilities from independent commercial banks and financial institutions without any guarantee from our Controlling Shareholders or their close associates;

(iii) the Guaranteed Borrowings and Credit Facilities and the loan facilities provided by CHINT Finance were entered into on normal commercial terms, and the applicable interest rates were not more favorable than those applicable to other financing obtained by us from Independent Third Parties for comparable financings, and without guarantees from our Controlling Shareholders or their

close associates. The Connected Guarantees are consistent with prevailing market practice, as such guarantees are commonly required by certain commercial banks as standard credit enhancement arrangements. Accordingly, we do not have undue reliance on our Controlling Shareholders for financing; and

(iv) we are in a solid financial position. As of June 30, 2026, our cash and cash equivalents amounted to approximately RMB14.9 billion, and such cash and cash equivalents are sufficient to fully repay the borrowings guaranteed by our Controlling Shareholders and the loan facilities provided by CHINT Finance if needed.

Save for the above, as of the Latest Practicable Date, there were no outstanding loans, borrowings or guarantees provided to our Group by any of the Controlling Shareholders Group and/or their close associates.

Based on the above, our Directors are satisfied that from a financial perspective, we are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders Group and their respective close associates after the **[REDACTED]**.

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflict of interests with our Controlling Shareholders Group and their respective close associates:

(i) a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest, nor shall such Director be counted in the quorum present at the Board meeting;

(ii) where any proposed transaction in which any of our Controlling Shareholders or any of their respective associates has a material interest is to be considered at a Shareholders' meeting, such Controlling Shareholders and their respective associates shall abstain from voting on the relevant resolution;

(iii) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and absent himself from the Board meetings on matters in which such Director or any of his/her close associates have a material interest;

(iv) our Company has established internal control mechanisms to identify connected transactions. Upon **[REDACTED]**, if our Company enters into connected transactions with our Controlling Shareholders Group or any of their associates, our Company will comply with the applicable requirements under the Listing Rules; and

(v) we are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed four independent non-executive Directors, and we believe our independent non-executive Directors possess sufficient experiences and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our Shareholders as a whole. For details of our independent non-executive Directors, see "Directors and Senior Management–Directors–Independent Non-Executive Directors" in this document.

We have appointed Altus Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

CONNECTED TRANSACTIONS

Upon the **[REDACTED]**, the following transactions between us and our connected persons, which are entered into in our ordinary course of business, will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

RELEVANT CONNECTED PERSONS

The table below sets forth the parties that will constitute our connected persons upon the **[REDACTED]** and have entered into transactions with us which will constitute our continuing connected transactions upon the **[REDACTED]**:

Connected persons	Connected relationship
CHINT Group and its associates	As of the Latest Practicable Date, CHINT Group was a member of our Controlling Shareholders Group.
CHINT Finance	As of the Latest Practicable Date, CHINT Finance was a subsidiary of CHINT Group, a member of our Controlling Shareholders Group.
Shandong Qitai New Energy Technology Co., Ltd. (山東祺泰新能源科技有限公司), Binzhou Qitai New Energy Technology Co., Ltd. (濱州市祺泰新能源科技有限公司), Jining Qitai New Energy Technology Co., Ltd. (濟寧祺泰新能源科技有限公司), Dongying Xinzhou New Energy Technology Co., Ltd. (東營市鑫洲新能源科技有限公司), Weifang Qitai New Energy Technology Co., Ltd. (濰坊祺泰新能源科技有限公司), Jinan Haotai Electrical Equipment Co., Ltd. (濟南豪泰電氣設備有限公司), and Shandong Chint Electric Co., Ltd. (山東正泰電器有限公司) (collectively, the "**Qitai Entities**")	As of the Latest Practicable Date, each of Qitai Entities was controlled by Mr. Zhu Xinyang (朱信陽), the brother of Mr. Zhu Xinmin (朱信敏), our non-executive Director.
Zhejiang Baihong Holdings Co., Ltd. (浙江柏泓控股有限公司), Zhejiang Baihong Construction Technology Co., Ltd. (浙江柏泓建築科技有限公司), Zhejiang Baihong Steel Structure Co., Ltd. (浙江柏泓鋼結構有限公司), Zhejiang Zhenghua Construction Technology Co., Ltd. (浙江正驊建築科技有限公司), Zhejiang Zhenghua Digital Intelligent Technology Co., Ltd. (浙江正驊數智科技有限公司), and Zhejiang Zhenghua Industrial Equipment Installation Engineering Co., Ltd. (浙江正驊工業設備安裝工程有限公司) (collectively, the "**Baihong Entities**")	As of the Latest Practicable Date, each of Baihong Entities was controlled by Zhejiang Baihong Holdings Co., Ltd. (浙江柏泓控股有限公司) ("**Zhejiang Baihong Holdings**"), which was ultimately controlled by Ms. Nan Xiaoou (南笑鷗) and Mr. Huang Lihua (黃利華), the daughter and son-in-law of Mr. Nan Cunhui (南存輝), our founder, executive Director, chairman of the Board and Controlling Shareholder.
Anji Jiumu Ecology and its subsidiaries	As of the Latest Practicable Date, Anji Jiumu Ecology Agriculture Co., Ltd. (安吉九畝生態農業有限公司) ("**Anji Jiumu Ecology**") was controlled by Ms. Lu Ying (陸瀛), the spouse of Mr. Nan Cunhui, our founder, executive Director, chairman of the Board and Controlling Shareholder.

Connected persons	Connected relationship
Baoding Chint Mechanical & Electrical Sales Co., Ltd. (保定正泰機電銷售有限公司)	As of the Latest Practicable Date, Baoding Chint Mechanical & Electrical Sales Co., Ltd. (保定正泰機電銷售有限公司) ("**Baoding Chint Sales**") is owned as to 50% by Mr. Hu Xingwu (胡興無), the cousin of Mr. Nan Cunhui, our founder, executive Director and Controlling Shareholder.
Xiamen Jinjian Mechanical & Electrical Equipment Co., Ltd. (廈門金建機電設備有限公司)	As of the Latest Practicable Date, Xiamen Jinjian Mechanical & Electrical Equipment Co., Ltd. (廈門金建機電設備有限公司) ("**Xiamen Jinjian Equipment**") is owned as to over 50% by Mr. Shi Yiren (施怡人), the cousin of Mr. Nan Cunhui, our founder, executive Director and Controlling Shareholder.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

No.	Nature of transaction	Counterparty	Applicable Listing Rules	Waiver sought
Fully-exempt continuing connected transactions				
1.	Trademarks licensing	CHINT Group and its associates	14A.76(1)(a)	N/A
2.	Property and equipment leasing (our Group as the lessor)	CHINT Group and its associates	14A.76(1)(a)	N/A
		Anji Jiumu Ecology and its subsidiaries	14A.76(1)(a)	N/A
3.	Short-term leasing of property and equipment (our Group as the lessee)	CHINT Group and its associates	14A.76(1)(a)	N/A
		Qitai Entities	14A.76(1)(a)	N/A
4.	Procurement of agricultural products	Anji Jiumu Ecology and its subsidiaries	14A.76(1)(a)	N/A
5.	Sales of electrical products	Baoding Chint Sales	14A.76(1)(a)	N/A
		Xiamen Jinjian Equipment	14A.76(1)(a)	N/A
6.	Guarantees in favor of our Group	CHINT Group and its associates	14A.90	N/A
Partially-exempt continuing connected transactions				
7.	Qitai Products and Services Purchase and Provision Framework Agreement	Qitai Entities	14A.76(2)(a), 14A.105	Announcement requirement

No.	Nature of transaction	Counterparty	Applicable Listing Rules	Waiver sought
8.	Construction Services and Materials Purchase Agreement	Baihong Entities	14A.76(2)(a), 14A.105	Announcement requirement
Non-exempt continuing connected transactions				
9.	Financial Services Framework Agreements	CHINT Finance	14A.34, 14A.35, 14A.36, 14A.46, 14A.49, 14A.51 to 14A.59, 14A.71, 14A.105	Announcement, circular and independent Shareholders' approval requirements
10.	CHINT Products and Services Purchase and Provision Framework Agreement	CHINT Group and its associates	14A.34, 14A.35, 14A.36, 14A.46, 14A.49, 14A.51 to 14A.59, 14A.71, 14A.105	Announcement, circular and independent Shareholders' approval requirements

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into the following transactions with our connected persons at the **[REDACTED]** level on normal commercial terms, which will continue after the **[REDACTED]**:

1. Trademark licensing.

(i) Our Group licenses certain trademarks on a royalty-free basis, including non-exclusive licence of the CHINT-related trademark, such as "CHINT", from CHINT Group for use in the ordinary course of business and operations. CHINT Group agreed to grant our Company to the right to use certain trademarks in Hong Kong on a non-exclusive basis for an initial term of three years commencing from April 15, 2026.

(ii) In addition, our Group licenses certain trademarks on a fee-paying basis, such as " ASTRONERGY ", from Chint New Energy Technology Co., Ltd. (正泰新能科技股份有限公司) ("**Chint New Energy Technology**"), a subsidiary of CHINT Group, on a non-exclusive basis for use in our business operations in the jurisdictions where such trademarks are registered. The fees payable by our Group under such arrangements are determined through arm's length negotiations between the parties with reference to prevailing market rates and comparable market practices for similar trademark licensing arrangements, considering the scope, geographic coverage and expected usage of the licensed trademarks. Such trademarks licensing agreements will end on the expiration date of the licensed trademarks and will automatically extend upon renewal of the licensed trademarks. As required by Rule 14A.52 of the Listing Rules, the period for the agreement for the continuing connected transactions must not exceed three years, except in cases where nature of the transaction requires the agreement to be of a duration longer than three years. Our Directors (including our independent non-executive Directors) are of the view that the trademarks licensing agreements were entered into on normal commercial terms and a longer duration of the licensing agreements will avoid any unnecessary business interruption and help ensure the

long-term stable business development and continuity of our market recognition, and it is normal business practice for trademark licensing agreements of similar type to be entered into for such duration. Our Directors (including our independent non-executive Directors) are of the view that it is in the interests of our Company and the Shareholders as a whole to enter into the trademarks licensing agreements with a term longer than three years. The Joint Sponsors agree with our Directors' view and concur that the more than three years' term is in line with normal business practice.

2. **Leasing of property and equipment.** Our Group leases properties and equipment, such as office premises and agricultural machinery, to CHINT Group and its associates, and Anji Jiumu Ecology and its subsidiaries. Such leasing arrangements are mainly driven by the availability of suitable premises and equipment within our Group and enable more efficient utilization of our existing property and equipment resources. The pricing shall be determined after an arm's length negotiations with reference to the location, function and size of the properties, and the specification of the required equipment, and is to be no less favorable to our Group than the prevailing market price of the rent of similar property in the vicinity and of the similar equipment. The transactions have been and will be conducted in the ordinary and usual course of business and on normal commercial terms or better.

3. **Short-term leasing of property and equipment.** Our Group leases properties and equipment, such as office premises and mechanical equipment, from CHINT Group and its associates and Qitai Entities, mainly driven by the availability of suitable premises and equipment from such parties and to meet our Group's business needs in a cost-efficient and flexible manner, without incurring additional capital expenditure or long-term commitments. The pricing shall be determined after arm's length negotiations with reference to, among others, the location, function and size of the properties, the duration of the lease, and the specification of the required equipment, and shall be no less favorable to our Group than the prevailing market price of rent of similar properties in the vicinity and of similar equipment. The transactions have been and will be conducted in the ordinary and usual course of business and on normal commercial terms or better.

4. **Procurement of agricultural products.** Our Group procures agricultural products from Anji Jiumu Ecology and its subsidiaries in connection with the operation of staff canteens to support the daily catering needs of our employees. The pricing of such procurement shall be determined after arm's length negotiations between the parties, with reference to, among others, the type and quantity of the agricultural products required, the relevant labour and transportation costs, and the prevailing market price of similar agricultural products, which shall not be less favorable than those for transactions between our Group and Independent Third Parties under the similar terms. The transactions have been and will be conducted in the ordinary and usual course of business and on normal commercial terms or better.

5. **Sales of electrical products**. Our Group supplies low-voltage electrical products and integrated power distribution products to Mr. Shi Yiren, Mr. Hu Xingwu and their respective controlled entities, namely Baoding Chint Sales and Xiamen Jinjian Equipment, for resale in the ordinary and usual course of business through our distribution network to expand our sales coverage. The pricing shall be determined after arm's length negotiations with reference to the type and quantity of such products, prevailing market demand and the prices offered by our Group to Independent Third Party distributors for comparable products under similar terms, and shall be no more favorable than those offered by our Group to Independent Third Party distributors. The transactions have been and will continue to be conducted in the ordinary and usual course of business and on normal commercial terms or better.

As the highest applicable percentage ratios for each of the abovementioned transactions for the purpose of Chapter 14A of the Listing Rules will be less than 0.1% on an annual basis, each of such transactions will constitute a *de minimis* continuing connected transaction of our Company pursuant to Rule 14A.76(1) of the Listing Rules that will be fully exempt from reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

6. **Guarantees in favor of our Group.** CHINT Group and its associates have provided guarantees in favor of our Group for certain bank borrowings of our Group (the "**Connected Guarantees**"). We currently have no plan to release all outstanding Connected Guarantees prior to the **[REDACTED]** as our Directors believe that the early discharge of the Connected Guarantees is not in the best interests of our Group and Shareholders as a whole. For more details, see "Relationship with our Controlling Shareholders Group–Independence from our Controlling Shareholders–Financial Independence" in this document.

The Connected Guarantees constitute financial assistance received by our Group from our connected persons for the benefit of our Group. Since the Connected Guarantees are on normal commercial terms or better to our Group and are not secured by the assets of our Group, pursuant to Rule 14A.90 of the Listing Rules, the Connected Guarantees are fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rule.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into the following transactions which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis. Under Rule 14A.76(2) of the Listing Rules, these transactions will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules but will be exempted from circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

7. Qitai Products and Services Purchase and Provision Framework Agreement

Parties (i) Our Company (for itself and on behalf of its subsidiaries, excluding Chint Power and its subsidiaries)

(ii) the Qitai Entities

Principal Terms

On [•], our Company [entered] into a products services purchase and provision framework agreement with Qitai Entities (the "**Qitai Products Services Purchase and Provision Framework Agreement**"), pursuant to which, (i) our Group agreed to provide products to Qitai Entities, including but not limited to low-voltage electrical components and other related products; and (ii) our Group agreed to procure services from Qitai Entities, including but not limited to installation and development services, operation and maintenance services, and other related services for our photovoltaic power stations, in each case subject to compliance with the applicable requirements under Chapter 14A of the Listing Rules.

The term of the agreement shall commence from the **[REDACTED]** and end on December 31, 2026. As of the Latest Practicable Date, it was expected that the Qitai Products and Services Purchase and Provision Framework Agreement would be renewed upon expiry on an annual basis, subject to the requisite internal approvals of the respective parties and compliance with applicable laws and regulatory requirements.

The parties may enter into separate underlying agreements to set out the detailed scope, pricing, payment terms and other commercial arrangements in accordance with the principles of the framework agreement.

(i) Provision of Products by Our Group

Pursuant to the framework agreement, our Group will provide various products to Qitai Entities, including but not limited to low-voltage electrical components, and other related electrical products.

Reasons and Benefits

Our Directors consider that the provision of such products will benefit our Group for the following reasons: (i) the businesses of our Group and Qitai Entities are complementary along the industrial value chain, particularly in the electrical and new energy sectors, enabling effective collaboration and resource sharing; (ii) Qitai Entities represent a stable downstream demand source, which supports our Group's revenue growth and enhances capacity utilisation; (iii) long-term cooperation stabilises sales channels and strengthen our Group's market position; and (iv) such transactions are conducted in the ordinary and usual course of business of our Group.

Pricing Basis

The prices of products supplied by our Group to Qitai Entities shall be determined on an arm's length basis with reference to, among others, the specifications and technical requirements of such electrical products, procurement volume, product type and model, production costs, raw material price fluctuations, reasonable profit margins and prevailing market prices of similar products, and shall be no less favorable to our Group than those available to Independent Third Parties for comparable products under similar terms and conditions.

Historical Transaction Amounts

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the historical transaction amounts in respect of the provision of products by our Group to Qitai Entities were approximately RMB191.0 million, RMB228.3 million, RMB228.7 million and RMB169.1 million, respectively.

Proposed Annual Caps and Basis of Determination

For the year ending December 31, 2026, the proposed annual cap of the transaction amount in respect of the provision of products by our Group to Qitai Entities is expected to be not more than RMB375.0 million.

In determining the above annual cap for the transactions, our Directors have considered, among other things:

(i) the historical transaction amounts between our Group and Qitai Entities during the Track Record Period;

(ii) the existing demand for electrical products, and the expected increase in the unit prices of low-voltage electrical products to be supplied by our Group to Qitai Entities as compared with the historical unit prices during the Track Record Period; and

(iii) other relevant factors, including but not limited to the expected changes in product mix, fluctuations in raw material prices and prevailing market conditions.

(ii) Procurement of Services from Qitai Entities

Pursuant to the framework agreement, our Group will procure services from Qitai Entities, including but not limited to installation and development services, operation and maintenance services, and other related services for our photovoltaic power stations.

Reasons and Benefits

Our Directors consider that the provision of such products will benefit our Group for the following reasons: (i) the transactions are conducted in the ordinary and usual course of business of our Group and support its production, operations and project implementation; (ii) Qitai Entities possess the requisite resources, technical expertise and operational capabilities, and have established a long-term and stable cooperation relationship with our Group; (iii) their familiarity with our Group's technical standards and operational requirements enables efficient and reliable delivery of products; and (iv) such arrangements facilitate a stable supply of products, enhance operational efficiency and reduce transaction and administrative costs.

Therefore, our Directors consider that entering into such procurement arrangements is in the interests of our Company and our Shareholders as a whole.

Pricing Basis

The service fees payable by our Group to Qitai Entities shall be determined on an arm's length basis with reference to, among others, the project scale, technical requirements, service scope, system complexity, labour input, manpower deployed, service duration and frequency, development cycle, expected deliverables and prevailing market prices of similar services, and shall be no more favorable to Qitai Entities than those available to independent third-party service providers for comparable services under similar terms and conditions.

Historical Transaction Amounts

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the historical transaction amounts in respect of the procurement of services by our Group from Qitai Entities were approximately RMB120.3 million, RMB152.7 million, RMB79.9 million and RMB8.7 million, respectively. The relatively lower transaction amount for the six months ended June 30, 2026 was primarily attributable to the transaction and settlement arrangements for the relevant transactions, with certain transactions typically conducted or settled in the second half of the year. Accordingly, the transaction amount for the first half of 2026 may not be indicative of the transaction level for the full year.

Proposed Annual Caps and Basis of Determination

For the year ending December 31, 2026, the proposed annual cap of the transaction amount in respect of the procurement of services by our Group from Qitai Entities is expected to be not more than RMB173.0 million.

In determining the above annual cap for the transactions, our Directors have considered, among other things:

(i) the historical transaction amounts between our Group and Qitai Entities during the Track Record Period;

(ii) the expected increase in our Group's demand for installation, development, operation and maintenance services to be procured from Qitai Entities in 2026; and

(iii) other relevant factors, including but not limited to the estimated service fees with reference to historical pricing levels, as well as potential variations in project schedules, implementation progress and prevailing market conditions.

8. Construction Services and Material Purchase Agreement

Parties (i) Our Company (for itself and on behalf of its subsidiaries)

(ii) Zhejiang Baihong Holdings (for itself and on behalf of the Baihong Entities)

Principal Terms

On [•], our Company [entered] into the a construction services and material purchase agreement with Zhejiang Baihong Holdings (the "**Construction Services and Material Purchase Agreement**"), pursuant to which our Group agreed to procure construction-related materials and services from Baihong Entities. As of the Latest Practicable Date, it was expected that the Construction Services and Material Purchase Agreement would be renewed upon expiry on an annual basis, subject to the requisite internal approvals of the respective parties and compliance with applicable laws and regulatory requirements.

Reasons and Benefits

In our ordinary and usual course of business, our Group requires construction-related materials and services for its production facilities, infrastructure development and project implementation. Baihong Entities possess the relevant qualifications and experience in providing construction and engineering-related services and has a good understanding of our Group's operational requirements, which enables it to deliver timely, reliable and consistent services. Engaging Baihong Entities facilitate more efficient coordination in project execution and ensure the quality and continuity of construction works.

Therefore, our Directors consider that such procurement arrangements are conducive to the smooth implementation of our Group's projects and are in the interests of our Company and our Shareholders as a whole.

Pricing Basis

The pricing shall be determined after arm's-length negotiations between the parties, with reference to, among others, the nature, scale and technical requirements of the materials and services, the cost of raw materials, labor and subcontracting, and the prevailing market price of similar materials and services.

The terms shall be no less favourable to our Group than those offered by Independent Third Parties under comparable conditions, and the transactions shall be conducted in the ordinary and usual course of business and on normal commercial terms or better.

Historical Transaction Amounts

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the historical transaction amounts in respect of the procurement of materials and services by our Group from Baihong Entities were approximately RMB35.0 million, RMB39.3 million, RMB22.6 million and RMB30.9 million, respectively.

Proposed Annual Caps and Basis of Determination

For the year ending December 31, 2026, the proposed annual cap of the transaction amount in respect of the procurement of materials and services by our Group from Baihong Entities is expected to be not more than RMB100.0 million.

In determining the above annual cap for the transactions, our Directors have considered, among other things, (a) the historical transaction amounts during the Track Record Period; (b) the existing construction projects of our Group and the estimated procurement demand arising from the anticipated commencement of fit-out works and related project implementation for certain office premises of our Group in 2026; (c) the expected demand for construction-related materials and services in connection with such projects; and (d) the anticipated scale and implementation timeline of the relevant construction projects.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

In our ordinary and usual course of business, we have entered into the following transactions which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 5% on an annual basis. By virtue of Rules 14A.49, 14A.71, 14A.35 and 14A.36 of the Listing Rules, these transactions will be subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

9. Financial Services Framework Agreements

Parties ***Financial Services Framework Agreement I***

(i) CHINT Finance (as service provider), and

(ii) Our Company (for itself and on behalf of its subsidiaries, excluding Chint Anneng, Chint Power and their respective subsidiaries) (as service recipient)

Financial Services Framework Agreement II

(i) CHINT Finance (as service provider), and

(ii) Chint Anneng (for itself and on behalf of its subsidiaries) (as service recipient)

Financial Services Framework Agreement III

(i) CHINT Finance (as service provider), and

(ii) Chint Power (for itself and on behalf of its subsidiaries) (as service recipient)

Principal Terms

On September 25, 2025, each of our Company and Chint Power entered into Financial Services Framework Agreement I and Financial Services Framework Agreement III with CHINT Finance, respectively, and on October 20, 2025, Chint Anneng entered into Financial Services Framework Agreement II with CHINT Finance, pursuant to which CHINT Finance agreed to provide financial services to our Company and its subsidiaries, Chint Anneng and its subsidiaries, and Chint Power and its subsidiaries (collectively, the "**Financial Services Framework Agreements**").

The services to be provided by CHINT Finance under each of the Financial Services Framework Agreements include: (i) deposit services; (ii) credit services, including, among others, loans, bill acceptance and bill discounting; and (iii) other financial services, including centralised fund settlement services, credit-related consulting and agency services, and financial advisory services (collectively, the "**Other Financial Services**").

The Financial Services Framework Agreements are valid for a term of three years with effect from the approval by the respective authorized approval bodies of both parties and may be renewed upon expiry subject to compliance with the Listing Rules. Specific transactions contemplated under the Financial Services Framework Agreements will be carried out between CHINT Finance and our Company and its subsidiaries, Chint Anneng and its subsidiaries, and Chint Power and its subsidiaries, respectively, and the detailed terms, including interest rates, amounts and duration, will be determined on a transaction-by-transaction basis in accordance with the principles set out in the Financial Services Framework Agreements.

Reasons and Benefits

In our ordinary and usual course of business, our Group requires various financial services to support its daily operations, capital management and business expansion. CHINT Finance, as a finance company within the CHINT Group, subject to the ongoing supervision of the China Banking and Insurance Regulatory Commission, can provide a range of integrated financial services to our Group in a more efficient and flexible manner than independent commercial banks. CHINT Finance obtained the approval of carrying out relevant financial services and formally commences such businesses in 2017. Its business scope primarily includes the provision of deposit services, credit services and other financial services. The pricing policies of such services are determined with reference to applicable regulatory requirements and prevailing market rates. The interest rate of deposits provided by CHINT Finance is not less favorable than that of commercial banks for deposits of similar nature and term.

The reasons for and the benefits to our Group to use the financial services of CHINT Finance include but are not limited to: (i) CHINT Finance's better understanding of the operations and funding needs of our Group, which allows more efficient and tailored financial services compared to external financial institutions; (ii) the enhanced cost savings by reducing finance costs and service fees where CHINT Finance can offer more favorable terms than those offered by independent commercial banks; (iii) improved treasury management, enhanced funding risk control, reduced capital operation costs and improved capital utilisation efficiency through the centralised settlement and fund management arrangements; and (iv) CHINT Finance has fulfilled all terms of the financial services agreement signed with our Group historically, which demonstrated stable and reliable service capabilities.

Therefore, our Directors consider that entering into the Financial Services Framework Agreements will enhance our Group's financing flexibility, reduce financing costs and improve operational efficiency, and is in the interests of our Company and our Shareholders as a whole.

Pricing Basis

In terms of deposit services, pursuant to the Financial Services Framework Agreements, in respect of domestic RMB deposits, CHINT Finance provides deposit services to our Group with reference to the deposit interest rate policies prescribed by the PBOC from time to time, and the applicable interest rates shall, in principle, be no less favorable than the benchmark interest rates for deposits of the same type and tenor offered by major commercial banks in the PRC, including Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China and China Construction Bank.

In terms of credit services, CHINT Finance provides loans, bill acceptance and bill discounting to our Group in accordance with the relevant regulations of the PBOC. The applicable interest rates for each loan shall be determined through arm's length negotiations between the parties with reference to prevailing market conditions at the time of entering into the relevant loan agreement, and shall, in principle, be no higher than the interest rates applicable to loans of the same type and tenor obtained by our Group from major commercial banks in the PRC.

In terms of Other Financial Services, the fees to be charged by CHINT Finance shall, in principle, be no higher than the fee levels charged by major commercial banks in the PRC for comparable services, except that the centralized fund settlement services shall be provided free of charge.

Historical Transaction Amounts

The historical transaction amounts in respect of deposit services and credit services under the Financial Services Framework Agreements for each of the three years ended December 31, 2025 and the six months ended June 30, 2026 are set out as follows, while no service fee was charged by CHINT Finance in respect of Other Financial Services during the Track Record Period.

Historical transaction amounts
(RMB in millions)

	Maximum daily outstanding balance of deposits[1]			
	For the year ended December 31,			**For the six months ended June 30,**
	2023	**2024**	**2025**	**2026**
Deposit Services[3]				
Financial Services Framework Agreement I	5,715.2	5,314.1	5,378.2	5,580.5
Financial Services Framework Agreement II	1,151.0	1,151.0	1,190.2	740.0
Financial Services Framework Agreement III	109.7	0.002	0.06	4.9
Total	6,975.9	6,465.1	6,568.5	6,325.4

	Maximum daily outstanding balance of credits[2]			
	For the year ended December 31,			For the six months ended June 30,
	2023	2024	2025	2026
Credit Services[3]				
Financial Services Framework Agreement I	257.1	100.4	267.1	336.4
Financial Services Framework Agreement II	1,274.2	1,271.0	1,421.0	990.0
Financial Services Framework Agreement III	41.9	0.0	10.0	200.0
Total	1,573.2	1,371.4	1,698.1	1,526.4

Notes:

(1) The annualised interest was not reflected in the amounts, the rates of which applicable to the deposit services ranged from 0.0001% to 4.00% for each of the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively.

(2) The annualised interests were not reflected in the amounts. The annualised interest rates applicable to the loan services ranged from 3.10% to 4.65%, 2.50% to 3.35%, 2.35% to 3.00% and 2.12% to 2.60% for each of the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively, while the annualised interest rates applicable to the bill discounting services ranged from 1.00% to 2.37%, 0.45% to 0.80% and 0.50% to 0.60% for the years ended December 31, 2023 and 2025 and the six months ended June 30, 2026, respectively, and was 2.00% for the year ended December 31, 2024.

(3) No service fee was charged by CHINT Finance in respect of deposit services and credit services during the Track Record Period.

Proposed Annual Caps and Basis of Determination

The proposed annual caps in respect of the deposit services and credit services for the relevant periods shall not exceed the amounts set out below, while the proposed annual caps for the Other Financial Services for the same period are set at nil, as (i) no service fees were charged by CHINT Finance during the Track Record Period and (ii) our Group currently does not expect to incur any such service fees during the relevant periods.

Proposed annual caps for the three years
(RMB in millions)

	Maximum daily outstanding balance of deposits (including accrued interest and service fees)
Deposit Services	
Financial Services Framework Agreement I[1]	8,000
Financial Services Framework Agreement II[1]	1,800
Financial Services Framework Agreement III[2]	500
Total	10,300

	Maximum daily outstanding balance of credits (including interest expenses and service fees)
Credit Services	
Financial Services Framework Agreement I[(1)]	5,000
Financial Services Framework Agreement II[(1)]	2,000
Financial Services Framework Agreement III[(2)]	500
Total	7,500

Notes:

(1) The proposed annual caps for the three years ending on November 3, 2028.

(2) The proposed annual caps for the three years ending December 31, 2028.

When determining the above proposed annual caps, our Directors have taken into consideration the following factors:

In terms of deposit services:

(i) our historical deposit amounts with CHINT Finance and the underlying interest income received by our Group, taking into account the historical maximum daily outstanding balance of deposits, including accrued interest, and the potential fluctuations in our daily cash balances in the next three years; and

(ii) the estimated cash amounts and daily cash inflows of our Group available for deposit with CHINT Finance, the historical utilisation level of deposit balances, and the increased deposit needs arising from our business expansion, including the growth in our low-voltage electrical products segment and new energy business, leading to an increase in cash inflows and fund settlement activities.

In terms of credit services:

(i) the historical transaction amounts of loans and other credit services obtained by our Group from CHINT Finance and the underlying interest expenses paid by our Group, taking into account the historical maximum daily outstanding balance of such credit services, including interest expenses; and

(ii) the estimated increase in our funding needs, the historical utilisation of such credit facilities and potential fluctuations in funding needs and cash flow requirements.

10. CHINT Products and Services Purchase and Provision Framework Agreement

Parties (i) Our Company (for itself and on behalf of its subsidiaries)

(ii) CHINT Group (for and on behalf of Chint Group and its associates)

Principal Terms

On [•], our Company [entered] into a products and services purchase and provision framework agreement with CHINT Group ("**CHINT Products and Services Purchase and Provision Framework Agreement**"), pursuant to which, (i) our Group agreed to provide low-voltage electrical products and the related services for their assembly of power transmission and distribution equipment, including but not limited to electrical components, junction boxes, instruments and meters and other related equipment, as well as the related testing and maintenance services; and (ii) our Group agreed to procure products and services from CHINT Group and its associates, including but not limited to (a) photovoltaic modules, and other products, including cables, for our development and operation of PV stations; as well as (b) maintenance services for the ground-mounted PV stations and commercial & industrial PV stations developed and operated by us, related logistic and warehousing services and other related services, in each case subject to compliance with the applicable requirements under Chapter 14A of the Listing Rules.

The term of the agreement shall commence from the **[REDACTED]** and end on December 31, 2026. As of the Latest Practicable Date, it was expected that the CHINT Products and Services Purchase and Provision Framework Agreement would be renewed upon expiry on an annual basis, subject to the requisite internal approvals of the respective parties and compliance with applicable laws and regulatory requirements.

The parties may enter into separate underlying agreements to set out the detailed scope, pricing, payment terms and other commercial arrangements in accordance with the principles of the framework agreement.

(i) Provision of Products and Services by Our Group

Pursuant to the framework agreement, our Group will provide various low-voltage electrical products and the related services to CHINT Group and its associates, including but not limited to electrical components, junction boxes, instruments and meters and other related equipment, as well as testing and maintenance services and other related services.

Reasons and Benefits

Our Directors consider that the provision of such products and services will benefit our Group for the following reasons: (i) the transactions are conducted in the ordinary and usual course of business of our Group and support its production, operations and project implementation; (ii) CHINT Group and its associates have stable and ongoing demand for low-voltage electrical products related testing and maintenance services, which increases the sales volume of our low-voltage electrical products and brings additional profits; (iii) their familiarity with our Group's products, technical standards and service capabilities enables efficient coordination and enhances operational efficiency; and (iv) such arrangements facilitate stable business relationships and contribute to the expansion of our Group's revenue base.

Accordingly, our Directors consider that the provision of such products and services is in the interests of our Company and our Shareholders as a whole.

Pricing Basis

The prices of products and services provided by our Group shall be determined on an arm's length basis with reference to, among others, product specifications, order volume, project scale, technical requirements, service scope, manpower input, service complexity, service duration and frequency, cost of raw materials and prevailing market prices or rates of similar products and services, and shall be no less favorable to our Group than those available to independent third-party customers for comparable products and services under similar terms and conditions.

Historical Transaction Amounts

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the historical transaction amounts in respect of the provision of products and services by our Group to CHINT Group and its associates were approximately RMB2,291.0 million, RMB2,683.2 million, RMB2,780.1 million and RMB1,486.0 million, respectively.

Proposed Annual Caps and Basis of Determination

For the year ending December 31, 2026, the proposed annual cap of the transaction amount in respect of the provision of products and services by our Group to CHINT Group and its associates is expected to be not more than RMB3,355.0 million.

In determining the above annual cap for the transactions, our Directors have considered, among other things:

(i) the historical transaction amounts between our Group and CHINT Group and its associates during the Track Record Period;

(ii) the expected increase of the selling prices of low-voltage electrical products to be provided by our Group to CHINT Group and its associates, as compared with the historical prices during the Track Record Period; and

(iii) other relevant factors, including but not limited to the estimated transaction amounts with reference to historical pricing levels, as well as potential variations in project schedules, implementation progress and prevailing market conditions.

In addition, taking into account the expansion in the business scale and project pipeline of CHINT Group and its associates, we expect a corresponding increase in demand for electrical products and related services supplied by our Group. Such demand is primarily driven by their ongoing and planned projects, which require timely and coordinated supply of products and services. To ensure our Group can adequately support such project needs and maintain continuity in service delivery, we have set a higher annual cap as compared to the historical transaction amounts.

(ii) Procurement of Products and Services by Our Group

Pursuant to the framework agreement, our Group will procure various products and services from CHINT Group and its associates, including but not limited to photovoltaic modules, cables and other related equipment, as well as maintenance services for the ground-mounted, commercial & industrial PV stations developed and operated by us, related logistic and warehousing services and other related services.

Reasons and Benefits

Our Directors consider that the procurement of such products and services will benefit our Group for the following reasons: (i) the transactions are conducted in the ordinary and usual course of business of our Group and support its operations and project implementation; (ii) CHINT Group and its associates possess established manufacturing capabilities in photovoltaic products, cables and extensive experience in the maintenance services for the ground-mounted, commercial & industrial PV stations in the new energy segment; (iii) their familiarity with our Group's operational requirements enables efficient coordination and reliable supply of products and services; and (iv) such arrangements facilitate stable supply, enhance operational efficiency and support effective implementation of our Group's projects.

Accordingly, our Directors consider that such procurement arrangements are in the interests of our Company and our Shareholders as a whole.

Pricing Basis

The prices of products and services procured by our Group from CHINT Group and its associates shall be determined on an arm's length basis with reference to, among others, procurement scale, product specifications, project scale, technical requirements, service scope, manpower input, service complexity and prevailing market prices or rates of similar products and services, and shall be no more favorable to CHINT Group and its associates than those available to independent third-party suppliers for comparable products and services under similar terms and conditions.

Historical Transaction Amounts

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, the historical transaction amounts in respect of the procurement of products and services by our Group from CHINT Group and its associates were approximately RMB7,921.3 million, RMB4,549.7 million, RMB4,485.6 million and RMB1,994.5 million, respectively.

Proposed Annual Caps and Basis of Determination

For the year ending December 31, 2026, the proposed annual cap of the transaction amount in respect of the procurement of products and services by our Group from CHINT Group and its associates is expected to be not more than RMB6,150.0 million.

In determining the above annual cap for the transactions, our Directors have considered, among other things:

(i) the historical transaction amounts between our Group and CHINT Group and its associates during the Track Record Period;

(ii) the expected increase in the proportion of photovoltaic modules to be procured from CHINT Group and its associates by more than 15% as compared with the historical procurement proportion during the Track Record Period, together with the expected upward adjustment in photovoltaic module prices in 2026; and

(iii) other relevant factors, including but not limited to prevailing market prices of photovoltaic modules and cables, historical pricing levels of services, and potential variations in project schedules and procurement timing.

In addition, in light of our business development plans and project execution requirements, we expect an increase in procurement of photovoltaic modules, cables and related services from CHINT Group and its associates. This projection is based on the procurement needs of our ongoing and upcoming projects, including requirements for timely delivery, product compatibility and efficient coordination in project implementation. To ensure the smooth execution of such projects and the availability of necessary products and services, we have set a higher annual cap as compared to the historical transaction amounts.

WAIVER

In respect of the transactions under the subsection headed "– Partially-exempt continuing connected transactions", we have applied for, and the Stock Exchange [has granted] us, waivers from strict compliance with the announcement requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules.

In respect of the transactions under the subsection headed "– Non-exempt continuing connected transactions", we have applied for, and the Stock Exchange [has granted] us, waivers from strict compliance with the announcement, circular and independent Shareholders' approval requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the Partially-Exempt Continuing Connected Transactions and Non-exempt continuing connected transactions as set out above have been and will be carried out in our ordinary and usual course of business and on normal commercial terms or better, and are fair and reasonable and in the interest of our Company and Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Company and Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

Based on the documents and information provided by the Company and the due diligence performed, the Joint Sponsors are of the view that, as of the date of this document, the aforesaid Partially-Exempt Continuing Connected Transactions and Non-exempt continuing connected transactions have been and will be entered into in the ordinary and usual course of business of our Company on normal commercial terms (or better) which are fair and reasonable, and in the interests of our Company and its Shareholders as a whole, and the proposed annual caps in respect of such Partially-Exempt Continuing Connected Transactions and Non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and its Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

(i) we have adopted and implemented a management system on connected transactions. Under such system, the Audit Committee under our Board is responsible for the annual review on compliance with relevant laws, regulations, our Company's policies and the Listing Rules in respect of the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction. In addition, the Audit Committee under our Board, our Board and various internal departments of our Company are jointly responsible for evaluating the terms under framework agreements for the continuing connected transactions;

(ii) our Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by our Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to our Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, is on normal commercial terms and is in accordance with the agreement governing it on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to our Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, is not in accordance with the pricing policies of our Group in all material respects, is not entered into in accordance with the relevant agreement governing the transactions in all material respects or has exceeded the cap;

(iii) when considering the amounts payable by the above connected person to our Group, we will regularly review and consider the prevailing market conditions and practices, and make reference to the pricing and terms between us and Independent Third Parties for similar transactions, to make sure that the terms and conditions offered by/to our connected persons based on commercial negotiations are fair and reasonable and are based on normal commercial terms or no less favorable terms to our Group; and

(iv) when considering any renewal or revision to the agreements after **[REDACTED]**, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at Board meetings or Shareholders' general meetings (as the case may be). If the independent Directors' or independent Shareholders' approvals cannot be obtained, we will not continue the transactions under the framework agreement(s) to the extent that they constitute partially-exempt continuing connected transactions under Rule 14A.35 of the Listing Rule.

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company consisted of 2,148,968,976 A Shares (including 20,839,551 treasury Shares) with a nominal value of RMB1.00 each, all of which are listed on the Shanghai Stock Exchange.

	Number of Shares	Approximately % of issued share capital
A Shares in issue	2,148,968,976[(1)]	100%

Note:

(1) Including 20,839,551 A Shares which are held by our Company as treasury Shares.

UPON COMPLETION OF THE [REDACTED]

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**), the issued share capital of our Company will be as follows:

	Number of Shares	Approximately % of issued share capital
A Shares in issue	2,148,968,976[(1)]	**[REDACTED]**%
H Shares to be **[REDACTED]** pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.00%**

Note:

(1) Including 20,839,551 A Shares which are held by our Company as treasury Shares.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is exercised in full and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**), the issued share capital of our Company will be as follows:

	Number of Shares	Approximately % of issued share capital
A Shares in issue	2,148,968,976[(1)]	**[REDACTED]**%
H Shares to be **[REDACTED]** pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.00%**

Note:

(1) Including 20,839,551 A Shares which are held by our Company as treasury Shares.

OUR SHARES

Upon the completion of the **[REDACTED]**, our Shares will consist of A Shares and H Shares. The A Shares and H Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in Chinese mainland, the qualified investors in Chinese mainland under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (if our H Shares are eligible securities for that purpose) and other persons who are entitled to hold our H Shares pursuant to relevant PRC law or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons in Chinese mainland.

Shanghai-Hong Kong Stock Connect, activated on November 17, 2014, has established a stock connect mechanism between Chinese mainland and Hong Kong. Our A Shares can be traded by investors in Chinese mainland, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be **[REDACTED]** by **[REDACTED]** in Chinese mainland in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the **[REDACTED]** of our A Shares and our H Shares may be different after the **[REDACTED]**. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (H股公司境內未上市股份申請"全流通"業務指引) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for **[REDACTED]** and **[REDACTED]** on the Stock Exchange.

RANKING

Our A Shares and our H Shares are regarded as one class of Shares under our Articles of Association and shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends could also be distributed in the form of Shares. Holders of our H Shares will receive scrip dividends in the form of H Shares, and holders of our A Shares will receive scrip dividends in the form of A Shares.

APPROVAL FROM A SHAREHOLDERS REGARDING THE [REDACTED]

We obtained our A Shareholders' approval to **[REDACTED]** H Shares and seek the **[REDACTED]** of H Shares on the Stock Exchange at the general meeting of our Company held on April 21, 2026. Such approval is subject to the following conditions:

(i) **Size of the [REDACTED].** The proposed number of H Shares to be **[REDACTED]** shall not exceed **[REDACTED]**% of the total issued share capital enlarged by the H Shares to be **[REDACTED]** pursuant to the **[REDACTED]** (before the exercise of the **[REDACTED]**). The number of H Shares to be **[REDACTED]** pursuant to the exercise of the **[REDACTED]** shall not exceed **[REDACTED]**% of the total number of H Shares to be **[REDACTED]** initially under the **[REDACTED]**.

(ii) **Method of [REDACTED].** The method of **[REDACTED]** shall be by way of an **[REDACTED]** to eligible institutional **[REDACTED]** and a **[REDACTED]** for **[REDACTED]** in Hong Kong.

(iii) **Target [REDACTED].** The H Shares shall be **[REDACTED]** to public **[REDACTED]** in Hong Kong under the **[REDACTED]** and international **[REDACTED]**, qualified domestic **[REDACTED]** eligible to **[REDACTED]** in overseas securities according to the PRC law and other **[REDACTED]** who comply with the relevant regulatory requirements.

(iv) **[REDACTED] basis.** The **[REDACTED]** of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders, acceptance of **[REDACTED]** and the risks related to the **[REDACTED]**, according to international practice, through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and with reference to the valuation level of comparable companies in domestic and overseas markets.

(v) **Validity period.** The **[REDACTED]** of H Shares and **[REDACTED]** of H Shares on the Stock Exchange shall be completed within 24 months from the date when the Shareholders' meeting was held on April 21, 2026.

There is no other approved **[REDACTED]** plan for the H Shares except the **[REDACTED]**.

GENERAL MEETINGS

For details of circumstance under which our general meetings are required, see "Summary of Articles of Association–Shareholders and Shareholders' Meeting" in Appendix V to this document.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the **[REDACTED]**, the following persons will have an interest or short position in Shares and/or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in **[REDACTED]**% or more of the issued voting Shares of our Company or our Major Subsidiaries.

(A) INTERESTS IN OUR COMPANY

					Assuming the [REDACTED] is not exercised		Assuming the [REDACTED] is fully exercised	
Name of Shareholder	Nature of interest	Description of Shares	Number of Shares directly or indirectly held	Approximate percentage of interest in the total issued share capital of our Company as of the Latest Practicable Date	Approximate % of shareholding in our A Shares immediately after the [REDACTED]	Approximate % of shareholding in the total share capital[2] of our Company immediately after the [REDACTED]	Approximate % of shareholding in our A Shares immediately after the [REDACTED]	Approximate % of shareholding in the total share capital[2] of our Company immediately after the [REDACTED]
Mr. Nan Cunhui	Beneficial owner[3]	A Shares	74,228,331	3.45%	3.45%	[REDACTED]	3.45%	[REDACTED]
	Interest in controlled corporation[4][5][6]	A Shares	1,086,102,018	50.54%	50.54%	[REDACTED]	50.54%	[REDACTED]
CHINT Group	Beneficial owner[3]	A Shares	884,950,971	41.18%	41.18%	[REDACTED]	41.18%	[REDACTED]
	Interest in controlled corporation[5][6]	A Shares	201,151,047	9.36%	9.36%	[REDACTED]	9.36%	[REDACTED]
New Energy Investment	Beneficial owner[3]	A Shares	180,311,496	8.39%	8.39%	[REDACTED]	8.39%	[REDACTED]

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of **[REDACTED]** Shares and **[REDACTED]** Shares including the 20,839,551 A Shares held by our Company as treasury Shares in issue immediately following the completion of the **[REDACTED]** (assuming (i) the **[REDACTED]** is not exercised and (ii) the **[REDACTED]** is fully exercised, respectively).

(3) As of the Latest Practicable Date, Mr. Nan Cunhui, CHINT Group and New Energy Investment directly held 74,228,331, 884,950,971, and 180,311,496 A Shares, respectively. For further details, see "History and Corporate Structure–Corporate Structure" in this document.

(4) As of the Latest Practicable Date, CHINT Group was owned as to approximately 31.23% by Mr. Nan Cunhui and 12.14% by Huitai Limited. Huitai Limited was owned as to 1% by Mr. Nan Cunhui and 99% by Huitai Partnership, which was owned as to 99% by Mr. Nan Cunhui as the sole general partner. By virtue of the SFO, Mr. Nan Cunhui is deemed to be interested in the 884,950,971 A Shares held by CHINT Group.

(5) As of the Latest Practicable Date, New Energy Investment was owned as to approximately 96.32% by CHINT Group and 3.68% by Shanghai Taiyi, which was owned as to 80% by Mr. Nan Cunhui. By virtue of the SFO, Mr. Nan Cunhui and CHINT Group were deemed to be interested in the 180,311,496 A Shares held by New Energy Investment.

(6) As of the Latest Practicable Date, Mr. Nan Cunhui and CHINT Group controlled one third or more of the voting power at general meetings of our Company. By virtue of the SFO, Mr. Nan Cunhui and CHINT Group were deemed to be interested in the 20,839,551 treasury Shares held by our Company.

(B) INTERESTS IN OUR MAJOR SUBSIDIARIES

Our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with paragraph 45(2) of Part A of Appendix D1A to the Listing Rules in relation to the disclosure of each person (apart from our Directors or chief executive of our Company) who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities. For details, see "Waivers and Exemptions–Particulars of Information of Our Subsidiaries."

As of the Latest Practicable Date, to the best knowledge of our Directors, the following person (other than members of our Group, our Directors or chief executive of our Company) was interested in 10% or more of the voting rights at general meetings of our Major Subsidiary:

Name of substantial shareholder	Name of Major Subsidiary	Nature of interest	Approximate percentage of interest held by the substantial shareholder as of the Latest Practicable Date
Changshu Jack Factory (常熟市千斤頂廠)	Chint Power	Beneficial owner	12.98%

Save as disclosed herein, our Directors are not aware of any other person who will, immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), have an interest or short position in Shares and/or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company or any other Major Subsidiaries of our Group. Our Directors are not aware of any arrangement that may, at a subsequent date, result in a change of control of our Company or any other Major Subsidiaries of our Group.

OVERVIEW

Our Board comprises ten Directors, including four executive Directors, two non-executive Directors and four independent non-executive Directors, namely:

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors and members of senior management
Mr. Nan Cunhui (南存輝)	63	Executive Director and chairman of the Board	August 1997	January 2003	Leading the overall strategic planning, business development and operational management of our Company	Mr. Nan Er's father
Mr. Huang Shenjian (黃沈箭)	67	Independent non-executive Director	May 2022	May 2022	Providing independent advice on the operations and management of our Company	None
Ms. Peng Xu (彭溆)	54	Independent non-executive Director	May 2022	May 2022	Providing independent advice on the operations and management of our Company	None
Mr. Chen Yamin (陳亞民)	73	Independent non-executive Director	May 2025	May 2025	Providing independent advice on the operations and management of our Company	None
Mr. Liu Wu (劉武)	48	Independent non-executive Director	**[REDACTED]**	**[REDACTED]**	Providing independent advice on the operations and management of our Company	None
Mr. Zhu Xinmin (朱信敏)	61	Non-executive Director	August 1997	January 2003	Providing strategic planning advice on the operation and management of our Company	None
Mr. Chen Guoliang (陳國良)	63	Executive Director and president	August 1997	November 2022	Decision-making for key business and operational matters of our Company	None
Mr. Lu Chuan (陸川)	45	Non-executive Director	December 2016	May 2018	Providing strategic planning advice on the operation and management of our Company	None
Mr. Nan Er (南爾)	43	Executive Director and vice president	July 2008	May 2022	Decision-making for key business and operational matters of our Company	Mr. Nan Cunhui's son
Mr. Lin Yiming (林貽明)	49	Executive Director, vice president and finance director	September 2012	May 2025	Strategic planning and decision-making for key business, financial operations and capital management of our Company	None

Note:

(1) As of the Latest Practicable Date, Mr. Nan Cunhui, Mr. Zhu Xinmin, Mr. Chen Guoliang, Mr. Lu Chuan, Mr. Nan Er and Mr. Lin Yiming were our Directors, and Mr. Huang Shenjian, Ms. Peng Xu and Mr. Chen Yamin were our independent Directors. Upon **[REDACTED]**, the Board of our Company will consist of ten Directors, including (i) four executive Directors, namely Mr. Nan Cunhui, Mr. Chen Guoliang, Mr. Nan Er and Mr. Lin Yiming, (ii) two non-executive Directors, namely Mr. Zhu Xinmin and Mr. Lu Chuan, and (iii) four independent non-executive Directors, namely Mr. Huang Shenjian, Ms. Peng Xu, Mr. Chen Yamin and Mr. Liu Wu.

DIRECTORS

Executive Directors

Mr. Nan Cunhui (南存輝), aged 63, is our founder, chairman of the Board, and executive Director. He is primarily responsible for leading the overall strategic planning, business development and operational management of our Company. Mr. Nan also serves as the chairman or director of several subsidiaries of our Group.

Mr. Nan has extensive experience in the smart appliances and green energy industry. In 1997, he founded our Company through CHINT Group. He has also served as the chairman of CHINT Group since March 1994 and our chairman of the Board since January 2003. Mr. Nan currently serves as a standing committee member of the 14th National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會), the vice president of the Chinese Private Chamber of Commerce (中國民間商會), the president of the China Electrical Equipment Industry Association (中國電器工業協會), the chairman of the Zhejiang Federation of Industry and Commerce (浙江省工商業聯合會), the president of the Zhejiang General Chamber of Commerce (浙商總會), and the inaugural rotating chairman of the Yangtze River Delta Entrepreneurs Alliance (長三角企業家聯盟). He previously served as a representative to the 9th, 10th and 11th National People's Congress (全國人民代表大會), and as a standing committee member of the 12th and 13th National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會). He also served as a standing committee member of the 10th All-China Youth Federation (中華全國青年聯合會). In December 2018, the Central Committee of the Communist Party of China and the State Council conferred upon Mr. Nan the title of "Pioneer of Reform" (改革先鋒) and awarded him the Reform Pioneer Medal (改革先鋒獎章), and he was recognised as an outstanding representative of Wenzhou's private economy.

Mr. Nan obtained a master's degree in enterprise management from Beijing Business School (北京商學院) in July 1993. He obtained the qualification of senior economist in December 2009.

Mr. Chen Guoliang (陳國良), aged 63, is our executive Director. He is principally responsible for the decision-making for key business and operational matters of our Company.

Mr. Chen has been serving as the general manager of Wenzhou Chint Electric since June 2012, a director of Chint Electric Co., Ltd. (正泰電氣股份有限公司) since May 2019 and as the chairman of the board thereof since July 2025, as a director of CHINT Group since July 2015, as our Director since November 2022, as the chairman of the board of Chint Instrument & Meter since March 2025, as the chairman of the board of Shanghai Noark Electric since September 2025, and as the president of our Company since May 2025. Mr. Chen served as the general manager of the Low-voltage Electrical Appliance Division and the general manager of the Miniature Circuit Breaker Company of CHINT Group from September 1995 to January 2005 and as the vice president of CHINT Group from July 2015 to June 2025.

Mr. Chen completed a business administration program from Renmin University of China (中國人民大學) in the PRC in July 2001.

Mr. Nan Er (南爾), aged 43, is our executive Director. He is primarily responsible for decision-making for key business and operational matters of our Company.

Mr. Nan Er has been serving as a director of Chint Instrument & Meter since December 2019, as a vice president of our Company since January 2021, and as our Director since May 2022. Since September 2022, Mr. Nan Er has served as a director of Chint Anneng. Since June 2023, Mr. Nan Er has served as a director of Chint Power. Mr. Nan Er has been serving as a director of CHINT Group since June 2025. Mr. Nan Er served as an assistant to the president of Shanghai Noark Electric from July 2008 to July 2011, and has been serving as a director and general manager of Shanghai Noark Electric since November 2016. He subsequently served as the general manager of NOARK Electric (USA) Co., Ltd. (諾雅克電氣(美國)有限公司) from August 2011 to January 2015.

Mr. Nan Er obtained a bachelor of science degree from California State University in the United States in June 2008.

Mr. Lin Yiming (林貽明), aged 49, is our executive Director. He is principally responsible for strategic planning and decision-making for key business, financial operations and capital management of our Company.

Mr. Lin has served as a director of Chint New Energy Development since November 2015, as chairman of the board and director of Chint Instrument & Meter since September 2017, and as chairman of the board of CHINT Finance since December 2017, as a vice president and chief financial officer of our Company since April 2018, as a director of Zhejiang Private Enterprise Joint Investment Co., Ltd. (浙江民營企業聯合投資股份有限公司) since May 2020, and as chairman of the board and an executive director thereof since October 2025, as a director of Chint New Energy Technology Co., Ltd. (正泰新能科技股份有限公司) since August 2022, as our Director since May 2025, and as a director of Shanghai Noark Electric since September 2025. Mr. Lin served as a vice president of Zhejiang Chint Solar from October 2011 to March 2015. From March 2015 to December 2018, Mr. Lin served as vice president and chief financial officer of Chint New Energy Development.

Mr. Lin obtained a master's degree in business administration jointly awarded by Shanghai Jiao Tong University (上海交通大學) and Marseille Business School in France in May 2012.

Non-executive Directors

Mr. Zhu Xinmin (朱信敏), aged 61, is our non-executive Director. He is principally responsible for providing strategic planning advice on the operation and management of our Company.

Mr. Zhu served as a director and vice president of CHINT Group from March 1994 to January 2017, and has been serving as a director and president of CHINT Group since January 2017. Mr. Zhu has served as our Director since January 2003. Mr. Zhu served as the chairman of the board of Chint Electric Co., Ltd. (正泰電氣股份有限公司, a subsidiary of CHINT Group) from January 2004 to July 2025. Mr. Zhu served as the chairman of the board of Shanghai Noark Electric from November 2015 to September 2025, and as chairman of the board of Chint Instrument & Meter from July 2008 to December 2019.

Mr. Zhu obtained the qualification of senior business manager (高級經營師) in December 2006, and completed a business administration program from Renmin University of China (中國人民大學) in the PRC in September 2000.

Mr. Lu Chuan (陸川), aged 45, is our non-executive Director. He is primarily responsible for providing strategic planning advice on the operation and management of our Company.

Mr. Lu has served as chairman of the board of Chint New Energy Technology Co., Ltd. (正泰新能科技股份有限公司) since August 2015, as our Director since May 2018, as chairman of the board of Chint New Energy Development since December 2020, as a director of CHINT Group since January 2022, as chairman of the board of Chint Anneng since September 2022, and as chairman of the board of Chint Power since June 2023. Mr. Lu served as a deputy general manager of the legal affairs department of Chint Electric Co., Ltd. (正泰電氣股份有限公司), a subsidiary of CHINT Group from September 2005 to March 2008. From April 2008 to February 2011, Mr. Lu served as a deputy general manager of the investment management department of CHINT Group. From February 2011 to July 2016, Mr. Lu served as a vice president, board secretary and executive vice president of Zhejiang Chint Solar.

Mr. Lu obtained a doctoral degree in economic law from East China University of Political Science and Law (華東政法大學) in the PRC in June 2009.

Independent Non-Executive Directors

Mr. Huang Shenjian (黃沈箭), aged 67, is our independent non-executive Director. He is primarily responsible for providing independent advice on the operations and management of our Company.

Mr. Huang successively served at the Zhejiang Branch of the Industrial and Commercial Bank of China (中國工商銀行浙江省分行) from January 1994 to January 2019.

In December 2002, Mr. Huang graduated from the Correspondence College of the Party School of the Central Committee of the Communist Party of China (中共中央黨校函授學院) in the PRC. He obtained his qualification of senior economist in November 1994.

Mr. Chen Yamin (陳亞民), aged 73, is our independent non-executive Director. He is primarily responsible for providing independent advice on the operations and management of our Company.

Mr. Chen has been serving as our independent Director since May 2025. Mr. Chen served as a lecturer at Shanghai University of Finance and Economics (上海財經大學) from September 1983 to July 1987. Mr. Chen served as a professor and deputy director of the Department of Accounting and Finance at Shanghai Jiao Tong University (上海交通大學) from January 2002 to June 2017.

Mr. Chen held independent directorship and membership of audit committees in several listed companies, including: Jiangsu Jiangnan High Polymer Fiber Co., Ltd. (江蘇江南高纖股份有限公司, 600527.SH) from March 2007 to March 2010, Sino Wealth Electronic Ltd. (中穎電子股份有限公司, 300327.SZ) from December 2010 to December 2013, China Castson 81 Finance Company Limited (00810.HK) from May 2011 to November 2012, Shanghai NAR Industrial Co., Ltd. (上海納爾實業股份有限公司, 002825.SZ) from June 2016 to October 2018, Shanghai Tianyong Engineering Co., Ltd. (上海天永智能裝備股份有限公司, 603895.SH) from February 2016 to July 2019, Shanghai RAAS Blood Products Co., Ltd. (上海萊士血液製品股份有限公司, 002252.SZ) from June 2022 to July 2024, and Shanghai Kai Kai Industrial Company Limited (上海開開實業股份有限公司, 600272.SH) from May 2019 to November 2025.

Mr. Chen obtained doctoral degree in economics from Renmin University of China (中國人民大學) in July 1990.

Ms. Peng Xu (彭澈), aged 54, is our independent non-executive Director. She is primarily responsible for providing independent advice on the operations and management of our Company.

Ms. Peng has served at East China University of Political Science and Law (華東政法大學) since September 1998 and is currently an associate professor. Ms. Peng has been serving as our independent Director since May 2022. Since July 2020, Ms. Peng has served as a mediator at the Arbitration and Mediation Center of the World Intellectual Property Organization (WIPO). Ms. Peng has worked as a lawyer at Taihe Tai (Shanghai) Law Firm (泰和泰(上海)律師事務所) since June 2023. Ms. Peng has served as an independent non-executive director of China Partytime Culture Holdings Limited (中國派對文化控股有限公司) , a company listed on the Hong Kong Stock Exchange (stock code: 1532.HK), since August 2015 and an independent director of Shanghai Jinyuan Baili Asset Management Co., Ltd. (上海金元百利資產管理有限公司) since August 2023.

Ms. Peng obtained a doctoral degree in international law from East China University of Political Science and Law (華東政法大學) in the PRC in January 2007.

Mr. Liu Wu (劉武), aged 48, is our independent non-executive Director (effective on the **[REDACTED]**). He is primarily responsible for providing independent advice on the operations and management of our Company.

Mr. Liu joined The Hong Kong Polytechnic University (香港理工大學) in August 2008 and is currently serving as a professor. He served at the Department of Management and Marketing at the Hong Kong Polytechnic University (香港理工大學) from January 2020 to December 2025.

Mr. Liu obtained a doctoral degree in management from Vanderbilt University in the United States in August 2008.

SENIOR MANAGEMENT

Our senior management team is responsible for the day-to-day management and operation of our business. The following table sets out information regarding the members of the senior management of our Company:

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and members of senior management
Mr. Chen Guoliang (陳國良)	63	Executive Director and president	August 1997	November 2022	Decision-making for key business and operational matters of our Company	None
Mr. Nan Er (南爾)	43	Executive Director and vice president	July 2008	January 2021	Decision-making for key business and operational matters of our Company	Mr. Nan Cunhui's son
Mr. Lin Yiming (林貽明)	49	Executive Director, vice president and finance director	September 2012	April, 2018	Strategic planning and decision-making for key business, financial operations and capital management of our Company	None

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and members of senior management
Ms. Pan Jie (潘潔)	43	Secretary of our Board, vice president and joint company secretary	February 2018	May 2018	Our Board related matters, capital markets, and corporate governance of our Company	None

For the biographies of Mr. Chen Guoliang, Mr. Nan Er and Mr. Lin Yiming, see "– Directors– Executive Directors" in this section.

Ms. Pan Jie (潘潔), aged 43, is the secretary of our Board and the vice president of our Company. She is primarily responsible for our Board related matters, capital markets, and corporate governance of our Company.

Ms. Pan has been serving as the secretary of our Board since May 2018 and as the vice president of our Company since March 2019. Prior to joining our Group, Ms. Pan served as business director of the Investment Banking Department at Donghai Securities Co., Ltd. (東海證券股份有限公司). From April 2016 to February 2018, Ms. Pan served as vice general manager and secretary of the board at Suzhou Gold Mantis Construction Decoration Co., Ltd. (蘇州金螳螂建築裝飾股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002081.SZ).

Ms. Pan obtained a doctorate in business administration from Arizona State University in the United States in August 2023.

JOINT COMPANY SECRETARIES

Ms. Pan Jie (潘潔), the secretary of our Board, was appointed as one of our joint company secretaries in April 2026, effective on the **[REDACTED]**. For Ms. Pan's biography, see "– Senior Management" in this section.

Ms. Yip Hoi Lam (葉凱琳) was appointed as one of our joint company secretaries in April 2026, effective on the **[REDACTED]**. Ms. Yip is currently a manager of company secretarial services of Tricor Services Limited. Ms. Yip has over 7 years of experience in the corporate secretarial field.

Ms. Yip obtained a master's degree in corporate governance from the Hong Kong Metropolitan University in August 2021. Ms. Yip is currently the company secretary or joint company secretary of a few listed companies on the Stock Exchange. Ms. Yip is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

OTHER INFORMATION

Our Company no longer maintains a supervisory board, effective May 20, 2025.

Each of Mr. Nan Cunhui, Mr. Chen Guoliang and Mr. Zhu Xinmin served as a director or supervisor of the companies set out in the table below at the time of, or within 12 months prior to, their respective dissolutions:

Name of Director	Name of company	Place of incorporation	Principal business activity	Position	Reasons for dissolution	Date of dissolution	Means for dissolution
Mr. Nan Cunhui	Wenzhou Dadong Economic and Trade Development Co., Ltd. (溫州大東經貿發展有限公司)	PRC	Retail of hardware, furniture and interior decoration materials	Director	Cessation of business operation	September 27, 2004	Revocation of business license
Mr. Nan Cunhui	Heze Luneng Chint Electronics Co., Ltd. (菏澤魯能正泰電子有限公司)	PRC	Manufacture of electrical instruments and meters	Supervisor	Cessation of business operation	April 23, 2007	Revocation of business license
Mr. Chen Guoliang	Fujian Hesheng Chint Electrical Equipment Co., Ltd. (福建和盛正泰電氣設備有限公司)	PRC	Hardware product R&D	Director	Cessation of business operation	November 18, 2025	Revocation of business license
Mr. Zhu Xinmin	Henan New Chint Electromechanical Co., Ltd. (河南新正泰機電有限公司)	PRC	Retail	Director	Cessation of business operation	June 6, 2005	Revocation of business license
Mr. Zhu Xinmin	CHINT Group Fuzhou Chint Sales Co., Ltd. (正泰集團福州正泰銷售有限公司)	PRC	Wholesale of computers, software, and peripheral equipment	Director	Cessation of business operation	August 28, 2002	Revocation of business license

Each of Mr. Nan Cunhui, Mr. Zhu Xinmin and Mr. Chen Guoliang has confirmed, to his best knowledge, information and belief, in respect of the company at which he served as director or supervisor, that (i) there was no judgment or finding of fraud, dishonesty, misconduct or wrongful act on his part involved in the revocation of that company's business license, (ii) as of the Latest Practicable Date, there was no outstanding liability or ongoing claim or litigation against him in his capacity as a director or supervisor of that company prior to the revocation, and (iii) that company was solvent at the time its business license was revoked.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on April 9, 2026, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors confirms (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointments.

Each of our Directors confirms that he or she does not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Except as disclosed in this section, none of our Directors and members of senior management held any other directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the Latest Practicable Date.

Except as disclosed in this section, to the best knowledge, information and belief of our Directors, having made all reasonable inquiries, there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and there were no other matters with respect to the appointment of our Directors that need to be brought to the attention of the Shareholders.

BOARD COMMITTEES

Audit Committee

Our Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group and provide advice and comments to the Board. The Audit Committee comprises Mr. Chen Yamin, Mr. Huang Shenjian, Ms. Peng Xu, Mr. Liu Wu, Mr. Zhu Xinmin and Mr. Lu Chuan, with Mr. Chen Yamin (being our independent non-executive Director with appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules) as the chairperson.

Remuneration and Appraisal Committee

Our Board has established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board on the terms of remuneration packages to our Directors and other senior management. The Remuneration and Appraisal Committee comprises Mr. Huang Shenjian, Ms. Peng Xu, Mr. Chen Yamin, Mr. Liu Wu, Mr. Zhu Xinmin and Mr. Nan Er, with Mr. Huang Shenjian as the chairperson.

Nomination Committee

Our Board has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and other senior management. The Nomination Committee comprises Mr. Huang Shenjian, Ms. Peng Xu, Mr. Chen Yamin, Mr. Liu Wu, Mr. Zhu Xinmin and Mr. Nan Er, with Mr. Huang Shenjian as the chairperson.

Strategy and Sustainability Committee

Our Board has established a Strategy and Sustainability Committee with written terms of reference. The primary duties of the Strategy and Sustainability Committee are to make recommendations to our Board on our long-term development strategies and major investment decisions. The Strategy and Sustainability Committee comprises Mr. Nan Cunhui, Mr. Huang Shenjian, Ms. Peng Xu, Mr. Chen Yamin, Mr. Liu Wu and Mr. Lin Yiming, with Mr. Nan Cunhui as the chairperson.

CORPORATE GOVERNANCE

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with all applicable code provisions of the Corporate Governance Code upon **[REDACTED]**.

BOARD AND WORKFORCE DIVERSITY

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board and see increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

Our Board currently consists of one female and nine male Directors ranging from 43 to 73 years old with a balanced mix of knowledge and skills, including, but not limited to, overall management and strategic development, accounting and corporate governance in addition to experience in industrial electrical equipment industry. They obtained degrees in various majors including management, economics, business administration, and economic law. Taking into account our existing business model and specific needs, as well as the diverse background of our Directors, the composition of our Board satisfies the board diversity policy.

We are committed to adopting a similar approach to promote diversity within our workforce (including but not limited to the senior management) of our Company to enhance the effectiveness of corporate governance of our Company as a whole.

Our Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive remuneration in the form of directors' fees, salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions, and share-based payments. We determine the remuneration of our Directors based on their responsibilities, qualifications, position and seniority.

The aggregate amount of remuneration of our Directors and former supervisors for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 were RMB56.9 million, RMB68.9 million, RMB54.6 million and RMB11.43 million, respectively. None of our Directors or former supervisors waived or agreed to waive any emolument during the same periods.

Under the arrangements in force as of the date of this document, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2026, to be approximately RMB17.1 million.

The five highest paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 included 4, 1, 3 and 3 Director(s), respectively. During the same periods, the aggregate amount of remuneration of the remaining 1, 4, 2 and 2 highest paid individuals who are neither Directors nor former supervisors were RMB11.4 million, RMB55.5 million, RMB18.6 million and RMB4.9 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, our Directors, former supervisors or the five highest paid individuals as an inducement to join or upon joining us. No compensation was paid to, or received by, our Directors, former directors, former supervisors or the five highest paid individuals for the loss of office as a director or supervisor of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

Save as disclosed above, no other payments have been made or are payable by our Group to our Directors or former supervisors in respect of the Track Record Period.

COMPLIANCE ADVISOR

We have appointed Altus Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will, amongst other things, advise our Company in the following circumstances:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and

(d) where the Stock Exchange makes an inquiry of our Company concerning unusual movements in the price or **[REDACTED]** of our **[REDACTED]** securities or any other matters under Rule 13.10 of the Listing Rules.

The term of appointment of our compliance advisor shall commence on the **[REDACTED]** and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See "Business–Growth Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that the **[REDACTED]** of the **[REDACTED]**, after deducting the estimated **[REDACTED]** and other fees and expenses paid and payable by us in connection with the **[REDACTED]**, will be approximately HK$**[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the indicative range of the **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]** per H Share), and that the **[REDACTED]** is not exercised.

We currently intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts as set out below:

(1) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for research and development initiatives for our intelligent electrical product business to deepen technology leadership, support product upgrading and strengthen our intelligent, software and power-electronics capabilities. In particular, we plan to allocate:

   (i) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for the development and upgrading of high-breaking-capacity, high-reliability, intelligent and miniaturized low-voltage electrical products through technology research and development, new product development, product improvement, equipment upgrading and testing and validation, expanding the application scenarios of such products;

   (ii) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for digital interconnection and control-related initiatives, including projects based on our digital and intelligent interconnection technologies, software and hardware development, testing and validation, scenario adaptation and digital upgrading, in order to enhance product interoperability, intelligent operation and maintenance capabilities and scenario adaptability;

   (iii) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for the development of multi-scenario variable frequency drives, servo systems, motor protection, soft starters and integrated drive-control products;

   (iv) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for the development of high-voltage and large-capacity products; and

   (v) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for power electronics and solid-state technology projects, including core device selection, circuit design, prototype development, specialized software and embedded-system development, and testing and validation, for enhancing product efficiency, energy-saving performance and intelligent control capabilities.

(2) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for industrialization and production capacity expansion to enhance our scalable, high-quality manufacturing capabilities and strengthen our global supply chain system. In particular, we intend to allocate:

(i) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for the construction of manufacturing and related facilities, which are intended to serve as an intelligent factory integrating high-end product research and development, pilot testing and manufacturing, together with related warehousing, logistics and supporting infrastructure;

(ii) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for the instrument and meter energy measurement project, which is intended to serve as an AI-enabled specialized manufacturing base for advanced power and intelligent energy measurement products, together with related workshops and supporting infrastructure. We expect the project to integrate vertical supply chain planning and support manufacturing for products such as water meters, DIN-rail meters, PCBAs, metering boxes and related structural components; and

(iii) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for the procurement and installation of production equipment and intelligent manufacturing lines, including automated assembly lines, high-precision testing instruments and trial production equipment to support volume production of high-end industrial automation and intelligent energy measurement products.

(3) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for broadening our domestic and overseas sales channels and integrating into local market ecosystems. In particular, we plan to: (i) conduct targeted sales and marketing activities, including market promotion and brand-building efforts to deepen regional market development and cultivate additional high-value regional core customers; (ii) establish sales centers and after-sales teams in selected markets and recruit sales and service personnel; and (iii) develop quality distributors to broaden our channel coverage and enhance local market penetration.

(4) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for digital transformation initiatives to enhance end-to-end operational efficiency and support intelligent decision-making. In particular, we intend to use **[REDACTED]** for: (i) building a full value-chain digital service platform covering research and development, marketing and customer service, supply chain, intelligent manufacturing and quality management to enable online operations and higher-efficiency collaboration; (ii) promoting the application of AI, big data and Internet of Things technologies to support digitalized operations and management decision-making; (iii) developing next-generation AI-driven power equipment, virtual power plant, integrated energy management systems and transmission and distribution product solutions for AI data centers; and (iv) investing in supporting infrastructure, data center capabilities and information security upgrades to provide the underlying architecture for our digital transformation.

(5) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for partial repayment of certain existing indebtedness. In particular, we intend to use such **[REDACTED]** to partially repay (i) an import-export bank borrowing with an outstanding balance of RMB186.0 million as of June 30, 2026, which was obtained for a photovoltaic power generation application leading base project, matures on December 15, 2031 and bears an interest rate of 3.3500%, and (ii) an import-export bank borrowing with an outstanding balance of RMB102.4 million as of June 30, 2026, which was obtained for a transmission supporting photovoltaic project, matures on January 25, 2034 and bears an interest rate of 3.3800%.

(6) approximately **[REDACTED]**% of the **[REDACTED]**, or HK$**[REDACTED]**, for general working capital and other general corporate purposes.

The above allocation of the **[REDACTED]** will be adjusted on a pro rata basis in the event that the **[REDACTED]** is fixed below or above the mid-point of the indicative **[REDACTED]**. If the **[REDACTED]** is set at HK$**[REDACTED]** per H Share, which is the high end of our indicative **[REDACTED]**, the **[REDACTED]** from the **[REDACTED]** will increase by approximately HK$**[REDACTED]**. If the **[REDACTED]** is set at HK$**[REDACTED]** per H Share, which is the low end of our indicative **[REDACTED]**, the **[REDACTED]** from the **[REDACTED]** will decrease by approximately HK$**[REDACTED]**. Any additional **[REDACTED]** received from the exercise of the **[REDACTED]** will also be allocated to the above purposes on a pro rata basis. In the event that the **[REDACTED]** is exercised in full, we will receive **[REDACTED]** of HK$**[REDACTED]** (after deducting the estimated **[REDACTED]** and other fees and expenses paid and payable by us in connection with the **[REDACTED]** and assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the mid-point of our indicative **[REDACTED]**).

To the extent that the **[REDACTED]** are not immediately applied to the above purposes, we will only deposit the **[REDACTED]** into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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The following is the text of a report set out on pages I-[1] to I-[147], received from the Company's reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZHEJIANG CHINT ELECTRICS CO., LTD. (浙江正泰電器股份有限公司) AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED, HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Zhejiang Chint Electrics Co., Ltd. (浙江正泰電器股份有限公司, the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[4] to I-[147], which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2025 (the "**Relevant Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[4] to I-[147] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated **[REDACTED]** (the "**Document**") in connection with the **[REDACTED]** of H shares of the Company on the **[REDACTED]** of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' Responsibility for the Historical Financial Information

The directors of the Company (the "**Directors**") are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note [2] to the Historical Financial Information, and for such internal control as the Directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note [2] to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at December 31, 2023, 2024 and 2025, of the Company's financial position as at December 31, 2023, 2024 and 2025, and of the Group's financial performance and cash flows for the Relevant Period in accordance with the basis of preparation set out in Note [2] to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to Note [14] to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Relevant Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[Date]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of the Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Relevant Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the "**IASB**") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*6*	57,250,814	64,524,402	59,166,504
Cost of sales		(44,872,958)	(49,600,402)	(43,858,575)
Gross profit		12,377,856	14,924,000	15,307,929
Other income, other gains and losses	*7*	915,101	686,795	1,107,779
Other expenses	*8*	(96,849)	(83,626)	(94,381)
Administrative expenses		(2,139,958)	(2,810,193)	(2,945,723)
Selling and marketing expenses		(2,241,379)	(2,643,678)	(2,572,342)
Research and development ("**R&D**") expenses		(1,179,215)	(1,267,307)	(1,325,959)
Impairment losses (including reversals of impairment losses) on financial assets and other items	*12*	(150,349)	(579,686)	(89,834)
Finance costs	*11*	(1,411,171)	(1,789,498)	(2,003,043)
Share of results of associates and joint ventures		419,725	331,591	238,654
Profit before tax	*9*	6,493,761	6,768,398	7,623,080
Income tax expense	*13*	(1,544,913)	(1,557,070)	(1,485,447)
Profit for the year		4,948,848	5,211,328	6,137,633
Other comprehensive income/(expense) for the year				
Items that will not be reclassified subsequently to profit or loss, net of tax:				
Changes in fair value of equity investments at fair value through other comprehensive income ("**FVTOCI**")		71,952	(111,415)	207,292
Shares of other comprehensive income in investments in associates and joint ventures		251	783	413
Remeasurements of defined benefit plans		–	–	11
		72,203	(110,632)	207,716

	NOTES	Year ended December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Items that may be reclassified subsequently to profit or loss, net of tax:				
Shares of other comprehensive income/(expense) in investments in associates and joint ventures		6,903	1,267	(2)
Exchange differences arising on translation of foreign operations		(41,775)	(12,244)	24,590
		(34,872)	(10,977)	24,588
Other comprehensive income/(expense) for the year, net of tax		37,331	(121,609)	232,304
Total comprehensive income for the year		4,986,179	5,089,719	6,369,937
Profit for the year attributable to:				
– Owners of the Company		3,686,138	3,876,416	4,512,302
– Non-controlling interests		1,262,710	1,334,912	1,625,331
		4,948,848	5,211,328	6,137,633
Total comprehensive income for the year attributable to:				
– Owners of the Company		3,709,912	3,773,922	4,665,360
– Non-controlling interests		1,276,267	1,315,797	1,704,577
		4,986,179	5,089,719	6,369,937
Earnings per share				
Basic *(RMB)*	*15*	1.73	1.81	2.11
Diluted *(RMB)*	*15*	1.73	1.81	2.11

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*20*	28,896,523	29,503,508	29,719,403
Right-of-use assets	*21*	2,650,667	6,754,080	11,296,986
Investment properties	*24*	374,270	389,820	413,434
Investments in associates and joint ventures	*16*	5,828,190	5,866,869	6,040,517
Deferred tax assets	*25*	1,212,661	1,693,688	1,990,479
Intangible assets	*22*	143,756	136,773	129,450
Goodwill	*23*	527,624	511,594	490,917
Equity investments at FVTOCI	*17*	1,722,996	2,193,438	2,834,325
Financial assets at fair value through profit or loss ("**FVTPL**")	*18*	2,762,362	4,303,365	6,434,115
Prepayments, other receivables and other assets	*27*	4,340,998	5,491,885	7,158,763
Trade receivables	*26*	3,352	4,658	13,840
		48,463,399	56,849,678	66,522,229
Current assets				
Inventories	*28*	37,943,634	44,560,792	57,203,968
Trade and note receivables	*26*	16,306,371	17,042,433	14,822,003
Prepayments, other receivables and other assets	*27*	5,381,362	6,265,535	4,731,538
Contract assets	*6*	419,656	996,563	1,042,975
Financial assets at FVTPL	*18*	11,394	12,550	126,223
Income tax assets		54,518	99,561	135,716
Note receivables at FVTOCI	*17*	130,493	112,871	148,161
Restricted bank deposits	*29*	769,243	747,820	968,653
Cash and cash equivalents	*29*	11,324,586	11,435,730	13,078,471
		72,341,257	81,273,855	92,257,708
Assets classified as held for sale		–	98,645	20,690
		72,341,257	81,372,500	92,278,398
Total assets		120,804,656	138,222,178	158,800,627

		As at December 31,		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Current liabilities				
Trade and note payables	*31*	19,336,161	20,136,115	19,598,707
Accruals and other payables	*32*	6,373,429	6,975,616	7,167,611
Income tax payables		830,360	737,165	546,556
Borrowings	*30*	17,530,853	24,761,275	27,700,940
Derivative financial instruments		6,603	1,934	1,201
Lease liabilities	*21*	192,486	314,654	412,748
Provisions	*34*	–	179,109	197,764
Contract liabilities	*6*	4,100,054	3,424,619	6,005,612
Other current liabilities	*35*	258,516	183,481	126,698
Received in advance	*33*	20,398	125,622	43,775
		48,648,860	56,839,590	61,801,612
Net current assets		23,692,397	24,532,910	30,476,786
Total assets less current liabilities		72,155,796	81,382,588	96,999,015
Non-current liabilities				
Deferred tax liabilities	*25*	1,415,218	1,368,557	1,341,228
Borrowings	*30*	22,040,366	23,044,197	30,714,791
Lease liabilities	*21*	1,314,724	5,549,947	10,093,177
Provisions	*34*	323,954	321,323	716,195
Contract liabilities	*6*	–	84,419	123,795
Deferred income	*36*	330,117	269,915	213,283
Other non-current liabilities		513	492	1,265
Received in advance	*33*	224,517	–	–
		25,649,409	30,638,850	43,203,734
Net assets		46,506,387	50,743,738	53,795,281

		As at December 31,		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Capital and reserves				
Share capital	*37*	2,148,969	2,148,969	2,148,969
Treasury shares	*38*	(1,044,929)	–	(499,977)
Other reserves		14,270,545	13,572,428	13,295,783
Retained profits		23,716,892	26,421,237	29,624,642
Equity attributable to owners of the Company		39,091,477	42,142,634	44,569,417
Non-controlling interests		7,414,910	8,601,104	9,225,864
Total equity		46,506,387	50,743,738	53,795,281

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31,		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*20*	1,241,573	1,217,133	1,105,765
Right-of-use assets	*21*	99,581	66,272	54,019
Investment properties		251	183	114
Investments in associates	*16*	1,976,390	2,027,597	2,124,569
Investments in subsidiaries	*19*	18,294,885	18,702,667	20,020,662
Deferred tax assets	*25*	53,477	169,591	150,252
Intangible assets		9,132	15,803	10,890
Financial assets at FVTPL	*18*	535,081	708,181	717,439
Prepayments, other receivables and other assets	*27*	60,686	30,083	233
		22,271,056	22,937,510	24,183,943
Current assets				
Inventories	*28*	1,506,352	1,724,740	1,444,374
Trade and note receivables	*26*	6,059,894	5,882,780	4,996,282
Prepayments, other receivables and other assets	*27*	2,034,622	1,990,201	992,720
Income tax assets		759	–	58,624
Contract assets	*6*	11,682	2,258	628
Financial assets at FVTPL	*18*	1,763	–	119,275
Restricted bank deposits	*29*	17,231	25,486	72,696
Cash and cash equivalents	*29*	1,505,641	752,166	825,162
		11,137,944	10,377,631	8,509,761
Total assets		33,409,000	33,315,141	32,693,704

		As at December 31,		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Current liabilities				
Trade and note payables	*31*	1,711,155	2,108,443	2,262,304
Accruals and other payables	*32*	1,350,551	1,994,623	2,158,999
Income tax payables		–	49,763	–
Borrowings	*30*	2,222,017	1,980,276	1,559,857
Derivative financial instruments		–	1,934	–
Lease liabilities	*21*	32,108	17,701	7,065
Contract liabilities	*6*	111,105	79,596	169,987
Other current liabilities	*35*	26,096	19,747	32,947
		5,453,032	6,252,083	6,191,159
Net current assets		5,684,912	4,125,548	2,318,602
Total assets less current liabilities		27,955,968	27,063,058	26,502,545
Non-current liabilities				
Borrowings	*30*	2,155,100	700,000	–
Lease liabilities	*21*	22,336	6,567	9,726
Provisions		62,114	–	–
Deferred income		49,433	33,508	29,484
		2,288,983	740,075	39,210
Net assets		25,666,985	26,322,983	26,463,335
Capital and reserves				
Share capital	*37*	2,148,969	2,148,969	2,148,969
Treasury shares	*38*	(1,044,929)	–	(499,977)
Other reserves	*40*	13,934,256	13,310,702	13,352,598
Retained profits	*40*	10,628,689	10,863,312	11,461,745
Total equity		25,666,985	26,322,983	26,463,335

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Share premium	Treasury shares	Other comprehensive income	Other reserves	Retained profits	Sub-total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 37)		*(Note 38)*		*(iii)*				
At January 1, 2023	2,149,974	13,143,813	(1,071,557)	(305,674)	1,537,317	20,879,047	36,332,920	5,196,526	41,529,446
Profit for the year	–	–	–	–	–	3,686,138	3,686,138	1,262,710	4,948,848
Other comprehensive income for the year	–	–	–	23,774	–	–	23,774	13,557	37,331
Total comprehensive income for the year	–	–	–	23,774	–	3,686,138	3,709,912	1,276,267	4,986,179
Cancellation of shares repurchased *(Note 37)*	(1,005)	(25,623)	26,628	–	–	–	–	–	–
Share of other changes in net assets of associates and joint ventures	–	–	–	–	17,310	–	17,310	–	17,310
Disposal of subsidiaries	–	–	–	–	–	–	–	(28,270)	(28,270)
Disposal of equity investments at FVTOCI	–	–	–	(4,566)	–	2,773	(1,793)	–	(1,793)
Declaration of dividends *(Note 14)*	–	–	–	–	–	(851,066)	(851,066)	(120,908)	(971,974)
Transactions with non-controlling interests *(Note 42(b))*	–	–	–	–	(369,322)	–	(369,322)	(284,303)	(653,625)
Capital contributions by non-controlling interests[(ii)]	–	–	–	–	(13,790)	–	(13,790)	280,997	267,207
Non-controlling interests arising from business combinations *(Note 42(a))*	–	–	–	–	230,077	–	230,077	1,066,718	1,296,795
Share-based compensation expenses *(Note 39)*	–	–	–	–	37,229	–	37,229	27,883	65,112
At December 31, 2023	2,148,969	13,118,190	(1,044,929)	(286,466)	1,438,821	23,716,892	39,091,477	7,414,910	46,506,387

	Attributable to owners of the Company								
	Share capital	Share premium	Treasury shares	Other comprehensive income	Other reserves	Retained profits	Sub-total	Non-controlling interests	Total equity
	RMB'000 (Note 37)	*RMB'000*	*RMB'000 (Note 38)*	*RMB'000*	*RMB'000 (iii)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2023	2,148,969	13,118,190	(1,044,929)	(286,466)	1,438,821	23,716,892	39,091,477	7,414,910	46,506,387
Profit for the year	–	–	–	–	–	3,876,416	3,876,416	1,334,912	5,211,328
Other comprehensive expense for the year	–	–	–	(102,494)	–	–	(102,494)	(19,115)	(121,609)
Total comprehensive (expense)/income for the year	–	–	–	(102,494)	–	3,876,416	3,773,922	1,315,797	5,089,719
Share of other changes in net assets of associates	–	–	–	–	2,848	–	2,848	–	2,848
Arising from business combinations under common control[(i)]	–	–	–	–	37,123	(2,123)	35,000	–	35,000
Disposal of equity investments at FVTOCI	–	–	–	(4,768)	–	11,985	7,217	–	7,217
Declaration of dividends *(Note 14)*	–	–	–	–	–	(1,181,933)	(1,181,933)	(178,634)	(1,360,567)
Transactions with non-controlling interests *(Note 42(b))*	–	–	–	–	(19,056)	–	(19,056)	(74,597)	(93,653)
Capital contributions by non-controlling interests[(ii)]	–	–	–	–	(2,318)	–	(2,318)	96,362	94,044
Share-based compensation expenses *(Note 39)*	–	–	–	–	139,344	–	139,344	27,266	166,610
Treasury shares transferred to the grantees *(Note 38)*	–	(748,796)	1,044,929	–	–	–	296,133	–	296,133
At December 31, 2024	2,148,969	12,369,394	–	(393,728)	1,596,762	26,421,237	42,142,634	8,601,104	50,743,738

	Attributable to owners of the Company								
	Share capital	Share premium	Treasury shares	Other comprehensive income	Other reserves	Retained profits	Sub-total	Non-controlling interests	Total equity
	RMB'000 (Note 37)	*RMB'000*	*RMB'000 (Note 38)*	*RMB'000*	*RMB'000 (iii)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2024	2,148,969	12,369,394	–	(393,728)	1,596,762	26,421,237	42,142,634	8,601,104	50,743,738
Profit for the year	–	–	–	–	–	4,512,302	4,512,302	1,625,331	6,137,633
Other comprehensive income for the year	–	–	–	153,058	–	–	153,058	79,246	232,304
Total comprehensive income for the year	–	–	–	153,058	–	4,512,302	4,665,360	1,704,577	6,369,937
Share of other changes in net assets of associates	–	–	–	–	2,276	–	2,276	–	2,276
Arising from business combinations under common control[(i)]	–	–	–	–	28,895	(10,895)	18,000	–	18,000
Disposal of equity investments at FVTOCI	–	–	–	(17,528)	–	(11,554)	(29,082)	–	(29,082)
Declaration of dividends *(Note 14)*	–	–	–	–	–	(1,286,448)	(1,286,448)	(304,274)	(1,590,722)
Transactions with non-controlling interests *(Note 42(b))*	–	–	–	–	(552,313)	–	(552,313)	(933,658)	(1,485,971)
Capital contributions by non-controlling interests[(ii)]	–	–	–	–	40,390	–	40,390	128,346	168,736
Repurchase of shares *(Note 38)*	–	–	(499,977)	–	–	–	(499,977)	–	(499,977)
Share-based compensation expenses *(Note 39)*	–	–	–	–	68,577	–	68,577	29,769	98,346
At December 31, 2025	2,148,969	12,369,394	(499,977)	(258,198)	1,184,587	29,624,642	44,569,417	9,225,864	53,795,281

i. In the first half of 2026, the Group obtained 100% equity interests in Fengyang Chint Photovoltaic Power Co., Ltd., Yueqing Chint Photovoltaic Power Co., Ltd., Yiwu Chint Photovoltaic Power Co., Ltd. and Fuyang (Hangzhou) Chint Photovoltaic Power Co., Ltd. through acquisitions for cash consideration of RMB19,051,000, RMB24,754,000, RMB36,337,000 and RMB23,749,000, respectively. Since the merged companies and the Group are all under common control of Mr. Nan Cunhui before and after the acquisitions, these acquisitions are accounted for under merger accounting. The increase in total equity attributable to owners of the Company arises from the retrospective adjustment for the above-mentioned business combination under common control.

ii. These all arose from the effect of capital contributions made by non-controlling shareholders of the Company's subsidiaries during the Relevant Period.

iii. Other reserves consist of share-based payment reserve under the equity-settled share incentive plans, statutory surplus reserve of the Company required by Company Law of the People's Republic of China and the Company's Articles of Association, and the difference between the carrying amount of net assets of the non-controlling interests in the Company's subsidiaries and the contribution received from/paid to the non-controlling shareholders.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	NOTE	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES				
Cash generated from operations	*41(a)*	5,134,666	17,288,619	25,001,619
Interest received		92,842	119,829	109,108
Income tax paid		(1,087,152)	(2,202,753)	(1,996,898)
NET CASH FROM OPERATING ACTIVITIES		4,140,356	15,205,695	23,113,829
INVESTING ACTIVITIES				
Proceeds on disposal of investments		617,569	593,552	525,959
Proceeds on settlement of derivative financial instruments		40,714	42,255	133,181
Proceeds on disposal of property, plant and equipment, intangible assets and other non-current assets		45,651	70,302	73,802
Payments for purchase of investments in associates and joint ventures		(487,777)	(23,693)	(64,114)
Purchase of equity investments at FVTOCI		(392,501)	(617,893)	(615,342)
Purchase of financial assets at FVTPL		(1,903,015)	(1,680,842)	(2,270,962)
Purchase of property, plant and equipment, intangible assets and other non-current assets		(4,363,713)	(3,007,495)	(1,938,254)
Movements of restricted cash and term deposits		53,943	(191,427)	(269,920)
Net inflow/(outflow) of cash from the acquisitions		216,062	(21,625)	(56,096)
Net inflow of cash resulting from the disposal of subsidiaries		1,626,852	182,099	88,189
Dividends received from equity investments		762,098	143,298	432,982
Proceeds from repayment of loans by equity investments		1,241,556	1,270,736	690,861
Payments for loans to equity investments		(428,024)	(688,844)	(1,097,458)
Performance compensation received		84,141	–	5,857
Proceeds on disposal of assets held for sale		118,554	49,402	–
Others		306	751	2,371
NET CASH USED IN INVESTING ACTIVITIES		(2,767,584)	(3,879,424)	(4,358,944)

	NOTE	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
FINANCING ACTIVITIES				
Capital contributions from the non-controlling shareholders		333,175	141,425	110,652
Proceeds from share schemes		–	296,133	–
Proceeds from borrowings		16,442,470	14,857,679	19,384,482
Repayments of borrowings		(15,878,190)	(23,529,261)	(31,382,451)
Repayment of principal elements of lease payments		(215,018)	(284,164)	(386,016)
Interests paid		(866,064)	(1,103,820)	(1,302,248)
Dividends paid to the Company's shareholders		(851,066)	(1,181,933)	(1,286,448)
Dividends paid to the non-controlling shareholders		(125,311)	(181,179)	(301,599)
Transactions with non-controlling shareholders		(572,207)	(62,464)	(1,412,763)
Payments for repurchase of shares		–	–	(500,021)
Payments for repurchase of shares of a subsidiary under share scheme		–	(1,641)	(22,427)
Movements of restricted cash		–	–	(51,681)
Others		–	35,084	18,761
NET CASH USED IN FINANCING ACTIVITIES		(1,732,211)	(11,014,141)	(17,131,759)
Net (decrease)/increase in cash and cash equivalents		(359,439)	312,130	1,623,126
Cash and cash equivalents at the beginning of the year		11,663,324	11,324,586	11,435,730
Effects of foreign exchange rate changes		20,701	(200,986)	19,615
Cash and cash equivalents at the end of the year	*29*	11,324,586	11,435,730	13,078,471

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company is a joint stock company with limited liability established in Zhejiang in the People's Republic of China (the "**PRC**") on August 5, 1997. The Company was listed on the Shanghai Stock Exchange Main Board (stock code: 601877) in January 2010. The addresses of the Company's registered office and its principal place of business are set out in the section headed "Corporate Information" in the Document. The ultimate controlling shareholder of the Company is Mr. Nan Cunhui (the "**Ultimate Controlling Shareholder**").

The Group has developed two complementary business segments: intelligent electrical products and green energy solutions. Together, these businesses allow the Group to serve key links of the power and energy value chain, including generation, storage, distribution and end use.

The Company's principal subsidiaries during the Relevant Period are set out in Note 19.

2. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The statutory financial statements of the Company for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and were audited by Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合夥), a certified public accountant registered in the PRC.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments, which have been measured at fair value.

3. ADOPTION OF IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Relevant Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2026, throughout the Relevant Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures[2]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 20	Regulatory Assets and Regulatory Liabilities[3]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after January 1, 2027.

[3] Effective for annual periods beginning on or after January 1, 2029.

Except for the new IFRS Accounting Standards below, the Directors anticipate that the application of the other new and amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provides disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of this new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION

(1) Basis of consolidation

The Historical Financial Information incorporates the financial statements of the entities now comprising the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate.

(2) Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organized workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "**Conceptual Framework**") except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC-21 *Levies*, in which the Group applies IAS 37 or IFRIC-21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognized.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are, with limited exceptions, recognized at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets or at fair value.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

(3) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

(4) Investments in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less identified impairment loss, if any.

(5) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated statement of financial position.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, the financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(6) Changes in the Group's interests in associates

When the Group reduces its ownership interests in an associate but the Group continues to use the equity method (including situations that change of ownership interest in an associate due to capital increase of other shareholders to the associate), the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interests if that gain or loss would have been reclassified to profit or loss on the disposal of the related assets or liabilities.

(7) Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Note 6.

(8) Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 Leases at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

(i) The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Land leases are also in the scope of IFRS 16. The Group recognizes any prepaid premium for leasehold lands as right-of-use assets which are depreciated over the relevant lease terms.

Refundable rental deposits

Refundable rental deposits paid are account under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of- use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and
- lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item in the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

(ii) The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognized as an expense on a straight-line basis over the lease term.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

(iii) Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group. For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognize the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

(9) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("**the functional currency**"). Since the majority of the assets and operations of the Group are located in the PRC, the Historical Financial Information are presented in RMB, which is also the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is also recognized in profit or loss. When a fair value gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of other comprehensive income attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

(10) Property, plant and equipment

The Group's accounting policy for buildings and equipment is explained in Note 20(a). Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Construction in progress mainly represents buildings and photovoltaic power stations under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalized borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for use.

(11) Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, including properties under construction for such purpose, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business. Such properties are measured initially at cost, including related transaction costs. After initial recognition, the Group chooses the cost model to measure all of its investment properties.

Depreciation is calculated on the straight-line basis to write off the cost to its residual value over its estimated useful life. The estimated useful lives are as follows:

Buildings	20 years
Land use rights	20–50 years

The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of the retirement or disposal.

(12) Impairment of non-financial assets

Intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal("**FVLCD**") and value in use ("**VIU**"). For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(13) Intangible assets

Capitalized development costs

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the product so that it will be available for use;
- Management intends to complete the product and use or sell it;
- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the product are available; and

  The expenditure attributable to the product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Directly attributable costs that are capitalized as part of the patent right and non-patent technologies mainly include employee costs, raw materials and consumables used.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

Software

Purchased software is stated at cost less any impairment losses and amortized on the straight-line basis over its estimated useful life.

Patent right

Patent right are initially recognized at fair value on the acquisition date and subsequently carried at cost less accumulated amortization and impairment losses.

License fee

License fee is stated at cost less any impairment losses and amortized on the straight-line basis over its estimated useful life.

Trademark

Trademark is stated at cost less any impairment losses and amortized on the straight-line basis over its estimated useful life.

Non-patent technologies

Non-patent technologies are initially recognized at historical cost and subsequently carried at cost less accumulated amortization and impairment losses.

(14) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in other comprehensive income ("**OCI**"). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses), net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVTOCI: Assets that are held for both collection of contractual cash flows and sell in the market where those cash flows represent solely payments of principal and interest, are measured at FVTOCI. The Group has certain notes receivables which were recognized as FVTOCI. These notes receivables are measured at fair value at each reporting date, with fair value changes recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses, which are recognised in profit or loss). Interest income from these financial assets is included in finance income using the effective interest rate method. On derecognition (e.g., discounting, endorsement or settlement), the cumulative fair value gains or losses previously recognised in other comprehensive income are reclassified from accumulated other comprehensive income to profit or loss. Expected credit losses are recognised in profit or loss, with a corresponding allowance recognised against the carrying amount of the financial asset.

- FVTPL: Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses), net in the period in which it arises.

Equity instruments

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and is transferred to retained profits.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

(iv) Impairment of financial assets

The Group recognizes an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Details, please refer to credit risks in Note 45.

(15) Derivative financial instruments

The derivative instruments are foreign currency forwards, interest rate swap and commodity futures held for trading and do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in other income, other gains and losses.

(16) Financial liabilities

Financial liabilities are classified as financial liabilities at amortized cost and financial liabilities at FVTPL at initial recognition.

Financial liabilities of the Group mainly comprise financial liabilities at amortized cost, including trade and note payables, accruals and other payables and borrowings. Such financial liabilities are initially recognized at fair value, net of transaction costs incurred, and subsequently measured using the effective interest method. Financial liabilities that are due within one year (inclusive) are classified as current liabilities; those with maturities over one year but are due within one year (inclusive) as from the balance sheet date are classified as current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognized or partly derecognized when the underlying present obligation is discharged or partly discharged. The difference between the carrying amount of the derecognized part of the financial liability and the consideration paid is recognized in profit or loss for the current period.

(17) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories are determined on the weighted average method. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(18) Trade receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 45 for a description of the Group's impairment policies.

(19) Share capital and capital reserve

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(20) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(21) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognized when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(22) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

(23) Provisions

Provisions for legal claims, service warranties and make good obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

(24) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(iii) Post-employment benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Group's defined contribution plans mainly include basic pensions and unemployment insurance, while the defined benefit plans are certain oversea subsidiaries provide supplemental retirement benefits beyond the national regulatory insurance system.

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to prescribed bases and percentage by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognized as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(25) Share-based payments

(i) Equity-settled share-based payment transactions

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (including shares or share options) of the Group. The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

For shares that vest immediately at the date of grant, the fair value of the shares granted is expensed immediately to profit or loss.

(ii) Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognizes, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period.

(26) Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the Historical Financial Information in the period in which the dividends are approved by the entities' shareholders or directors, where appropriate.

(27) Interest income

Interest income from financial assets at FVTPL is included in the net fair value gains/(losses) on these assets.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

(28) Dividend income

Dividend income is recognized when the right to receive dividend payment is established.

(29) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(30) Government grants

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

(31) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Net realizable value of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The Group assesses the net realizable value of inventories as well as the amount of write-down of inventory provision at the end of each reporting period, which involves significant judgement on determination of the estimated selling prices, costs to completion and costs necessary to make the sale. Where the expectation is different from the original estimate, such difference will have an impact on the carrying value of inventories and the write-down of inventory amount in the year in which such estimates have been changed. Details, please refer to Note 28.

Allowance for ECL of receivables and contract assets

Except for certain trade receivables from customers with specific credit risk that management adopts an individual impairment assessment approach, the Group uses a provision matrix to calculate ECLs for receivables and contract assets. The loss allowances for receivables and contract assets are based on assumptions about risk of default and expected loss rates to determine the expected loss. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation. The historical loss rates are adjusted to reflect the forward-looking information on macroeconomic factors as well as the credit rating analysis of respective customers and other external data which have impacts to the ability of the customers to settle the receivables and contract assets.

The Group takes into account different macroeconomic scenarios in considering forward-looking information in Chinese Mainland and abroad. The Group regularly monitors and reviews the key macroeconomic assumptions and parameters related to the calculation of ECLs. Details, please refer to Note 45.

Impairment of non-financial assets

Goodwill is tested for impairment at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated. An impairment exists when the carrying value of a cash-generating unit exceeds its recoverable amount, which is the higher of its FVLCD and its VIU. When determine the fair value using income approach or when the VIU calculations are undertaken, management must estimate the annual revenue growth rates within forecast period, operating profit margin, perpetual annual growth rates and other assumptions related to the expected future cash flows from the cash generating units, and choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of goodwill is RMB527,624,000, RMB511,594,000 and RMB490,917,000 as at December 31, 2023, 2024 and 2025 respectively. Details of the recoverable amount calculation are disclosed in note 23.

Income tax and deferred taxation

Estimation and judgment are required in determining the amount of the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact on the income tax and deferred taxation provisions in the period in which such determination is made.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference can be utilized. Significant estimation is required in determining the recoverability of deferred tax assets. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the foreseeable future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty.

In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

In the event that future tax rules and regulations or related circumstances change, adjustments to current and deferred taxation may be necessary which would impact on the Group's results or financial position.

Fair value measurement of financial assets at level 3 fair value hierarchy

The fair value of financial instruments classified as level 3 is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets at level 3 fair value hierarchy see Note 45.5.

Provisions

Provision is made for estimated warranty claims in respect of certain intelligent electrical products sold during the warranty periods. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information could differ from future claims. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives, as well as cost per claim to satisfy the warranty obligation. The estimation basis is reviewed on an on-going basis and revised where appropriate.

The Group recognizes revenues net of discounts and return allowances when the products are delivered and title is passed to customers. Significant judgement is required to estimate return allowances. For photovoltaic power station solutions with return conditions, the Group reasonably estimates the possibility of return based on the historical experience, changes in judgments on these assumptions and such estimates could materially impact the amount of net revenues recognized.

6. REVENUE AND SEGMENT INFORMATION

An analysis of revenue is as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	57,178,362	64,438,943	59,075,819
Revenue from operating leases	72,452	85,459	90,685
	57,250,814	64,524,402	59,166,504

Disaggregation of revenue from contracts with customers

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Types of products or service			
Intelligent electrical products			
– Terminal electrical products	6,085,778	6,851,313	7,223,394
– Power distribution electrical products	5,873,733	5,729,669	5,928,101
– Control electrical products	3,446,710	3,552,495	3,800,122
– Instruments and meters	1,920,439	1,975,301	2,053,974
– Building electrical products	1,463,522	1,590,528	1,741,415
– Others[(i)]	1,348,361	1,222,458	1,171,672
	20,138,543	20,921,764	21,918,678
Green energy solutions			
– Photovoltaic power station solutions	24,760,740	24,816,532	18,309,067
– Engineering, procurement and construction services ("**EPC**")	2,537,584	6,020,987	1,722,185
– Operations and maintenance services	6,022,750	7,880,640	11,057,598
– Sales of inverters and energy storage systems	1,252,847	1,646,274	2,390,075
– Others[(ii)]	2,030,111	2,628,483	2,817,186
	36,604,032	42,992,916	36,296,111
Others[(iii)]	435,787	524,263	861,030
Revenue from contracts with customers	57,178,362	64,438,943	59,075,819

(i) The other intelligent electrical products primarily contain sale of power supply electrical products, control system and electronic electrical products.

(ii) The other green energy solutions primarily contain metal products and non-photovoltaic power service revenue.

(iii) The others primarily represent sales of parts and components and other miscellaneous income.

Geographical information by customers

The following table shows the Group's revenue from contracts with customers disaggregated by location, where location is determined by the project site for power station plants and by the customer's location for all other revenue.

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chinese Mainland	48,910,838	54,391,076	49,125,024
The Americas	2,067,015	2,804,656	3,224,865
Europe	2,888,711	4,212,440	2,950,568
Asia-Pacific	1,918,444	1,808,341	2,223,859
Others[(i)]	1,393,354	1,222,430	1,551,503
	57,178,362	64,438,943	59,075,819

(i) Primarily represent sales in Saudi Arabia and Egypt, as well as sales of products tailored to non-PRC standards to overseas distributors.

Information about the Group's non-current assets excluding deferred tax assets and financial instruments is presented based on the geographical locations of the assets.

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chinese Mainland	41,751,307	47,378,267	53,861,495
Other countries or regions[(i)]	445,895	787,182	927,843
	42,197,202	48,165,449	54,789,338

(i) Non-current assets in other countries or regions are primarily located in Singapore, Saudi Arabia, and Netherlands, which together account for less than 10% of the Group's non-current assets.

Timing of revenue from contracts with customers recognition

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Products transferred at a point in time	56,794,084	63,844,024	57,892,051
Services transferred over time	384,278	594,919	1,183,768
	57,178,362	64,438,943	59,075,819

Revenue from leases

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
For operating leases:			
Lease payments that are fixed or dependent on an index or a rate	72,452	85,459	90,685

Segment information

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

(a) Intelligent electrical segment engages in research, development, production, sales of low-voltage electrical equipment.

(b) Green energy segment engages in core business and supporting services of the green energy sector. It mainly includes the power generation business of photovoltaic power stations, the sales business of photovoltaic power stations, the EPC general contracting services for photovoltaic power stations, as well as the operation and maintenance services for the power stations.

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("**CODM**"). The executive directors assess the financial performance and position of the Group and make strategic decisions. The executive directors, which have been identified as being the CODM, consist of the executive directors and the chief financial officer.

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitor the results attributable to each reportable segment on the following bases:

Revenue and cost are allocated to the reportable segments with reference to sales generated by those segments and the costs incurred by those segments. The measure used for reporting segment profit is gross profit.

Inter-segment sales are charged at prevailing market rates, consistent with terms applied for transactions with external third-party customers. Inter-segment transactions are eliminated upon consolidation.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and all liabilities are allocated to operating segments.

The segment information provided to the CODM for the reportable segments for the years ended December 31, 2023, 2024 and 2025 is as follows:

Segment information for the year ended December 31, 2023 was as follows:

	Intelligent electrical	**Green energy**	**Elimination between segments**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue:				
Revenue from transactions with external customers	20,582,309	36,596,053	–	57,178,362
Revenue from leases	58,674	13,778	–	72,452
Inter-segment revenue	540,645	37,753	(578,398)	–
Total revenue	21,181,628	36,647,584	(578,398)	57,250,814
Cost of sales	(15,346,706)	(30,088,053)	561,801	(44,872,958)

	Intelligent electrical	Green energy	Elimination between segments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment results	5,834,922	6,559,531	(16,597)	12,377,856
Other income, other gains and losses	545,189	374,838	(4,926)	915,101
Other expenses	(23,142)	(73,707)	–	(96,849)
Administrative expenses	(1,056,764)	(1,099,791)	16,597	(2,139,958)
Selling and marketing expenses	(1,642,397)	(598,982)	–	(2,241,379)
R&D expenses	(1,040,912)	(138,303)	–	(1,179,215)
Impairment losses (including reversals of impairment losses) on financial assets and other items	(147,396)	(35,703)	32,750	(150,349)
Finance costs	(198,673)	(1,217,473)	4,975	(1,411,171)
Share of results of associates and joint ventures	109,155	351,954	(41,384)	419,725
Profit before tax	2,379,982	4,122,364	(8,585)	6,493,761
Segment assets	42,297,075	94,704,482	(16,196,901)	120,804,656
Segment liabilities	12,638,389	64,092,737	(2,432,857)	74,298,269

Segment information for the year ended December 31, 2024 was as follows:

	Intelligent electrical	Green energy	Elimination between segments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue:				
Revenue from transactions with external customers	21,194,134	43,244,809	–	64,438,943
Revenue from leases	63,005	22,454	–	85,459
Inter-segment revenue	220,745	1,453	(222,198)	–
Total revenue	21,477,884	43,268,716	(222,198)	64,524,402
Cost of sales	(15,293,968)	(34,514,219)	207,785	(49,600,402)
Segment results	6,183,916	8,754,497	(14,413)	14,924,000
Other income, other gains and losses	437,867	290,139	(41,211)	686,795
Other expenses	(26,220)	(57,406)	–	(83,626)
Administrative expenses	(1,245,168)	(1,579,369)	14,344	(2,810,193)
Selling and marketing expenses	(1,801,982)	(841,696)	–	(2,643,678)
R&D expenses	(1,075,434)	(191,873)	–	(1,267,307)
Impairment losses (including reversals of impairment losses) on financial assets and other items	(165,962)	(424,510)	10,786	(579,686)
Finance costs	(177,647)	(1,652,798)	40,947	(1,789,498)
Share of results of associates and joint ventures	120,730	256,402	(45,541)	331,591
Profit before tax	2,250,100	4,553,386	(35,088)	6,768,398
Segment assets	41,943,854	111,813,067	(15,534,743)	138,222,178
Segment liabilities	11,576,645	77,495,242	(1,593,447)	87,478,440

Segment information for the year ended December 31, 2025 was as follows:

	Intelligent electrical	Green energy	Elimination between segments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue:				
Revenue from transactions with external customers	22,219,838	36,855,981	–	59,075,819
Revenue from leases	59,090	31,595	–	90,685
Inter-segment revenue	457,289	6,581	(463,870)	–
Total revenue	22,736,217	36,894,157	(463,870)	59,166,504
Cost of sales	(16,283,471)	(28,024,346)	449,242	(43,858,575)
Segment results	6,452,746	8,869,811	(14,628)	15,307,929
Other income, other gains and losses	500,231	607,627	(79)	1,107,779
Other expenses	(14,782)	(79,599)	–	(94,381)
Administrative expenses	(1,215,725)	(1,744,897)	14,899	(2,945,723)
Selling and marketing expenses	(1,755,859)	(816,483)	–	(2,572,342)
R&D expenses	(1,054,393)	(272,516)	950	(1,325,959)
Impairment losses (including reversals of impairment losses) on financial assets and other items	(23,490)	(77,760)	11,416	(89,834)
Finance costs	(122,386)	(1,880,737)	80	(2,003,043)
Share of results of associates and joint ventures	122,282	164,760	(48,388)	238,654
Profit before tax	2,888,624	4,770,206	(35,750)	7,623,080
Segment assets	41,743,578	133,133,638	(16,076,589)	158,800,627
Segment liabilities	10,699,751	95,141,358	(835,763)	105,005,346

Revenue from major customers

The major customers who contributed 10% or more of the Group's revenue for the years ended December 31, 2023, 2024 and 2025 were set out below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	7,825,726	N/A*	N/A*
Customer B	N/A*	9,841,931	N/A*
Customer C	N/A*	8,232,745	N/A*
Customer D	N/A*	N/A*	8,512,910

* The corresponding revenue generated from the customer is not disclosed as the revenue individually did not contribute 10% or more of the Group's revenue during the respective Relevant Period.

Contract assets

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Warranty deposits	254,015	766,377	658,881
Work completed but not yet billed	165,641	230,186	384,094
	419,656	996,563	1,042,975

As at January 1, 2023, the Group's contract assets amounted to approximately RMB330,383,000.

During the reporting period, the main reason for the increase in contract assets was the rise in warranty deposits for the green energy business.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Warranty deposits	11,682	2,258	628

As at January 1, 2023, the Company's contract assets amounted to approximately RMB16,838,000.

Contract liabilities

During the Relevant Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liabilities were primarily due to the recognition of revenues upon fulfillment of performance obligations.

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Contract liabilities in relation to provision of services	–	84,419	123,795
Current:			
Contract liabilities in relation to sale of goods and provision of services	4,100,054	3,424,619	6,005,612

As at January 1, 2023, the Group's contract liabilities from customers amounted to approximately RMB4,922,627,000.

The current contract liabilities decreased by 16.5% from RMB4,100,054,000 as of December 31, 2023 to RMB3,424,619,000 as of December 31, 2024, primarily due to the timing of advance collections from customers and the subsequent recognition of revenue upon fulfillment of the relevant performance obligations. Our current contract liabilities increased by 75.4% from RMB3,424,619,000 as of December 31, 2024 to RMB6,005,612,000 as of December 31, 2025, primarily due to increased advance receipts relating to photovoltaic station solutions and operations and maintenance services.

The following table shows how much of the revenue, which was included in the contract liabilities at the beginning of the year, recognized during the Relevant Period relates to carried-forward contract liabilities:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognized that was included in the beginning balance	4,276,133	3,172,943	3,075,682

Management expects that the unsatisfied performance obligations, recognized as current liabilities, will be fulfilled within one year, while the non-current portion will be fulfilled over the following 10 to 15 years.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Contract liabilities in relation to sale of goods	111,105	79,596	169,987

As at January 1, 2023, the Company's contract liabilities from customers amounted to approximately RMB139,346,000.

Revenue recognition policies and performance obligations for contracts with customers

Revenue mainly arises from sales of intelligent electrical products, sales of inverters and energy storage systems, sales of photovoltaic power station solutions and related operations and maintenance services, and EPC.

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods or services underlying the particular performance obligation is transferred to the customer. Depending on the terms of the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers goods or services to the customer, the Group presents the contract liability when the payment is made. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

(i) Revenue from sale of products

Revenue from sale of products such as intelligent electrical products, inverters and energy storage systems and other products between the Group and its customers generally only includes a performance obligation for the transfer of goods, which is recognized when the performance obligation has been satisfied at a point in time.

Revenue from domestic sales of products shall be recognized generally upon the completion of products delivery and arriving to the named place of destination and acceptance by the customers. Upon confirming the acceptance, the customer has the right to sell the products at its discretion and takes the risks of any price fluctuation and obsolescence and loss of the products.

Revenue from overseas sales of products shall be recognized based on the sales contracts, customs declaration form, bill of lading, and other documents upon completion of customs declaration or shipping out of the port and arriving to the named port or place of destination. Upon the completion of customs declaration or arrival to the named port or place of destination, the customer has the right to sell the products at its discretion and takes the risks of any price fluctuation and obsolescence and loss of the products.

The amount of consideration the Group receives and revenue the Group recognizes vary with changes in sales rebates the Group offers to the customers. The Group estimates the sales rebates based on analysis of historical experience, and adjusts for the most likely amount of consideration to be received. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated rebates which are estimated based on experience. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. Sales rebate (included in accruals and other payables) are recognized for expected rebates to customers.

(ii) Revenue from photovoltaic power station solutions

Revenue from sales of residential photovoltaic power stations is recognized when the Group has satisfied its performance obligation by transferring control of the photovoltaic stations to the customers. This occurs upon completion of the construction and grid-connection of the stations, and their acceptance by the customers.

Sales-related warranties associated with residential photovoltaic power stations that can not sold separately do not constitute a separate service. Accordingly, the Group accounts for these warranties under IAS 37.

In certain residential photovoltaic power station sale contracts, customers have the right to return the photovoltaic power stations within a specific period up to twenty-five years if the stations do not meet the quality and performance specifications. The Group uses its accumulated historical experience to estimate the expected number of returns on a portfolio basis using the expected value method. Revenue is recognized for sales which are considered highly probable that a significant reversal in the cumulative revenue recognized will not occur given the steady level of returns over previous years. A refund liability is recognized for those products expected to be returned. The Group's right to recover the product when customers exercise their right is recognized as a right to returned goods asset and a corresponding adjustment to cost of sales.

(iii) Revenue from operations and maintenance services

Revenue from operation and maintenance services is primarily derived from (i) electricity sales from photovoltaic power stations owned and operated by the Group, and (ii) maintenance service fees for customer-owned residential photovoltaic stations.

Under electricity generation from photovoltaic power stations

The Group generates revenue from electricity generated by photovoltaic power stations that it owns and operates. These include residential photovoltaic power stations developed under the cooperative co-build model, as well as non residential (i.e., utility-scale and commercial & industrial) photovoltaic power stations owned by the Group.

Under the cooperative co build model, the Group invests in and retains ownership of the residential photovoltaic power stations. The grid companies purchase the on grid electricity generated by these stations, and the Group shares the operating proceeds with the homeowners.

For all photovoltaic power stations owned and operated by the Group, the generation and sale of electricity constitute a single performance obligation satisfied at a point in time. Revenue is recognized when electricity is delivered to and accepted by the grid companies.

Under operation and maintenance service contracts

For operation and maintenance services of photovoltaic power stations for customer-owned residential photovoltaic stations, typical services periods are up to twenty-five years. The management of the Group considers that each of the series of distinct operation and maintenance services as a single performance obligation and there is no significant financing component. Service income is recognized as a performance obligation satisfied over the period of services (i.e. over time). The Group charges the customers on regular basis for these services

Certain operation and maintenance service contracts contain variable consideration for shortfall-coverage and overperformance bonus if the actual power generation of a residential photovoltaic power station in any given assessment period falls short or over performs of the benchmark target power generation (also referred to as the guaranteed power generation). The Group estimates the amount of consideration to which it will be entitled using the most likely amount. The estimated variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the cumulative amount of revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group reassesses its estimate of variable consideration at each reporting date.

(iv) Revenue from construction contract

The construction contract between the Group and its customers includes performance obligations related to the construction of power stations. The Group's contracting services for photovoltaic power stations constitute performance obligations fulfilled at a point in time, with revenue recognized upon completion of the power station and when it has met the conditions for grid connection and power generation.

7. OTHER INCOME, OTHER GAINS AND LOSSES

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Other income			
VAT deduction[(i)]	87,401	89,363	65,517
Government grants[(ii)]	329,315	383,531	431,921
Interest income[(iii)]	237,540	309,842	285,345
Dividend income[(iv)]	139,557	79,278	93,705
Others	39,209	38,510	53,015
	833,022	900,524	929,503
Other gains and losses			
Gains on financial instruments at FVTPL	142,660	200,761	344,002
Gains from disposal of investments in associates and joint ventures and subsidiaries	15,119	92,693	67,583
Net losses on disposal of property, plant and equipment and other long-term assets	(61,560)	(44,858)	(126,076)
Foreign exchange gains/(losses), net	72,986	(233,545)	27,717
Asset impairment provision	(87,812)	(230,443)	(129,102)
Others	686	1,663	(5,848)
	82,079	(213,729)	178,276
	915,101	686,795	1,107,779

(i) The Group is mainly eligible for the following VAT deduction policies:

Pursuant to the Announcement [2011] No. 100 "Notice on the VAT Policies for Software Products (《關於軟件產品增值税政策的通知》)" issued in 2011 by the Ministry of Finance and the State Taxation Administration, the portion of the actual VAT burden exceeding 3% is subject to an immediate refund upon collection. Certain subsidiaries enjoy the preferential policy during the Relevant Period.

Pursuant to the Announcement [2023] No. 43 "Value-Added Tax Additional Deduction Policy for Advanced Manufacturing Enterprises (《關於先進製造業企業增值税加計抵減政策的公告》)" issued in 2023 by the Ministry of Finance and the State Taxation Administration, advanced manufacturing enterprises allows for an additional 5% deduction of the current deductible input VAT amount to offset the payable VAT amount. Certain subsidiaries enjoy the preferential policy during the Relevant Period.

(ii) The Group recognized amounts of asset-related government grants released to profit or loss of RMB78,480,000, RMB74,378,000 and RMB85,596,000 for years ended December 31, 2023, 2024 and 2025, and income-related government grants amounting to RMB250,835,000, RMB309,153,000 and RMB346,325,000 for the years ended December 31, 2023, 2024 and 2025, respectively. There were no specific conditions attached to the grants and the amounts were recognized in profit or loss when the grants were received.

(iii) The amount mainly comprises interest income on cash and cash equivalent, and restricted bank deposits.

(iv) Dividend income are mainly from equity investments at FVTOCI.

8. OTHER EXPENSES

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Bank charges	59,499	54,914	31,361
Construction cost overruns	3,434	5,819	50,762
Public welfare donations	12,661	14,380	1,188
Others	21,255	8,513	11,070
	96,849	83,626	94,381

9. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation of property, plant and equipment	1,906,205	1,939,563	2,094,881
Depreciation of right-of-use assets	255,968	379,494	515,358
Amortization of intangible assets	34,199	53,942	53,349
Other depreciation and amortization	50,146	48,534	80,401
Less: amount capitalized	(90,124)	(97,191)	(59,079)
Total depreciation and amortization	2,156,394	2,324,342	2,684,910
Cost of inventories recognized as cost of sales	38,098,131	41,078,461	34,371,682
Impairment losses on inventories	158,545	250,756	90,743
Employee benefit expenses *(Note 10)*			
– Directors' remuneration	56,862	68,927	54,599
– Other employee costs	5,102,470	5,658,839	5,791,155
Impairment losses included in			
– property, plant and equipment	71,285	202,957	108,369
– intangible assets	8,785	10,056	–
– right of use assets	947	1,400	56
– goodwill	6,795	16,030	20,677
Auditor's remuneration	7,000	6,500	4,800
R&D expenses	1,179,215	1,267,307	1,325,959

10. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATION)

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Directors fee	300	300	302
Salaries, wages and bonuses	4,315,364	4,721,518	4,852,836
Share-based compensation expenses	65,112	166,610	98,346
Housing fund, medical insurance, other social insurance and benefits[(i)]	522,588	554,728	575,815
Pension costs – defined contribution plan[(ii)]	255,968	284,610	318,455
	5,159,332	5,727,766	5,845,754

(i) The benefits primarily consist of staff welfare expenses, trade union funds, staff education funds and termination benefits.

(ii) During the years ended December 31, 2023, 2024 and 2025, no forfeited contributions were utilized by the Group to reduce its contributions to pension costs for the current year.

Directors' and supervisors' emoluments

During the Relevant Period, directors' and supervisors' remuneration disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

Year ended December 31, 2023	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive Directors:						
Mr. Zhu Xinmin	–	4,233	37	42	–	4,312
Mr. Lu Chuan	–	7,598	65	73	18,080	25,816
Executive Directors:						
Ms. Zhang Zhihuan *(chief executive)*[(i)]	–	4,284	68	75	3,843	8,270
Mr. Nan Cunhui	–	5,397	22	47	–	5,466
Mr. Chen Guoliang[(v)]	–	–	–	–	–	–
Mr. Nan Er	–	1,296	68	76	2,379	3,819
Mr. Lin Yiming	–	3,230	40	82	1,480	4,832
Independent Directors:						
Mr. Huang Shenjian	100	–	–	–	–	100
Ms. Peng Shu	100	–	–	–	–	100
Mr. Liu Yulong[(ii)]	100	–	–	–	–	100
Supervisors:						
Mr. Wu Bingchi[(iii)]	–	2,061	37	42	–	2,140
Mr. Wang Sihe[(iii)]	–	1,154	11	18	–	1,183
Mr. Huang Weihong[(iii)]	–	589	64	71	–	724
Total	**300**	**29,842**	**412**	**526**	**25,782**	**56,862**

Year ended December 31, 2024	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive Directors:						
Mr. Zhu Xinmin	–	4,233	43	55	10,327	14,658
Mr. Lu Chuan	–	–	–	–	11,813	11,813
Executive Directors:						
Ms. Zhang Zhihuan *(chief executive)*[(i)]	–	4,460	71	75	5,669	10,275
Mr. Nan Cunhui	–	5,799	–	–	–	5,799
Mr. Nan Er	–	1,361	71	75	2,379	3,886
Mr. Lin Yiming	–	3,222	43	87	4,653	8,005
Mr. Chen Guoliang[(v)]	–	–	–	–	5,769	5,769
Independent Directors:						
Mr. Huang Shenjian	100	–	–	–	–	100
Ms. Peng Shu	100	–	–	–	–	100
Mr. Liu Yulong[(ii)]	100	–	–	–	–	100
Supervisors:						
Mr. Wu Bingchi[(iii)]	–	2,061	43	55	4,327	6,486
Mr. Wang Sihe[(iii)]	–	1,145	18	24	–	1,187
Mr. Huang Weihong[(iii)]	–	604	71	74	–	749
Total	**300**	**22,885**	**360**	**445**	**44,937**	**68,927**

Year ended December 31, 2025	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-executive Directors:						
Mr. Zhu Xinmin	–	4,000	8	9	3,098	7,115
Mr. Lu Chuan	–	–	–	–	18,992	18,992
Executive Directors:						
Mr. Chen Guoliang *(chief executive)*[(v)]	–	3,360	–	–	1,731	5,091
Mr. Nan Cunhui	–	5,397	–	–	–	5,397
Mr. Nan Er	–	1,361	71	76	1,983	3,491
Mr. Lin Yiming	–	3,246	49	89	2,186	5,570
Ms. Zhang Zhihuan[(i)]	–	1,772	30	31	4,230	6,063
Independent Directors:						
Mr. Huang Shenjian	100	–	–	–	–	100
Ms. Peng Shu	100	–	–	–	–	100
Mr. Chen Yamin[(iv)]	62	–	–	–	–	62
Mr. Liu Yulong[(ii)]	40	–	–	–	–	40
Supervisors:						
Mr. Wu Bingchi[(iii)]	–	815	16	19	1,298	2,148
Mr. Wang Sihe[(iii)]	–	416	6	8	–	430
Mr. Huang Weihong[(iii)]	–	–	–	–	–	–
Total	**302**	**20,367**	**180**	**232**	**33,518**	**54,599**

Notes:

(i) Ms. Zhang Zhihuan was appointed as an executive director of the Company in May 2022 and resigned in May 2025.

(ii) Mr. Liu Yulong was appointed as an independent director of the Company in May 2022, and resigned in May 2025.

(iii) Mr. Wu Bingchi, Mr. Wang Sihe and Mr. Huang Weihong were appointed as supervisors of the Company in May 2022, and resigned in May 2025.

(iv) Mr. Chen Yamin was appointed as an independent director of the Company in May 2025.

(v) Mr. Chen Guoliang was appointed as an executive director of the Company in May 2022, and was appointed as the chief executive officer in May 2025.

No termination benefits were paid to the directors and supervisors of the Company by the Group in respect of the services as a director and a supervisor of the Group or other services in connection with the management of the affairs of the Group during the Relevant Period.

No consideration provided to third parties for making available directors' and supervisors' services subsisted at the end of each reporting period or at any time during the Relevant Period.

There were no loans, quasi-loans or other dealings entered into in favor of directors and supervisors, controlled bodies corporate by and connected entities with such directors and supervisors during the Relevant Period.

Save as disclosed in Note 46, there were no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director and a supervisor of the Company had a material interest, whether directly or indirectly, subsisted during the Relevant Period.

There were no arrangement under which a director, a supervisor of the Company or the chief executive waived or agreed to waive any remuneration during the Relevant Period.

Five highest paid employees

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2023, 2024 and 2025 include 4, 1 and 3 directors respectively whose emoluments are reflected in the analysis shown above. The emoluments paid to the remaining 1, 4 and 2 individuals during the years ended December 31, 2023, 2024 and 2025, respectively, are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and bonuses	7,465	5,237	10,407
Share-based compensation expenses	3,808	49,814	7,940
Housing fund, medical insurance, other social insurance and benefits	84	221	156
Pension costs – defined contribution plan	40	200	91
	11,397	55,472	18,594

Details of the remuneration of the five highest paid employees who are neither a director nor a supervisor of the Company whose remuneration fell within the following bands is as follows (HKD refers to Hong Kong Dollar, the currency of Hong Kong Special Administrative Region of the PRC):

	Year ended December 31,		
	2023	**2024**	**2025**
HKD5,000,001 to HKD10,000,000	–	–	1
HKD10,000,001 to HKD15,000,000	1	2	1
HKD15,000,001 to HKD20,000,000	–	2	–
	1	4	2

11. FINANCE COSTS

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest expenses on lease liabilities	62,851	143,112	334,494
Interest expenses on borrowings	1,334,762	1,629,632	1,649,918
Others	27,573	39,935	30,521
Finance costs before capitalization	1,425,186	1,812,679	2,014,933
Less: capitalized finance costs[(i)]	(14,015)	(23,181)	(11,890)
	1,411,171	1,789,498	2,003,043

Note:

(i) In accordance with IAS 23 Borrowing Costs, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets. The capitalization rates used were 4.2%, 4.8% and 3.9% per annum for the years ended December 31, 2023, 2024 and 2025.

12. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS AND OTHER ITEMS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables allowance/(reversals)	46,164	212,032	(79,108)
Other receivables allowance	100,298	257,243	91,266
Loan receivables allowance	1,693	587	627
(Reversals of)/loss on impairment of contract assets	(601)	76,739	83,435
Impairment loss/(reversals) on financial guarantee contracts	2,795	33,085	(6,386)
	150,349	579,686	89,834

13. INCOME TAX EXPENSE

The income tax expense of the Group during the Relevant Period are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax	1,311,296	2,032,936	1,675,449
Under provision in respect of prior years	26,210	31,580	94,390
Deferred tax	207,407	(507,446)	(284,392)
	1,544,913	1,557,070	1,485,447

The Group is subject to income tax on an entity basis on profits arising in or derived from the different jurisdictions in which members of the Group are domiciled and operate.

PRC Corporate Income Tax

In accordance with the relevant regulations of the Enterprise Income Tax laws (the "**EIT Law**") of the PRC, the applicable statutory tax rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

During the Relevant Period, the Company and certain subsidiaries of the Group have obtained High and New Technology Enterprises certification ("**HNTE**") and hence they are entitled to a preferential corporate income tax rate of 15%.

Pursuant to Caishui [2022] No. 13 "Announcement on Further Implementing the Income Tax Preferential Policies for Small low-profit Enterprises" (關於進一步實施小微企業所得税優惠政策的公告), Caishui [2023] No. 6 "Announcement on Preferential Income Tax Policies for Small low-profit Enterprises and Individual Industrial and Commercial Households" and Caishui [2023] No. 12 "Announcement on the Income Tax Preferential Policies for Small low-profit Enterprises and Self-employed Businesses" (關於小微企業和個體工商戶所得税優惠政策的公告), certain subsidiaries were qualified for Small low-profit Enterprises and entitled to a preferential income tax rate of 20%, and the annual taxable income not exceeding RMB3.0 million was reduced to 25% and taxed at a rate of 20%.

During the Relevant Period, certain subsidiaries enjoy the Western Regions corporate income tax incentive, with a preferential tax rate of 15%.

Pursuant to Guoshuifa [2009] No. 80 "Notice on Issues Concerning the Implementation of Corporate Income Tax Incentives for Nationally Key-Priority Public Infrastructure Projects", certain subsidiaries enjoy the corporate income tax preferential policy of "three-year exemption followed by three-year 50% reduction".

Pursuant to Article 29 of the Enterprise Income Tax Law of the PRC and relevant local regulations, the autonomous authorities of national autonomous areas may decide to reduce or exempt the portion of enterprise income tax payable by local enterprises that belongs to the local share. Certain subsidiaries enjoy the exemption of the local share portion, with a preferential tax rate of 15%.

Pursuant to Article 99 and Article 101 of the Implementing Regulations of the Enterprise Income Tax Law, as well as the Announcement on Improving the Value-Added Tax Policy for the Comprehensive Utilization of Resources (Announcement [2021] No. 40 of the Ministry of Finance and the State Taxation Administration), certain subsidiaries qualify for corporate income tax incentives related to the comprehensive utilization of resources. For these subsidiaries, 90% of the relevant income is included in the total revenue when calculating the taxable income.

Pursuant to Article 27 of the Income Tax Law of the PRC, certain subsidiaries enjoy the preferential corporate income tax policy of exemption or reduction for income derived from engaging in agriculture, forestry, animal husbandry, and fishery projects.

Hong Kong Profits Tax

Certain subsidiaries in Hong Kong are subject to Hong Kong profits tax rate of 16.5% on the estimated assessable profits during the Relevant Period.

Certain subsidiaries in Hong Kong have no profit tax as the business of these companies qualifies as offshore operations that was not subject to Hong Kong profits tax during the Relevant Period.

Corporate Income Tax in Other Jurisdictions

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

OECD Pillar Two Model Rules

The Organization for Economic Co-operation and Development ("**OECD**") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("**Pillar Two legislation**") to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group is reasonably expected to fall into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

The Group is operating in certain jurisdictions where the Pillar Two Rules is effective. The Group has reviewed its corporate structure in light of the introduction of Pillar Two model rules in various jurisdictions. The Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per respective jurisdiction. The Group applies the IAS 12 exception to recognition and disclosure information about deferred tax assets and liabilities relating to Pillar Two income taxes. Due to the novelty and complexity of Pillar Two, the Group continues to monitor for advancements and further guidance on Pillar Two rules, considering impacts of such developments on its tax expense.

For those jurisdictions where the Pillar Two legislation was enacted but not effective at the reporting date, the Group has no related current tax exposure. However, certain subsidiaries of the Company are located in jurisdictions where Pillar Two legislation has been enacted, specifically countries including Bulgaria, Hungary and Netherlands, effective since January 1, 2024, as well as regions and countries including Hong Kong and Singapore, effective since 1 January, 2025. Based on the Group's assessment, there is no impact and no material related current tax exposure in these jurisdictions for the years ended December 31, 2023, 2024 and 2025, respectively.

The income tax expense for the Relevant Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	6,493,761	6,768,398	7,623,080
Tax at the PRC EIT rate of 15%	974,064	1,015,260	1,143,462
Effect of different tax rates applied to subsidiaries	584,099	349,012	424,796
Under provision in respect of prior years	26,210	31,580	94,390
Effect of additional tax deduction for R&D expenses	(135,762)	(169,735)	(152,633)
Tax effect of income not taxable for tax purpose	(141,370)	(127,913)	(84,034)
Tax effect of expenses not deductible for tax purposes	169,705	216,706	63,495
Utilization of tax losses and temporary differences previously not recognized	(23,074)	(36,021)	(95,224)
Tax losses and other temporary differences not recognized as deferred tax assets[(i)]	91,041	278,181	91,195
	1,544,913	1,557,070	1,485,447

(i) The Group did not recognize deferred income tax assets arising from the aforementioned unutilized tax losses and other temporary differences due for the years ended December 31, 2023, 2024 and 2025 to the unpredictability of future profit streams.

14. DIVIDENDS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Final dividends in respect of the previous year, declared and paid during the year[(i)]	851,066	1,181,933	1,286,448

(i) The final dividends of RMB0.40, RMB0.55 and RMB0.60 per share (tax inclusive) in respect of the years ended December 31, 2022, 2023 and 2024 were approved by the Annual General Meeting of the Company. Shares held in the Company's dedicated securities account for share repurchases shall not be entitled to the profit distribution, which were RMB8,924,000, nil and RMB2,933,000 in the years ended December 31, 2023, 2024 and 2025 respectively.

15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Year ended December 31,		
	2023	2024	2025
Earnings:			
Earnings for the purpose of basic and diluted earnings per share attributable to owners of the Company *(RMB'000)*	3,686,138	3,876,416	4,512,302
Number of shares:			
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share *('000)*	2,127,664	2,143,643	2,140,077

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Details of the Group's investments in associates and joint ventures are as follows:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Associates	5,716,037	5,762,865	5,956,412
Joint ventures	112,153	104,004	84,105
	5,828,190	5,866,869	6,040,517

The movements of investments in associates and joint ventures during the Relevant Period are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	5,235,778	5,828,190	5,866,869
Additions	487,777	23,693	262,669
Transfers[(i)]	504,048	(69,753)	–
Disposals[(ii)]	(532,605)	(124,781)	(240,021)
Share of results of associates and joint ventures	419,725	331,591	238,654
Share of other equity movements	17,310	2,848	2,276
Share of other comprehensive income	7,154	2,050	411
Dividends	(208,176)	(132,024)	(76,870)
Unrealized (losses)/gains on transactions with associates and joint ventures	(102,821)	5,055	(13,471)
At the end of the year	5,828,190	5,866,869	6,040,517

(i) Transfers represent reclassifications resulting from changes in the Group's influence over investees: increases relate to subsidiaries becoming associates upon loss of control, while decreases relate to associates reclassified to equity investments at FVTOCI upon loss of significant influence. Major transfers arising from disposal of subsidiaries during the Relevant Period have been stated in note 42(c). Except for the transfers stated in note 42(c), the Directors are of the view that other transfers did not have any significant impact on the Group's Historical Financial Information.

(ii) The Group held a 37.5% interest in Taixia Smart Energy Co., Ltd. and accounted for the investment as an associate. In the year ended December 31, 2023, the Group disposed of a 37.5% interest to a third party for proceeds of RMB210,000,000. A gain of RMB14,713,000 was recognised on this transaction. Following the disposal, the Group no longer holds any equity interests in Taixia Smart Energy Co., Ltd.

In the year December 31, 2023, the Group disposed of its entire 25% equity interest of an oversea associate to an unrelated third-party for total proceeds of United States dollar ("**USD**") 28,000,000. A loss on disposal of associate of RMB104,909,000 was recognised in profit or loss in respect of this transaction.

The associates and joint ventures of the Group have been accounted for based on the financial information of them prepared under the accounting policies consistent with the Group.

Details of each of the Group's material associates at the end of the reporting period are as follows:

	As at/Year ended December 31, 2023				
	Inner Mongolia Yilikubuqi Ecology Energy Co., Ltd. ("Yili Kubuqi")	**Ten New Energy Development associates in 2018[(i)]**	**Yueqing Chint Photovoltaic Power Generation Co., Ltd. ("Yueqing Chint")**	**Nine New Energy Development associates in 2021[(ii)]**	**Zhejiang Hangtai Shuzhi Energy Development Co., Ltd. ("Hangtai Digital Intelligence")**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	1,377,225	2,814,781	790,462	1,094,543	2,055,782
Non-current assets	980,818	2,991,842	720,024	2,151,372	2,751,894
Current liabilities	215,348	1,098,246	59,296	572,391	1,403,777
Non-current liabilities	1,006,190	2,815,086	780,123	1,158,969	1,243,949
Net assets	1,136,505	1,893,291	671,067	1,514,555	2,159,950
The Group's equity interest in net assets	340,951	927,712	328,822	658,085	647,985
Adjustments on unrealised profits on intragroup transactions	(22,230)	(118,467)	40,005	34,192	(26,957)
Carrying value of equity investment in associates	318,721	809,245	368,827	692,277	621,028
Revenue	220,702	788,340	170,739	412,417	527,858
Profit for the year	52,365	257,254	61,940	123,308	123,647
The Group's equity interest in sharing of results	15,710	126,054	30,351	42,199	37,094
Adjustments on unrealised profit/(loss) on intragroup transactions	1,362	10,982	50	14,160	(23,656)
The Group's share of profit for the year, net of tax	17,072	137,036	30,401	56,359	13,438

	As at/Year ended December 31, 2024				
	Yili Kubuqi	Ten New Energy Development associates in 2018[(i)]	Yueqing Chint	Nine New Energy Development associates in 2021[(ii)]	Hangtai Digital Intelligence
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	1,513,346	2,937,861	878,543	1,274,481	1,625,600
Non-current assets	908,716	2,732,932	664,934	2,178,646	3,859,538
Current liabilities	260,812	1,261,017	28,082	712,661	1,707,839
Non-current liabilities	985,656	2,596,981	788,812	1,083,047	1,458,572
Net assets	1,175,594	1,812,795	726,583	1,657,419	2,318,727
The Group's equity interest in net assets	352,678	888,270	356,026	670,720	695,618
Adjustments on unrealised profits on intragroup transactions	(20,877)	(106,572)	40,055	49,916	(26,634)
Carrying value of equity investment in associates	331,801	781,698	396,081	720,636	668,984
Revenue	198,586	562,271	162,798	424,623	632,218
Profit for the year	39,090	78,848	53,765	109,053	167,291
The Group's equity interest in sharing of results	11,727	38,636	26,345	37,320	50,187
Adjustments on unrealised profits on intragroup transactions	1,362	11,895	50	7,579	324
The Group's share of profit for the year, net of tax	13,089	50,531	26,395	44,899	50,511

	As at/Year ended December 31, 2025				
	Yili Kubuqi	Ten New Energy Development associates in 2018[(i)]	Yueqing Chint	Nine New Energy Development associates in 2021[(ii)]	Hangtai Digital Intelligence
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	1,649,148	2,459,196	999,572	1,488,173	1,234,025
Non-current assets	836,766	2,469,831	594,125	2,026,169	3,634,936
Current liabilities	297,751	778,701	52,083	737,921	562,559
Non-current liabilities	1,013,272	2,265,277	774,203	1,050,945	1,770,809
Net assets	1,174,891	1,885,049	767,411	1,725,476	2,535,593
The Group's equity interest in net assets	352,467	923,674	376,031	703,966	760,678
Adjustments on unrealised profits on intragroup transactions	(19,515)	(95,235)	40,106	56,758	(25,583)
Carrying value of equity investment in associates	332,952	828,439	416,137	760,724	735,095
Revenue	146,639	466,630	167,885	426,988	882,219
(Loss)/profit for the year	(703)	21,650	39,296	109,137	216,852
The Group's equity interest in sharing of results	(211)	10,609	19,255	37,349	65,056
Adjustments on unrealised profits on intragroup transactions	1,362	11,348	51	10,833	1,055
The Group's share of profit for the year, net of tax	1,151	21,957	19,306	48,182	66,111

(i) In 2018, the Group disposed of ten subsidiaries (including Yongchang Zhengtai Photovoltaic Power Generation Co., Ltd.), which were reclassified as associates after disposal and collectively disclosed as material associates.

(ii) In 2021, the Group disposed of nine subsidiaries(including Gonghe Zhengtai Photovoltaic Power Generation Co., Ltd.), which were reclassified as associates after disposal and collectively disclosed as material associates.

Aggregate information of associates and joint ventures that are not individually material to the Group:

	As at/Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of the individual associates and joint ventures	3,018,092	2,967,669	2,967,170
Aggregate amounts of the Group's share of net profit	165,419	146,166	81,947
Other comprehensive income	7,154	2,050	411
Total comprehensive income	**172,573**	**148,216**	**82,358**

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Associates	1,976,390	2,027,597	2,124,569

The movements of investments in associates during the Relevant Period are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	1,330,666	1,976,390	2,027,597
Additions	506,040	–	–
Disposals	–	(24,001)	–
Transfers	–	(22,201)	–
Share of results of associates	112,259	113,766	115,657
Share of other equity movements	9,992	1,875	804
Share of other comprehensive income	39,671	457	4,218
Dividends	(22,238)	(18,689)	(23,707)
At the end of the year	1,976,390	2,027,597	2,124,569

As at December 31, 2023, 2024 and 2025 and the date of this report, the associates and joint ventures of the Group, which were accounted for using equity method, were as follows:

Company names	Place and date of incorporation/ establishment and type of legal entity	Principal activities and place of operation	Percentage of ownership as at December 31,			At the date of this report
			2023	2024	2025	
Yili Kubuqi (內蒙古億利庫布其生態能源有限公司)	Mainland China, January 26, 2015/ Limited liability company	Photovoltaic power station development in the PRC	30%	30%	30%	[30%]
Yongchang Zhengtai Photovoltaic Power Generation Co., Ltd. (永昌正泰光伏發電有限公司) *(Note 1)*	Mainland China, August 7, 2012/ Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]
Gaotai Zhengtai Photovoltaic Power Generation Co., Ltd. (高臺縣正泰光伏發電有限公司) ("**Gaotai Photovoltaic**") *(Note 1)*	Mainland China, August 3, 2012/ Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]
Dunhuang Zhengtai Photovoltaic Power Generation Co., Ltd. (敦煌正泰光伏發電有限公司) *(Note 1)*	Mainland China, August 8, 2011/ Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]
Dunhuang Tianrun New Energy Co., Ltd. (敦煌市天潤新能源有限公司) *(Note 1)*	Mainland China, April 25, 2014/Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]
Jiayuguan Zhengtai Photovoltaic Power Generation Co., Ltd. (嘉峪關正泰光伏發電有限公司) ("**Jiayuguan Photovoltaic**") *(Note 1)*	Mainland China, April 25, 2014/Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]
Zhongwei Zhengtai Photovoltaic Power Generation Co., Ltd. (中衛正泰光伏發電有限公司) ("**Zhongwei Zhengtai**") *(Note 1)*	Mainland China, November 14, 2012/ Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]
Guazhou County Light Source Photovoltaic Power Generation Co., Ltd. (瓜州縣光源光伏發電有限公司) *(Note 1)*	Mainland China, March 11, 2014/Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]
Jinchang Weisheng Solar Power Generation Co., Ltd. (金昌帷盛太陽能發電有限公司) *(Note 1)*	Mainland China, March 11, 2014/Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]
Minqin Zhengtai Photovoltaic Power Generation Co., Ltd. (民勤縣正泰光伏發電有限公司) ("**Minqin Photovoltaic**") *(Note 1)*	Mainland China, August 7, 2012/ Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]

Company names	Place and date of incorporation/ establishment and type of legal entity	Principal activities and place of operation	Percentage of ownership as at December 31, 2023	2024	2025	At the date of this report
Zhongwei Qingyin Yuanxing Solar Energy Co., Ltd. (中衛清銀源星太陽能有限責任公司) *(Note 1)*	Mainland China, September 10, 2014/ Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]
Yueqing Chint (樂清正泰光伏發電有限公司)	Mainland China, January 13, 2014/ Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]
Gonghe Zhengtai Photovoltaic Power Generation Co., Ltd. (共和正泰光伏發電有限公司) ("**Gonghe Zhengtai**") *(Note 2)*	Mainland China, June 25, 2013/Limited liability company	Photovoltaic power station development in the PRC	30%	30%	30%	[30%]
Hangzhou Lin'an Taite Photovoltaic Power Generation Co., Ltd. (杭州臨安泰特光伏發電有限公司) ("**Linan Taite**") *(Note 2)*	Mainland China, November 12, 2014/ Limited liability company	Photovoltaic power station development in the PRC	30%	30%	30%	[30%]
Ji'an Jiangtai Photovoltaic Power Generation Co., Ltd. (吉安市江泰光伏發電有限公司) ("**Ji'an Jiangtai**") *(Note 2)*	Mainland China, August 10, 2015/ Limited liability company	Photovoltaic power station development in the PRC	30%	30%	30%	[30%]
Huadian New Energy Hangtai (Quzhou) Photovoltaic Power Generation Co., Ltd. (華電新能杭泰(衢州)光伏發電有限公司) ("**Quzhou Hangtai**") *(Note 2)*	Mainland China, April 15, 2016/Limited liability company	Photovoltaic power station development in the PRC	30%	30%	30%	[30%]
Jiangxi Ningsheng Electric Power Development Co., Ltd. (江西寧升電力開發有限公司) ("**Jiangxi Ningsheng**") *(Note 2)*	Mainland China, June 16, 2014/Limited liability company	Photovoltaic power station development in the PRC	30%	30%	30%	[30%]
Ji'an Shengtian New Energy Co., Ltd. (吉安盛天新能源有限公司) ("**Ji'an Shengtian**") *(Note 2)*	Mainland China, September 8, 2015/ Limited liability company	Photovoltaic power station development in the PRC	30%	30%	30%	[30%]
Changchun Zhetai Solar Power Generation Co., Ltd. (長春浙泰太陽能發電有限公司) ("**Changchun Zhetai**") *(Note 2)*	Mainland China, August 28, 2019/ Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]
Jiangshan Zhengtai Linnong Photovoltaic Development Co., Ltd. (江山正泰林農光伏發展有限公司) ("**jiangshan Zhengtai**") *(Note 2)*	Mainland China, August 11, 2014/ Limited liability company	Photovoltaic power station development in the PRC	49%	49%	49%	[49%]

Company names	Place and date of incorporation/ establishment and type of legal entity	Principal activities and place of operation	Percentage of ownership as at December 31, 2023	2024	2025	At the date of this report
Hangzhou Dongtai Photovoltaic Power Generation Co., Ltd. (杭州東泰光伏發電有限公司) ("**Hangzhou Dongtai**") *(Note 2)*	Mainland China, February 3, 2015/ Limited liability company	Photovoltaic power station development in the PRC	30%	30%	30%	[30%]
Hangtai Digital Intelligence (浙江杭泰數智能源開發有限公司)	Mainland China, December 13, 2022/ Limited liability company	Photovoltaic power station development in the PRC	30%	30%	30%	[30%]

Note 1: The above 10 companies, collectively referred to as the "Ten New Energy Development associates in 2018", are disclosed as material associates.

Note 2: The above 9 companies, collectively referred to as the "Nine New Energy Development associates in 2021", are disclosed as material associates.

17. FINANCIAL INSTRUMENTS MEASURED AT FVTOCI

The Group

	As at December 31, 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Equity investments at FVTOCI	1,722,996	2,193,438	2,834,325
Current assets			
Note receivables at FVTOCI[(i)]	130,493	112,871	148,161

(i) The Group discounts and endorses certain note receivables in the ordinary course of cash management. Since the business model of holding note receivables is held for both collecting contractual cash flows and selling, these note receivables are classified as financial assets at FVTOCI. All the note receivables are with a maturity period of less than one year.

The credit risk on note receivables at FVTOCI is limited because the counterparties are banks with high credit ratings assigned by credit rating agencies. The Directors are of the view that the credit risk of note receivables at FVTOCI was minimal and no impairment was provided.

Details of impairment assessment of note receivables at FVTOCI are set out in Note 45.

18. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Listed equity investments, at fair value	379,421	415,564	412,803
Unlisted equity investments, at fair value	2,382,946	3,887,801	6,021,312
Derivative financial instruments[(i)]	11,389	6,693	126,223
Performance compensation	–	5,857	–
	2,773,756	4,315,915	6,560,338
Portion classified as non-current portion	(2,762,362)	(4,303,365)	(6,434,115)
Current portion	11,394	12,550	126,223

(i) The above derivative financial instruments are foreign currency forwards, interest rate swap and commodity futures held for trading.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Listed equity investments, at fair value	379,421	415,564	412,803
Unlisted equity investments, at fair value	155,660	292,617	304,636
Derivative financial instruments[(i)]	1,763	–	119,275
	536,844	708,181	836,714
Portion classified as non-current portion	(535,081)	(708,181)	(717,439)
Current portion	1,763	–	119,275

(i) The above derivative financial instruments are foreign currency forwards, interest rate swap and commodity futures held for trading.

19. INVESTMENTS IN SUBSIDIARIES

During the Relevant Period, the Company's principal subsidiaries are as follows:

Name of subsidiaries	Place of incorporation and type of legal entity	Share capital registered/paid-up capital	Equity interests held by the Company								Principal activities
			As at December 31,						At the date of this report		
			2023		2024		2025				
			Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
		'000									
1 Jiangsu Chint Power Technology Co., Ltd. ("**Chint Power**") (江蘇正泰電源科技股份有限公司)[(i)]	PRC, limited liability company	RMB360,869	24.62%	–	24.54%	–	24.70%	–	[24.70%]	–	Research and development production and sales of energy storage system, inverter and metal products
2 Noark Electrics (Shanghai) Co., Ltd. (上海諾雅克電氣有限公司)	PRC, limited liability company	RMB345,600	100%	–	100%	–	100%	–	[100%]	–	Research and development production and sales of intelligent electrical products
3 Wenzhou Chint Electrical Technology Co., Ltd. (溫州正泰電器科技有限公司)	PRC, limited liability company	RMB430,000	100%	–	100%	–	100%	–	[100%]	–	Research and development production and sales of control electrical products
4 Zhejiang Chint Instrument & Meter Co., Ltd. (浙江正泰儀器儀表有限責任公司)	PRC, limited liability company	RMB637,657/ RMB586,130	76.92%	–	76.92%	–	70.71%	–	[70.71%]	–	Research and development production and sales of instruments and meters
5 Zhejiang Chint New Energy Development Co., Ltd. (浙江正泰新能源開發有限公司)	PRC, limited liability company	RMB9,385,081	98.4%	1.6%	98.4%	1.6%	98.4%	1.6%	[98.4%]	[1.6%]	Development and construction of photovoltaic power stations
6 Chint Solar (Zhejiang) Co., Ltd. (浙江正泰太陽能科技有限公司)	PRC, limited liability company	RMB3,575,176/ RMB3,483,556	–	100%	–	100%	–	100%	–	[100%]	Development and construction of photovoltaic power stations
7 Chint Global PTE. Ltd. (正泰國際有限公司)	Singapore	SGD65,322 USD43,510	100%	–	100%	–	100%	–	[100%]	–	Sale of electrical and wiring accessories and Electrical works
8 Chint Anneng Digital Energy (Zhejiang) Co., Ltd. (正泰安能數字能源(浙江)股份有限公司)	PRC, limited liability company	RMB2,438,439	62.54%	1.59%	62.54%	1.59%	62.54%	5.54%	[62.54%]	[5.54%]	Design, development construction, operation and maintenance of residential photovoltaic power stations
9 Zhejiang Shantai New Energy Co., Ltd. (浙江善泰新能源有限公司)	PRC, limited liability company	RMB100,000	–	64.13%	–	64.13%	–	68.08%	–	[68.08%]	Procurement platform of photovoltaic modules and other components
10 Wenzhou Xiangtai New Energy Investment Co., Ltd. (溫州翔泰新能源投資有限公司)	PRC, limited liability company	RMB100,000	–	64.13%	–	64.13%	–	68.08%	–	[68.08%]	Procurement platform of photovoltaic modules and other components

Name of subsidiaries	Place of incorporation and type of legal entity	Share capital registered/paid-up capital	Equity interests held by the Company								Principal activities
			As at December 31,						At the date of this report		
			2023		2024		2025				
			Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
		'000									
11 Zhejiang Chaotai Technology Co., Ltd. (浙江朝泰科技有限公司)	PRC, limited liability company	RMB50,000	–	64.13%	–	64.13%	–	68.08%	–	[68.08%]	Operation and maintenance services for residential Photovoltaic station
12 Zhejiang Taizhou New Energy Co., Ltd. (浙江泰舟新能源有限公司)	PRC, limited liability company	RMB50,000	–	64.13%	–	64.13%	–	68.08%	–	[68.08%]	Equity investment platform of Photovoltaic station project companies
13 Wenzhou Taiji Suwei Technology Co., Ltd. (温州泰集速维科技有限公司)	PRC, limited liability company	RMB50,000/nil	–	64.13%	–	64.13%	–	68.08%	–	[68.08%]	Development and construction of residential Photovoltaic station solutions
14 Wenzhou Taiji New Energy Co., Ltd. (温州泰集新能源有限公司)	PRC, limited liability company	RMB50,000/nil	–	64.13%	–	64.13%	–	68.08%	–	[68.08%]	Equity investment platform of Photovoltaic station project companies
15 Xinqi (Jiaxing) Energy Equipment Co., Ltd. (新啓(嘉興)能源設備有限公司)	PRC, limited liability company	RMB20.000/nil	–	64.13%	–	64.13%	–	68.08%	–	[68.08%]	Development of distributed photovoltaic projects and EPC services

(i) Management considers that the Group has de facto control over Chint Power even though it has less than 50% of the voting rights based on the following factors:

1) Chint Power is a listed company on the Shenzhen Stock Exchange. The Company is the single largest shareholder of Chint Power and directly holds 24.62%, 24.54% and 24.70% of its equity interest as of December 31, 2023, 2024, 2025, respectively.

2) The Company obtained an "acting in concert" undertaking from Wenzhou Zhuotai Enterprise Management Partnership (Limited Partnership), which holds 4.92% equity interest in Chint Power.

3) The rest of the voting rights of Chint Power is dispersed and since the date of Chint Power's listing, there has been no history of any other shareholders collaborating to exercise their vote collectively or to out vote the Group.

4) The Group has majority seats of the non-independent directors of this entity in voting for its related operating and financial activities.

The statutory auditors of the above subsidiaries of the Group during the Relevant Period are set out below:

Name of subsidiaries	Name of statutory auditors		
	2023	2024	2025
1 Chint Power (江蘇正泰電源科技股份有限公司)(i)	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
2 Noark Electrics (Shanghai) Co., Ltd. (上海諾雅克電氣有限公司)	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
3 Wenzhou Chint Electrical Technology Co., Ltd. (溫州正泰電器科技有限公司)	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
4 Zhejiang Chint Instrument & Meter Co., Ltd. (浙江正泰儀器儀表有限責任公司)	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
5 Zhejiang Chint New Energy Development Co., Ltd. (浙江正泰新能源開發有限公司)	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
6 Chint Solar (Zhejiang) Co., Ltd. (浙江正泰太陽能科技有限公司)	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
7 Chint Global PTE. Ltd. (正泰國際有限公司)	Pan-China Singapore PAC	Pan-China Singapore PAC	Pan-China Singapore PAC
8 Chint Anneng Digital Energy (Zhejiang) Co., Ltd. ("**Chint Anneng**") (正泰安能數字能源(浙江)股份有限公司)	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
9 Zhejiang Shantai New Energy Co., Ltd. (浙江善泰新能源有限公司)(a)	–	–	Pan-China Certified Public Accountants LLP
10 Wenzhou Xiangtai New Energy Investment Co., Ltd. (溫州翔泰新能源投資有限公司)(a)	–	–	–
11 Zhejiang Chaotai Technology Co., Ltd. (浙江朝泰科技有限公司)	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
12 Zhejiang Taizhou New Energy Co., Ltd. (浙江泰舟新能源有限公司)	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
13 Wenzhou Taiji Suwei Technology Co., Ltd. (溫州泰集速維科技有限公司)(a)	–	Pan-China Certified Public Accountants LLP	Pan-China Certified Public Accountants LLP
14 Wenzhou Taiji New Energy Co., Ltd. (溫州泰集新能源有限公司)(a)	–	–	–
15 Xinqi (Jiaxing) Energy Equipment Co., Ltd. (新啓(嘉興)能源設備有限公司)(a)	–	–	Pan-China Certified Public

(a) No audited statutory financial statements were available for these subsidiaries during the Relevant Period.

(b) The English names of the Chinese Mainland companies are direct translation of their Chinese registered names.

(c) The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

(d) Material non-controlling interests

As at December 31, 2023, 2024 and 2025, the total non-controlling interests were RMB7,414,910,000, RMB8,601,104,000 and RMB9,225,864,000, of which RMB5,766,683,000, RMB7,015,803,000 and RMB8,022,179,000 were attributable to Chint Anneng, Chint Power and Zhejiang Chint Instrument & Meter Co., Ltd. ("**Chint Instrument & Meter**").

Summarized financial information on subsidiaries with material non-controlling interests:

(e) Material non-controlling interests

	Year ended/as at December 31, 2023		
	Chint Anneng	**Chint Power**	**Chint Instrument & Meter**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	29,606,215	1,939,851	1,970,828
Profit for the year	2,603,742	70,014	283,002
Total comprehensive income for the year	2,642,956	73,941	283,002
Net cash generated from operating activities	22,554	121,758	366,793
Total current assets	37,073,017	2,821,977	1,629,025
Total non-current assets	19,599,468	1,344,117	1,134,356
Total assets	**56,672,485**	**4,166,094**	**2,763,381**
Total current liabilities	29,017,212	1,618,456	839,708
Total non-current liabilities	15,844,255	683,473	256,059
Total liabilities	**44,861,467**	**2,301,929**	**1,095,767**

	Year ended/as at December 31, 2024		
	Chint Anneng	Chint Power	Chint Instrument & Meter
	RMB'000	*RMB'000*	*RMB'000*
Revenue	31,826,456	3,370,554	1,983,472
Profit for the year	2,860,975	273,267	292,405
Total comprehensive income for the year	2,840,377	279,836	292,405
Net cash generated from operating activities	11,847,728	239,026	430,088
Total current assets	47,936,736	3,621,064	1,839,907
Total non current assets	26,320,529	1,397,265	889,261
Total assets	**74,257,265**	**5,018,329**	**2,729,168**
Total current liabilities	37,121,065	2,106,242	880,396
Total non current liabilities	22,472,183	767,679	3,003
Total liabilities	**59,593,248**	**2,873,921**	**883,399**

	Year ended/as at December 31, 2025		
	Chint Anneng	Chint Power	Chint Instrument & Meter
	RMB'000	*RMB'000*	*RMB'000*
Revenue	28,727,706	4,064,908	2,432,194
Profit for the year	3,039,799	347,475	360,267
Total comprehensive income for the year	3,278,971	359,330	362,086
Net cash generated from operating activities	17,122,885	247,079	451,552
Total non-current assets	59,349,198	3,952,463	2,278,943
Total current assets	33,667,600	1,362,853	838,173
Total assets	**93,016,798**	**5,315,316**	**3,117,116**
Total non-current liabilities	43,596,550	2,269,464	908,907
Total current liabilities	31,425,245	605,794	16,469
Total liabilities	**75,021,795**	**2,875,258**	**925,376**

(f) None of the subsidiaries had issued any debt securities at the end of the year.

The Company

Investments in subsidiaries

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investments in subsidiaries	18,294,885	18,702,667	20,020,662

20. PROPERTY, PLANT AND EQUIPMENT

The Group

	Freehold land	Buildings	Machinery devices	Motor vehicles	Electronic equipment	Photovoltaic power station	R&D[#] equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023											
Cost	20,791	2,922,103	3,078,806	64,878	197,152	26,985,336	21,531	572,556	3,509,651	126,804	37,499,608
Accumulated depreciation	–	(1,173,795)	(1,019,914)	(40,396)	(151,470)	(3,874,221)	(10,280)	(296,338)	–	(45,362)	(6,611,776)
Accumulated impairment	–	–	(4,295)	–	–	(133,590)	–	(3)	–	–	(137,888)
Carrying amounts	**20,791**	**1,748,308**	**2,054,597**	**24,482**	**45,682**	**22,977,525**	**11,251**	**276,215**	**3,509,651**	**81,442**	**30,749,944**
Opening carrying amounts	20,791	1,748,308	2,054,597	24,482	45,682	22,977,525	11,251	276,215	3,509,651	81,442	30,749,944
Additions	1,630	115,927	367,353	10,584	32,016	–	51	15,393	4,838,924	53,853	5,435,731
Disposals	–	(20,545)	(9,201)	(1,567)	(2,190)	(463,182)	(1,672)	(21,142)	(195)	(6,337)	(526,031)
Transfers from construction in progress	–	534,493	231,168	–	5,729	5,544,033	697	3,910	(6,320,030)	–	–
Transfers to intangible assets	–	–	–	–	–	–	–	–	(5,901)	–	(5,901)
Disposal of subsidiaries *(Note 42(c))*	–	(818)	(3,273)	(830)	(614)	(3,911,420)	–	(34)	–	–	(3,916,989)
Transfers to investment properties	–	(13,592)	–	–	–	–	–	–	(129,255)	–	(142,847)
Transfers from investment properties	–	7,149	–	–	–	–	–	–	–	–	7,149
Transfers to inventories	–	–	–	–	–	(1,903,077)	–	–	–	–	(1,903,077)
Business combination *(Note 42(a))*	17,453	439,618	177,556	3,272	8,508	531,735	–	377	3,902	–	1,182,421
Depreciation charge	–	(186,494)	(290,280)	(9,341)	(28,719)	(1,329,364)	(2,189)	(22,693)	–	(37,125)	(1,906,205)
Impairment losses	–	–	–	–	–	(71,285)	–	–	–	–	(71,285)
Others	(1,752)	212	3,814	376	(745)	(312)	(314)	(2,462)	(5,204)	–	(6,387)
Closing carrying amounts	**38,122**	**2,624,258**	**2,531,734**	**26,976**	**59,667**	**21,374,653**	**7,824**	**249,564**	**1,891,892**	**91,833**	**28,896,523**
At December 31, 2023											
Cost	38,122	4,151,059	3,965,413	77,417	242,983	25,951,205	17,706	559,446	1,891,892	169,917	37,065,160
Accumulated depreciation	–	(1,526,801)	(1,428,067)	(50,441)	(183,316)	(4,395,345)	(9,882)	(309,879)	–	(78,084)	(7,981,815)
Accumulated impairment	–	–	(5,612)	–	–	(181,207)	–	(3)	–	–	(186,822)
Carrying amounts	**38,122**	**2,624,258**	**2,531,734**	**26,976**	**59,667**	**21,374,653**	**7,824**	**249,564**	**1,891,892**	**91,833**	**28,896,523**

	Freehold land	Buildings	Machinery devices	Motor vehicles	Electronic equipment	Photovoltaic power station	R&D[1] equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024											
Cost	38,122	4,151,059	3,965,413	77,417	242,983	25,951,205	17,706	559,446	1,891,892	169,917	37,065,160
Accumulated depreciation	–	(1,526,801)	(1,428,067)	(50,441)	(183,316)	(4,395,345)	(9,882)	(309,879)	–	(78,084)	(7,981,815)
Accumulated impairment	–	–	(5,612)	–	–	(181,207)	–	(3)	–	–	(186,822)
Carrying amounts	**38,122**	**2,624,258**	**2,531,734**	**26,976**	**59,667**	**21,374,653**	**7,824**	**249,564**	**1,891,892**	**91,833**	**28,896,523**
Opening carrying amounts	38,122	2,624,258	2,531,734	26,976	59,667	21,374,653	7,824	249,564	1,891,892	91,833	28,896,523
Additions	–	122,808	233,625	11,164	35,126	82,516	8,004	20,922	3,634,810	45,348	4,194,323
Disposals	(1,400)	(58,361)	(158,480)	(393)	(2,045)	(58,530)	(55)	(23,389)	(850)	(150)	(303,653)
Transfers from construction in progress	–	279,744	112,911	–	9,230	2,136,979	–	11,284	(2,550,148)	–	–
Transfers to intangible assets	–	–	–	–	–	–	–	–	(10,505)	–	(10,505)
Disposal of subsidiaries *(Note 42(c))*	–	–	–	(92)	(4)	(51,363)	–	–	(845,633)	–	(897,092)
Transfers to investment properties	–	(4,959)	–	–	–	–	–	–	(49,870)	–	(54,829)
Transfers from investment properties	–	13,578	–	–	–	–	–	–	–	–	13,578
Transfers to inventories	–	–	–	–	–	(10,145)	–	–	(202,519)	–	(212,664)
Business combination *(Note 42(a))*	–	17,974	–	–	–	–	–	–	–	–	17,974
Depreciation charge	–	(216,707)	(314,064)	(9,595)	(31,855)	(1,281,627)	(2,112)	(44,529)	–	(39,074)	(1,939,563)
Impairment losses	–	–	(3,559)	–	–	(199,398)	–	–	–	–	(202,957)
Others	(5,397)	(2,717)	2,052	(925)	196	(1,309)	–	(7)	10,705	(225)	2,373
Closing carrying amounts	**31,325**	**2,775,618**	**2,404,219**	**27,135**	**70,315**	**21,991,776**	**13,661**	**213,845**	**1,877,882**	**97,732**	**29,503,508**
At December 31, 2024											
Cost	31,325	4,506,719	4,049,948	79,903	267,073	28,008,006	24,445	538,884	1,877,882	217,178	39,601,363
Accumulated depreciation	–	(1,731,101)	(1,636,558)	(52,768)	(196,758)	(5,643,856)	(10,784)	(325,036)	–	(119,446)	(9,716,307)
Accumulated impairment	–	–	(9,171)	–	–	(372,374)	–	(3)	–	–	(381,548)
Carrying amounts	**31,325**	**2,775,618**	**2,404,219**	**27,135**	**70,315**	**21,991,776**	**13,661**	**213,845**	**1,877,882**	**97,732**	**29,503,508**

	Freehold land	Buildings	Machinery devices	Motor vehicles	Electronic equipment	Photovoltaic power station	R&D[1] equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025											
Cost	31,325	4,506,719	4,049,948	79,903	267,073	28,008,006	24,445	538,884	1,877,882	217,178	39,601,363
Accumulated depreciation	–	(1,731,101)	(1,636,558)	(52,768)	(196,758)	(5,643,856)	(10,784)	(325,036)	–	(119,446)	(9,716,307)
Accumulated impairment	–	–	(9,171)	–	–	(372,374)	–	(3)	–	–	(381,548)
Carrying amounts	31,325	2,775,618	2,404,219	27,135	70,315	21,991,776	13,661	213,845	1,877,882	97,732	29,503,508
Opening carrying amounts	31,325	2,775,618	2,404,219	27,135	70,315	21,991,776	13,661	213,845	1,877,882	97,732	29,503,508
Additions	3,650	51,562	130,725	5,999	26,248	6,488	1,046	23,143	1,946,052	20,757	2,215,670
Disposals	–	(7,904)	(34,860)	(595)	(1,861)	(182,155)	(4,074)	(4,217)	(765)	(275)	(236,706)
Transfers from construction in progress	–	438,489	34,294	–	1,349	2,256,841	–	2,157	(2,733,130)	–	–
Transfers to intangible assets	–	–	–	–	–	–	–	–	(7,323)	–	(7,323)
Disposal of subsidiaries *(Note 42(c))*	–	–	–	–	–	(442,154)	–	–	–	–	(442,154)
Transfers to investment properties	–	(46,606)	–	–	–	–	–	–	–	–	(46,606)
Transfers to right-of-use assets	–	–	–	–	–	–	–	–	(10,298)	–	(10,298)
Transfers to inventories	–	–	–	–	–	(17,509)	–	–	–	–	(17,509)
Business combination *(Note 42(a))*	–	–	–	8	11	974,014	–	11	–	–	974,044
Depreciation charge	–	(206,840)	(313,958)	(8,799)	(25,204)	(1,449,104)	(1,416)	(42,937)	–	(46,623)	(2,094,881)
Impairment losses	–	(653)	–	–	–	(107,716)	–	–	–	–	(108,369)
Others	869	(4,609)	(1,195)	751	586	(2,596)	–	1,723	(5,487)	(15)	(9,973)
Closing carrying amounts	**35,844**	**2,999,057**	**2,219,225**	**24,499**	**71,444**	**23,027,885**	**9,217**	**193,725**	**1,066,931**	**71,576**	**29,719,403**
At December 31, 2025											
Cost	35,844	4,840,070	4,099,948	83,356	279,667	30,758,445	14,923	553,749	1,066,931	237,660	41,970,593
Accumulated depreciation	–	(1,840,360)	(1,871,750)	(58,857)	(208,223)	(7,250,581)	(5,706)	(360,021)	–	(166,084)	(11,761,582)
Accumulated impairment	–	(653)	(8,973)	–	–	(479,979)	–	(3)	–	–	(489,608)
Carrying amounts	**35,844**	**2,999,057**	**2,219,225**	**24,499**	**71,444**	**23,027,885**	**9,217**	**193,725**	**1,066,931**	**71,576**	**29,719,403**

(a) Property, plant, and equipment other than freehold land and construction in progress, are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The above items of property, plant and equipment, after taking into account the residual values, where applicable, are depreciated on a straight-line basis or, in the case of leasehold improvements, the shorter of lease term at the following estimated useful lives:

Buildings	20 years
Machinery devices	5–10 years
Motor vehicles	5–10 years
Electronic equipment	3–5 years
Photovoltaic power station	20 years
R&D equipment	7 years
Other equipment	5–20 years
Leasehold improvements	Shorter of their useful life and lease term

(b) As at December 31, 2023, 2024 and 2025, property, plant and equipment with carrying amounts of approximately RMB1,652,386,000, RMB3,090,231,000 and RMB8,528,310,000 were pledged for secured bank borrowings.

As at December 31, 2023, 2024 and 2025, property, plant and equipment with carrying amounts of approximately RMB111,303, 000, RMB175,455,000 and RMB180,046,000 had not completed the property right certification procedures.

The Company

	Buildings	Machinery devices	Motor vehicles	Electronic equipment	R&D equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023									
Cost	741,378	947,470	15,135	77,276	9,226	67,112	221,926	38,185	2,117,708
Accumulated depreciation	(283,804)	(472,371)	(11,296)	(68,163)	(3,652)	(37,378)	–	(13,182)	(889,846)
Accumulated impairment	–	(962)	–	–	–	–	–	–	(962)
Carrying amounts	**457,574**	**474,137**	**3,839**	**9,113**	**5,574**	**29,734**	**221,926**	**25,003**	**1,226,900**
Opening carrying amounts	457,574	474,137	3,839	9,113	5,574	29,734	221,926	25,003	1,226,900
Additions	1,974	146,412	–	2,939	–	2,033	–	11,584	164,942
Disposals	–	(12,154)	(222)	(201)	(209)	(332)	–	–	(13,118)
Transfers from construction in progress	–	59,783	–	–	–	5	(59,788)	–	–
Depreciation charge	(33,719)	(77,544)	(1,985)	(4,009)	(860)	(5,645)	–	(13,389)	(137,151)
Closing carrying amounts	**425,829**	**590,634**	**1,632**	**7,842**	**4,505**	**25,795**	**162,138**	**23,198**	**1,241,573**
At December 31, 2023									
Cost	743,352	1,108,109	12,725	77,140	8,872	66,067	162,138	49,769	2,228,172
Accumulated depreciation	(317,523)	(516,513)	(11,093)	(69,298)	(4,367)	(40,272)	–	(26,571)	(985,637)
Accumulated impairment	–	(962)	–	–	–	–	–	–	(962)
Carrying amounts	**425,829**	**590,634**	**1,632**	**7,842**	**4,505**	**25,795**	**162,138**	**23,198**	**1,241,573**

	Buildings	Machinery devices	Motor vehicles	Electronic equipment	R&D equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024									
Cost	743,352	1,108,109	12,725	77,140	8,872	66,067	162,138	49,769	2,228,172
Accumulated depreciation	(317,523)	(516,513)	(11,093)	(69,298)	(4,367)	(40,272)	–	(26,571)	(985,637)
Accumulated impairment	–	(962)	–	–	–	–	–	–	(962)
Carrying amounts	**425,829**	**590,634**	**1,632**	**7,842**	**4,505**	**25,795**	**162,138**	**23,198**	**1,241,573**
Opening carrying amounts	425,829	590,634	1,632	7,842	4,505	25,795	162,138	23,198	1,241,573
Additions	28,995	100,696	241	4,109	–	2,738	–	17,081	153,860
Disposals	–	(13,386)	(111)	–	–	(6,519)	–	–	(20,016)
Transfers from construction in progress	72,987	17,425	–	462	–	1,921	(92,795)	–	–
Transfers to intangible assets	–	–	–	–	–	–	(7,536)	–	(7,536)
Depreciation charge	(31,191)	(95,925)	(721)	(2,920)	(840)	(5,772)	–	(12,440)	(149,809)
Others	–	–	–	–	–	–	(939)	–	(939)
Closing carrying amounts	**496,620**	**599,444**	**1,041**	**9,493**	**3,665**	**18,163**	**60,868**	**27,839**	**1,217,133**
At December 31, 2024									
Cost	845,334	1,187,239	10,754	79,520	8,871	59,630	60,868	66,851	2,319,067
Accumulated depreciation	(348,714)	(586,833)	(9,713)	(70,027)	(5,206)	(41,467)	–	(39,012)	(1,100,972)
Accumulated impairment	–	(962)	–	–	–	–	–	–	(962)
Carrying amounts	**496,620**	**599,444**	**1,041**	**9,493**	**3,665**	**18,163**	**60,868**	**27,839**	**1,217,133**

	Buildings	Machinery devices	Motor vehicles	Electronic equipment	R&D equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025									
Cost	845,334	1,187,239	10,754	79,520	8,871	59,630	60,868	66,851	2,319,067
Accumulated depreciation	(348,714)	(586,833)	(9,713)	(70,027)	(5,206)	(41,467)	–	(39,012)	(1,100,972)
Accumulated impairment	–	(962)	–	–	–	–	–	–	(962)
Carrying amounts	**496,620**	**599,444**	**1,041**	**9,493**	**3,665**	**18,163**	**60,868**	**27,839**	**1,217,133**
Opening carrying amounts	496,620	599,444	1,041	9,493	3,665	18,163	60,868	27,839	1,217,133
Additions	30,126	16,392	11	2,439	–	5,111	–	4,149	58,228
Disposals	(1,820)	(3,368)	(16)	(169)	(3,371)	(68)	–	–	(8,812)
Transfers from construction in progress	2,335	34,055	–	142	–	78	(36,610)	–	–
Transfers to intangible assets	–	–	–	–	–	–	(2,763)	–	(2,763)
Depreciation charge	(32,773)	(99,115)	(297)	(3,296)	(275)	(5,379)	–	(14,589)	(155,724)
Others	(2,648)	642	(5)	–	–	(286)	–	–	(2,297)
Closing carrying amounts	**491,840**	**548,050**	**734**	**8,609**	**19**	**17,619**	**21,495**	**17,399**	**1,105,765**
At December 31, 2025									
Cost	873,135	1,213,969	10,444	78,341	236	63,735	21,495	71,000	2,332,355
Accumulated depreciation	(381,295)	(664,957)	(9,710)	(69,732)	(217)	(46,116)	–	(53,601)	(1,225,628)
Accumulated impairment	–	(962)	–	–	–	–	–	–	(962)
Carrying amounts	**491,840**	**548,050**	**734**	**8,609**	**19**	**17,619**	**21,495**	**17,399**	**1,105,765**

21. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group

Right-of-use assets

	Buildings	Leasehold land	Land use right	Roof	Photovoltaic power station	Machinery devices	Other equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023								
Cost	316,451	242,096	690,598	337,427	977,057	2,614	13,253	2,579,496
Accumulated depreciation	(130,490)	(20,382)	(191,521)	(42,451)	(196,817)	(980)	(478)	(583,119)
Accumulated impairment	–	–	–	–	(21,392)	–	–	(21,392)
Carrying amounts	**185,961**	**221,714**	**499,077**	**294,976**	**758,848**	**1,634**	**12,775**	**1,974,985**
Opening carrying amounts	185,961	221,714	499,077	294,976	758,848	1,634	12,775	1,974,985
Additions	99,890	25,205	482,936	469,134	–	738	359	1,078,262
Business combination *(Note 42(a))*	552	3,204	136,154	–	–	–	–	139,910
Disposal of subsidiaries *(Note 42(c))*	–	(34,016)	(1,202)	(189,041)	–	–	–	(224,259)
Lease modification	(25,586)	–	–	(20,170)	(5,627)	–	–	(51,383)
Depreciation charges	(99,073)	(13,756)	(33,642)	(14,218)	(92,748)	(1,796)	(735)	(255,968)
Impairment losses	–	–	–	–	(947)	–	–	(947)
Transfers to investment properties	–	–	(7,416)	–	–	–	–	(7,416)
Others	(2,655)	–	138	–	–	–	–	(2,517)
Closing carrying amounts	**159,089**	**202,351**	**1,076,045**	**540,681**	**659,526**	**576**	**12,399**	**2,650,667**
At December 31, 2023								
Cost	326,464	231,183	1,320,037	564,215	971,320	3,352	13,612	3,430,183
Accumulated depreciation	(167,375)	(28,832)	(243,992)	(23,534)	(289,565)	(2,776)	(1,213)	(757,287)
Accumulated impairment	–	–	–	–	(22,229)	–	–	(22,229)
Carrying amounts	**159,089**	**202,351**	**1,076,045**	**540,681**	**659,526**	**576**	**12,399**	**2,650,667**
At January 1, 2024								
Cost	326,464	231,183	1,320,037	564,215	971,320	3,352	13,612	3,430,183
Accumulated depreciation	(167,375)	(28,832)	(243,992)	(23,534)	(289,565)	(2,776)	(1,213)	(757,287)
Accumulated impairment	–	–	–	–	(22,229)	–	–	(22,229)
Carrying amounts	**159,089**	**202,351**	**1,076,045**	**540,681**	**659,526**	**576**	**12,399**	**2,650,667**
Opening carrying amounts	159,089	202,351	1,076,045	540,681	659,526	576	12,399	2,650,667
Additions	115,904	51,424	13,377	4,521,275	209,524	–	–	4,911,504
Transfers to assets classified as held for sale	–	–	(23,432)	–	–	–	–	(23,432)
Disposal(i)	–	–	(48,870)	–	–	–	–	(48,870)
Disposal of subsidiaries *(Note 42(c))*	–	–	(143,848)	(1,359)	(187,712)	–	–	(332,919)
Lease modification	(14,342)	–	–	(1,669)	(6,364)	–	–	(22,375)
Depreciation charges	(117,267)	(13,116)	(35,572)	(110,510)	(101,929)	(317)	(783)	(379,494)
Impairment losses	–	–	–	–	(1,400)	–	–	(1,400)
Others	258	2,671	(18)	(2,493)	–	(19)	–	399
Closing carrying amounts	**143,642**	**243,330**	**837,682**	**4,945,925**	**571,645**	**240**	**11,616**	**6,754,080**

	Buildings	Leasehold land	Land use right	Roof	Photovoltaic power station	Machinery devices	Other equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2024								
Cost	300,232	285,196	1,101,141	5,079,275	977,978	738	13,612	7,758,172
Accumulated depreciation	(156,590)	(41,866)	(263,459)	(133,350)	(383,941)	(498)	(1,996)	(981,700)
Accumulated impairment	–	–	–	–	(22,392)	–	–	(22,392)
Carrying amounts	**143,642**	**243,330**	**837,682**	**4,945,925**	**571,645**	**240**	**11,616**	**6,754,080**
At January 1, 2025								
Cost	300,232	285,196	1,101,141	5,079,275	977,978	738	13,612	7,758,172
Accumulated depreciation	(156,590)	(41,866)	(263,459)	(133,350)	(383,941)	(498)	(1,996)	(981,700)
Accumulated impairment	–	–	–	–	(22,392)	–	–	(22,392)
Carrying amounts	**143,642**	**243,330**	**837,682**	**4,945,925**	**571,645**	**240**	**11,616**	**6,754,080**
Opening carrying amounts	143,642	243,330	837,682	4,945,925	571,645	240	11,616	6,754,080
Additions	117,391	32,260	22,919	7,100,217	–	359	549	7,273,695
Business combination *(Note 42(a))*	–	46,821	–	23,113	–	–	–	69,934
Transfers from construction in progress	–	–	10,298	–	–	–	–	10,298
Disposal(i)	–	–	(18,493)	(2,200,003)	–	–	–	(2,218,496)
Disposal of subsidiaries *(Note 42(c))*	–	(45,136)	(2,269)	–	–	–	–	(47,405)
Lease modification	(13,423)	(14,818)	–	(8,809)	(3,788)	(266)	–	(41,104)
Depreciation charges	(81,908)	(21,507)	(31,061)	(265,831)	(113,801)	(294)	(956)	(515,358)
Impairment losses	–	–	–	–	(56)	–	–	(56)
Transfers to investment properties	–	–	(7,460)	–	–	–	–	(7,460)
Others	368	–	18,485	–	–	–	5	18,858
Closing carrying amounts	**166,070**	**240,950**	**830,101**	**9,594,612**	**454,000**	**39**	**11,214**	**11,296,986**
At December 31, 2025								
Cost	271,219	301,424	1,117,671	9,997,031	970,172	141	14,162	12,671,820
Accumulated depreciation	(105,149)	(60,474)	(287,570)	(402,419)	(494,148)	(102)	(2,948)	(1,352,810)
Accumulated impairment	–	–	–	–	(22,024)	–	–	(22,024)
Carrying amounts	**166,070**	**240,950**	**830,101**	**9,594,612**	**454,000**	**39**	**11,214**	**11,296,986**

(i) Primarily attributable to the disposal by Chint Anneng of certain photovoltaic power stations, together with the related roof lease arrangement, to third-party investors.

Lease liabilities

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	192,486	314,654	412,748
Within a period of more than one year but not more than two years	182,914	300,314	713,251
Within a period of more than two years but not more than five years	524,131	870,376	2,056,719
Within a period of more than five years	607,679	4,379,257	7,323,207
	1,507,210	5,864,601	10,505,925
Less: Amount due for settlement within 12 months shown under current liabilities	(192,486)	(314,654)	(412,748)
Amount due for settlement after 12 months shown under non-current liabilities	1,314,724	5,549,947	10,093,177

As at December 31, 2023, 2024 and 2025, land-use rights of the Group with carrying amounts of approximately RMB173,056,000, RMB143,676,000 and RMB161,046,000, respectively were pledged for secured bank borrowings.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. The discount rates used during the years ended December 31, 2023, 2024 and 2025 were 3.41% to 5.20%, 3.10% to 5.10%, 2.72% to 5.23%, respectively.

Amounts recognized in the consolidated statements of profit or loss and other comprehensive income:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest expenses (including in finance costs)	62,851	143,112	334,494
Expenses relating to short-term and low value leases not included in lease liabilities	117,659	128,503	134,260

The total cash outflows for lease payments during the years ended December 31, 2023, 2024 and 2025 were approximately RMB395,528,000, RMB555,779,000 and RMB854,770,000 respectively.

The Group primarily leases roof, properties, photovoltaic power stations, offices and land-use-right as lessee. Lease contracts are typically made for fixed periods from 2 to 20 years. They are stated at cost less accumulated depreciation and accumulated impairment losses.

The Company

Right-of-use assets

	Buildings	Land use right	Machinery devices	Other equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023					
Cost	114,220	115,568	–	–	229,788
Accumulated depreciation	(54,115)	(59,941)	–	–	(114,056)
Carrying amounts	**60,105**	**55,627**	**–**	**–**	**115,732**
Opening carrying amounts	60,105	55,627	–	–	115,732
Additions	22,441	–	1,097	359	23,897
Lease modification	(840)	–	–	–	(840)
Depreciation charges	(33,599)	(5,379)	(206)	(24)	(39,208)
Closing carrying amounts	**48,107**	**50,248**	**891**	**335**	**99,581**
At December 31, 2023					
Cost	105,529	115,568	1,097	359	222,553
Accumulated depreciation	(57,422)	(65,320)	(206)	(24)	(122,972)
Carrying amounts	**48,107**	**50,248**	**891**	**335**	**99,581**

	Buildings	Land use right	Machinery devices	Other equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024					
Cost	105,529	115,568	1,097	359	222,553
Accumulated depreciation	(57,422)	(65,320)	(206)	(24)	(122,972)
Carrying amounts	**48,107**	**50,248**	**891**	**335**	**99,581**
Opening carrying amounts	48,107	50,248	891	335	99,581
Additions	7,005	–	–	–	7,005
Lease modification	(10,170)	–	–	–	(10,170)
Depreciation charges	(23,869)	(5,815)	(388)	(72)	(30,144)
Closing carrying amounts	**21,073**	**44,433**	**503**	**263**	**66,272**
At December 31, 2024					
Cost	62,906	115,568	1,097	359	179,930
Accumulated depreciation	(41,833)	(71,135)	(594)	(96)	(113,658)
Carrying amounts	**21,073**	**44,433**	**503**	**263**	**66,272**

	Buildings	Land use right	Machinery devices	Other equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025					
Cost	62,906	115,568	1,097	359	179,930
Accumulated depreciation	(41,833)	(71,135)	(594)	(96)	(113,658)
Carrying amounts	**21,073**	**44,433**	**503**	**263**	**66,272**
Opening carrying amounts	21,073	44,433	503	263	66,272
Additions	12,221	–	–	–	12,221
Lease modification	(4,747)	–	(266)	–	(5,013)
Depreciation charges	(13,378)	(5,813)	(198)	(72)	(19,461)
Closing carrying amounts	**15,169**	**38,620**	**39**	**191**	**54,019**
At December 31, 2025					
Cost	25,303	115,568	141	359	141,371
Accumulated depreciation	(10,134)	(76,948)	(102)	(168)	(87,352)
Carrying amounts	**15,169**	**38,620**	**39**	**191**	**54,019**

Lease liabilities

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	32,108	17,701	7,065
Within a period of more than one year but not more than two years	18,013	3,572	6,495
Within a period of more than two years but not more than five years	4,323	2,995	3,231
Within a period of more than five years	–	–	–
	54,444	24,268	16,791
Less: Amount due for settlement within 12 months shown under current liabilities	(32,108)	(17,701)	(7,065)
Amount due for settlement after 12 months shown under non-current liabilities	22,336	6,567	9,726

22. INTANGIBLE ASSETS

The Group

	Software	Patent right	Non-patent technologies	Trademark	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023					
Cost	193,306	52,546	65,450	14,996	326,298
Accumulated amortization	(125,598)	(25,350)	(19,659)	(4,051)	(174,658)
Accumulated impairment	(195)	(27,000)	(32,343)	–	(59,538)
Carrying amounts	**67,513**	**196**	**13,448**	**10,945**	**92,102**
Year ended December 31, 2023					
Opening carrying amounts	67,513	196	13,448	10,945	92,102
Additions	27,322	10,481	–	412	38,215
Disposals	(352)	–	(195)	–	(547)
Transfers from construction in progress	5,901	–	–	–	5,901
Business combination *(Note 42(a))*	6,409	22,700	3,000	18,811	50,920
Disposal of subsidiaries *(Note 42(c))*	(188)	–	–	–	(188)
Charged for the year	(27,371)	(2,355)	(1,892)	(2,581)	(34,199)
Impairment loss	–	–	(5,152)	(3,633)	(8,785)
Others	308	–	29	–	337
Closing carrying amounts	**79,542**	**31,022**	**9,238**	**23,954**	**143,756**
At December 31, 2023					
Cost	228,917	85,727	72,351	34,219	421,214
Accumulated amortization	(149,180)	(27,705)	(25,618)	(6,632)	(209,135)
Accumulated impairment	(195)	(27,000)	(37,495)	(3,633)	(68,323)
Carrying amounts	**79,542**	**31,022**	**9,238**	**23,954**	**143,756**

	Software	Patent right	Non-patent technologies	Trademark	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024					
Cost	228,917	85,727	72,351	34,219	421,214
Accumulated amortization	(149,180)	(27,705)	(25,618)	(6,632)	(209,135)
Accumulated impairment	(195)	(27,000)	(37,495)	(3,633)	(68,323)
Carrying amounts	**79,542**	**31,022**	**9,238**	**23,954**	**143,756**
Year ended December 31, 2024					
Opening carrying amounts	79,542	31,022	9,238	23,954	143,756
Additions	46,459	1,047	–	–	47,506
Disposals	(297)	(627)	–	(290)	(1,214)
Transfers from construction in progress	10,505	–	–	–	10,505
Business combination *(Note 42(a))*	–	–	220	–	220
Charged for the year	(43,805)	(4,593)	(2,156)	(3,388)	(53,942)
Impairment loss	–	–	(6,325)	(3,731)	(10,056)
Others	(34)	–	26	6	(2)
Closing carrying amounts	**92,370**	**26,849**	**1,003**	**16,551**	**136,773**
At December 31, 2024					
Cost	283,905	84,917	30,140	33,913	432,875
Accumulated amortization	(191,477)	(31,068)	(17,661)	(9,999)	(250,205)
Accumulated impairment	(58)	(27,000)	(11,476)	(7,363)	(45,897)
Carrying amounts	**92,370**	**26,849**	**1,003**	**16,551**	**136,773**

	Software	Patent right	Non-patent technologies	Trademark	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025					
Cost	283,905	84,917	30,140	33,913	432,875
Accumulated amortization	(191,477)	(31,068)	(17,661)	(9,999)	(250,205)
Accumulated impairment	(58)	(27,000)	(11,476)	(7,363)	(45,897)
Carrying amounts	**92,370**	**26,849**	**1,003**	**16,551**	**136,773**
Year ended December 31, 2025					
Opening carrying amounts	92,370	26,849	1,003	16,551	136,773
Additions	25,220	1,999	6,740	–	33,959
Disposals	(83)	–	–	–	(83)
Transfers from construction in progress	623	6,700	–	–	7,323
Business combination *(Note 42(a))*	39	–	–	–	39
Disposal of subsidiaries *(Note 42(c))*	(24)	–	–	–	(24)
Charged for the year	(41,858)	(4,828)	(4,164)	(2,499)	(53,349)
Others	1,488	3,300	24	–	4,812
Closing carrying amounts	**77,775**	**34,020**	**3,603**	**14,052**	**129,450**
At December 31, 2025					
Cost	308,249	96,684	37,015	33,913	475,861
Accumulated amortization	(230,416)	(35,664)	(21,936)	(12,498)	(300,514)
Accumulated impairment	(58)	(27,000)	(11,476)	(7,363)	(45,897)
Carrying amounts	**77,775**	**34,020**	**3,603**	**14,052**	**129,450**

(a) Amortization methods and periods

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

Software	3–20 years
Patent right	3–20 years
Non-patent technologies	3–10 years
Trademark	5–10 years

23. GOODWILL

The Group

	RMB'000
At January 1, 2023	
Cost	229,951
Accumulated impairment	(89,010)
Carrying amounts	140,941
Year ended December 31, 2023	
Opening carrying amounts	140,941
Additions[(i)]	393,478
Impairment losses	(6,795)
Closing carrying amounts	527,624
At December 31, 2023	
Cost	623,429
Accumulated impairment	(95,805)
Carrying amounts	527,624

(i) In the year ended December 31, 2023, the Group recognised goodwill of RMB389,510,000 and RMB3,968,000 arising from the acquisitions of Chint Power and Shandong Luzheng Electronics Co., Ltd., respectively. Further details regarding the acquisition of Chint Power are disclosed in Note 42(a).

	RMB'000
At January 1, 2024	
Cost	623,429
Accumulated impairment	(95,805)
Carrying amounts	527,624
Year ended December 31, 2024	
Opening carrying amounts	527,624
Impairment losses	(16,030)
Closing carrying amounts	511,594
At December 31, 2024	
Cost	623,429
Accumulated impairment	(111,835)
Carrying amounts	511,594
At January 1, 2025	
Cost	623,429
Accumulated impairment	(111,835)
Carrying amounts	511,594
Year ended December 31, 2025	
Opening carrying amounts	511,594
Impairment losses	(20,677)
Closing carrying amounts	490,917
At December 31, 2025	
Cost	623,429
Accumulated impairment	(132,512)
Carrying amounts	490,917

Impairment Tests of Goodwill

The cost of goodwill allocated to the cash generating units or group of cash generating units ("**CGU" or "CGUs**") are as follows:

	December 31, 2023	December 31, 2024	December 31, 2025
	RMB'000	*RMB'000*	*RMB'000*
Shanghai ELECON CGU[(i)]	91,628	91,628	91,628
Nantong Shentai CGU[(ii)]	93,328	93,328	93,328
Alpha Automation CGU[(iii)]	23,210	23,210	23,210
CHINT POWER CGU[(iv)]	389,510	389,510	389,510
Others	25,753	25,753	25,753
	623,429	623,429	623,429

The impairment loss of goodwill allocated to the CGU or CGUs are as follows:

	December 31, 2023	December 31, 2024	December 31, 2025
	RMB'000	*RMB'000*	*RMB'000*
Shanghai ELECON CGU[(i)]	83,995	83,995	91,628
Nantong Shentai CGU[(ii)]	–	11,315	24,359
Others	11,810	16,525	16,525
	95,805	111,835	132,512

(i) The goodwill is generated from business combination of Shanghai ELECON Intelligent Technology Co., Ltd. ("**Shanghai ELECON**") in March 2020. Management regards Shanghai ELECON as a separate CGU and reviews the business performance and monitors the goodwill on the individual CGU basis.

(ii) The goodwill is generated from business combination of Nantong Shentai Thermal Power Co., Ltd. ("**Nantong Shentai**") in January 2020. Management regards Nantong Shentai as a separate CGU and reviews the business performance and monitors the goodwill on the individual CGU basis.

(iii) The goodwill is generated from business combination of Alpha Automation (Selangor) Sdn. Bhd. ("**Alpha Automation**") in September 2022. Management regards Alpha Automation as a separate CGU and reviews the business performance and monitors the goodwill on the individual CGU basis.

(iv) The goodwill is generated from business combination of CHINT POWER in February 2023. Management regards CHINT POWER as a separate CGU and reviews the business performance and monitors the goodwill on the individual CGU basis.

The following table sets out the key assumptions for these CGUs that have goodwill allocated to Nantong Shentai and Alpha Automation:

Year ended 31 December 2023

	Nantong Shentai	Alpha Automation
Revenue annual growth rates	10.72% to 18.51%	5.00%
Operating profit margin	(3.36%) to 19.72%	29.00%
Perpetual annual growth rates	0.00%	0.00%
Pre-tax discount rates	10.32%	14.03%

Year ended 31 December 2024

	Nantong Shentai	Alpha Automation
Revenue annual growth rates	7.22% to 16.19%	3.12%
Operating profit margin	3.29% to 20.96%	29.14%
Perpetual annual growth rates	0.00%	0.00%
Pre-tax discount rates	11.04%	12.53%

Year ended 31 December 2025

	Nantong Shentai	Alpha Automation
Revenue annual growth rates	4.22% to 12.74%	2.98%
Operating profit margin	8.24% to 21.26%	27.11%
Perpetual annual growth rates	0.00%	0.00%
Pre-tax discount rates	11.27%	12.41%

(i) Due to the poor overall operating condition for Shanghai ELECON, VIU is estimated to be lower than FVLCD. Consequently, the recoverable amount is calculated in FVLCD and impairment loss is recognized.

(ii) Since CHINT POWER is a listed company, its stock price can be readily obtained in the open market, allowing for a reliable estimation of FVLCD. As FVLCD is higher than the carrying amount, no impairment loss is recognized.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue annual growth rates	Revenue annual growth rate is estimated over the five-year forecast period. The management of the Group used a five-year period as the projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purpose.
Operating profit margin	Based on past performance and management's expectations for the future.
Perpetual annual growth rates	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are determined after making reference to long term inflation rate of the countries in which they operate. The perpetual annual growth rates remained stable which was due to the fact that the long-term inflation rates of the relevant countries were relatively stable during the Relevant Period.
Pre-tax discount rates	Estimated by using the weighted average cost of capital ("**WACC**") method. The WACC was calculated by referring to public market data including risk free rate, market return, beta of comparable public companies etc. and the specific risk of the business.

The recoverable amount based on the VIU or FVLCD calculation for each CGUs are as follow:

	December 31, 2023	December 31, 2024	December 31, 2025
	RMB'000	*RMB'000*	*RMB'000*
Shanghai ELECON	196,688	57,922	41,318
Nantong Shentai	197,500	173,000	133,000
Alpha Automation	79,544	147,087	130,570

The amounts by which each unit's recoverable amount exceeds its carrying amount ("**headroom**") are as follows:

	December 31, 2023	December 31, 2024	December 31, 2025
	RMB'000	*RMB'000*	*RMB'000*
Shanghai ELECON	N/A[(i)]	22,022	N/A[(i)]
Nantong Shentai	4,405	N/A[(i)]	N/A[(i)]
Alpha Automation	4,808	75,392	62,301
CHINT POWER	3,466,111	1,323,752	3,835,095

(i) Based on the results of impairment test as at December 31, 2023, 2024 and 2025, except the impairment losses of RMB6,795,000 and RMB7,633,000 were recognized for goodwill allocated to the Shanghai ELECON CGU in 2023 and 2025 respectively, the impairment losses of RMB11,315,000 and RMB13,044,000 were recognized for goodwill allocated to the Nantong Shentai CGU in 2024 and 2025 respectively, and the impairment losses of RMB4,715,000 were recognized for goodwill allocated to others in 2024, no further impairment losses of the Group's goodwill was recognized.

24. INVESTMENT PROPERTIES

The Group

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2023			
Cost	379,073	14,649	393,722
Accumulated depreciation	(139,089)	(4,106)	(143,195)
Carrying amounts	**239,984**	**10,543**	**250,527**
Year ended December 31, 2023			
Opening carrying amounts	239,984	10,543	250,527
Transfers from property, plant and equipment	142,847	–	142,847
Transfers from right-of-use assets	–	7,416	7,416
Transfers to property, plant and equipment	(7,149)	–	(7,149)
Provided for the year	(18,790)	(581)	(19,371)
Closing carrying amounts	**356,892**	**17,378**	**374,270**
At December 31, 2023			
Cost	526,901	22,065	548,966
Accumulated depreciation	(170,009)	(4,687)	(174,696)
Carrying amounts	**356,892**	**17,378**	**374,270**

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2024			
Cost	526,901	22,065	548,966
Accumulated depreciation	(170,009)	(4,687)	(174,696)
Carrying amounts	**356,892**	**17,378**	**374,270**
Year ended December 31, 2024			
Opening carrying amounts	356,892	17,378	374,270
Transfers from property, plant and equipment	54,829	–	54,829
Transfers to property, plant and equipment	(13,578)	–	(13,578)
Provided for the year	(25,219)	(482)	(25,701)
Closing carrying amounts	**372,924**	**16,896**	**389,820**
At December 31, 2024			
Cost	562,384	22,065	584,449
Accumulated depreciation	(189,460)	(5,169)	(194,629)
Carrying amounts	**372,924**	**16,896**	**389,820**

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2025			
Cost	562,384	22,065	584,449
Accumulated depreciation	(189,460)	(5,169)	(194,629)
Carrying amounts	**372,924**	**16,896**	**389,820**
Year ended December 31, 2025			
Opening carrying amounts	372,924	16,896	389,820
Transfers from property, plant and equipment	46,606	–	46,606
Transfers from right-of-use assets	–	7,460	7,460
Provided for the year	(29,684)	(768)	(30,452)
Closing carrying amounts	**389,846**	**23,588**	**413,434**
At December 31, 2025			
Cost	706,493	36,019	742,512
Accumulated depreciation	(316,647)	(12,431)	(329,078)
Carrying amounts	**389,846**	**23,588**	**413,434**

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Rental income from operating leases	72,452	85,459	90,685
Direct operating expenses from property that generated rental income (all are charged to cost of sales)	19,371	25,701	30,452

The investment properties are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method to write off the cost to its residual value over its estimated useful life. The estimated useful lives are as follows:

Buildings	20 years
Land use rights	20–50 years

As at December 31, 2023, 2024 and 2025, investment properties of the Group of RMB93,950,000, RMB117,225,000 and RMB110,522,000 were pledged to banks to secure the loans granted to the Group.

As at December 31, 2023, 2024 and 2025, the fair values are not materially different from their original cost.

25. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Gross deferred tax assets	1,576,718	2,110,041	3,875,561
Offsetting against deferred tax liabilities	(364,057)	(416,353)	(1,885,082)
Net deferred tax assets	1,212,661	1,693,688	1,990,479
Gross deferred tax liabilities	1,779,275	1,784,910	3,226,310
Offsetting against deferred tax assets	(364,057)	(416,353)	(1,885,082)
Net deferred tax liabilities	1,415,218	1,368,557	1,341,228

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Gross deferred tax assets	196,765	320,412	306,136
Offsetting against deferred tax liabilities	(143,288)	(150,821)	(155,884)
Net deferred tax assets	53,477	169,591	150,252
Gross deferred tax liabilities	143,288	150,821	155,884
Offsetting against deferred tax assets	(143,288)	(150,821)	(155,884)
Net deferred tax liabilities	–	–	–

The following are the deferred tax assets (liabilities) recognized and movements thereon during the years ended 31 December 2023, 2024 and 2025:

Deferred tax assets

The Group

	Loss allowance and impairment provision	Refund liabilities and accruals	Provisions for warranties	Sales rebate	Unrealised profits	Contract liabilities	Fair value adjustments	Lease liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	139,623	108,618	45,309	67,897	421,201	28,413	13,664	228,272	21,975	1,074,972
Credited/(charged) to profit or loss	25,005	(39,468)	(12,612)	(11,264)	543,580	4,618	–	(23,070)	11,113	497,902
Credited to OCI	–	–	–	–	–	–	3,844	–	–	3,844
At December 31, 2023	164,628	69,150	32,697	56,633	964,781	33,031	17,508	205,202	33,088	1,576,718
At January 1, 2024	164,628	69,150	32,697	56,633	964,781	33,031	17,508	205,202	33,088	1,576,718
Credited/(charged) to profit or loss	111,310	77,904	(1,787)	69,743	256,814	8,489	–	(3,081)	12,764	532,156
Credited to OCI	–	–	–	–	–	–	1,167	–	–	1,167
At December 31, 2024	275,938	147,054	30,910	126,376	1,221,595	41,520	18,675	202,121	45,852	2,110,041
At January 1, 2025	275,938	147,054	30,910	126,376	1,221,595	41,520	18,675	202,121	45,852	2,110,041
(Charged)/credited to profit or loss	(47,799)	34,091	4,019	17,956	279,723	8,992	–	1,428,969	(24,498)	1,701,453
Credited to OCI	–	–	–	–	–	–	60,227	–	–	60,227
Currency translation difference	–	–	–	–	–	–	3,840	–	–	3,840
At December 31, 2025	228,139	181,145	34,929	144,332	1,501,318	50,512	82,742	1,631,090	21,354	3,875,561

Deferred tax liabilities

The Group

	Valuation increase	Right of use assets	Depreciation of fixed assets	Fair value adjustments	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	1,892	240,588	723,732	103,122	14,416	1,083,750
Charged/(credited) to profit or loss	74,658	(27,864)	688,875	(16,021)	(14,339)	705,309
Charged to OCI	–	–	–	7,876	–	7,876
Currency translation difference	–	–	–	(17,660)	–	(17,660)
At December 31, 2023	76,550	212,724	1,412,607	77,317	77	1,779,275
At January 1, 2024	76,550	212,724	1,412,607	77,317	77	1,779,275
(Credited)/charged to profit or loss	(39,301)	(631)	52,922	11,734	(14)	24,710
Credited to OCI	–	–	–	(33,428)	–	(33,428)
Currency translation difference	–	–	–	14,353	–	14,353
At December 31, 2024	37,249	212,093	1,465,529	69,976	63	1,784,910
At January 1, 2025	37,249	212,093	1,465,529	69,976	63	1,784,910
Charged/(credited) to profit or loss	21,885	1,406,942	(29,410)	17,707	(63)	1,417,061
Charged to OCI	–	–	–	40,082	–	40,082
Currency translation difference	–	–	–	(15,743)	–	(15,743)
At December 31, 2025	59,134	1,619,035	1,436,119	112,022	–	3,226,310

Deferred tax assets have not been recognized in respect of the following items:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	521,375	1,201,655	2,004,146
Deductible temporary differences	2,060,862	2,489,833	2,754,253
	2,582,237	3,691,488	4,758,399

The tax losses not recognized deferred tax assets can be carried forward in future years. As at December 31, 2023, 2024 and 2025, the following table shows unused tax losses based on its expected expiry date:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
2024	34,763	–	–
2025	48,795	30,516	–
2026	112,498	87,939	77,269
2027	162,981	158,178	152,227
2028	154,223	137,921	116,470
2029	8,115	696,029	457,167
2030	–	91,072	1,006,758
2031 and thereafter	–	–	194,255
	521,375	1,201,655	2,004,146

26. TRADE AND NOTE RECEIVABLES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Trade receivables	15,831,854	16,180,264	13,607,761
– due from related parties	2,408,612	1,887,900	763,865
– due from third parties	13,423,242	14,292,364	12,843,896
Note receivables	1,899,059	2,373,044	2,529,271
– due from related parties	55,718	315	36,997
– due from third parties	1,843,341	2,372,729	2,492,274
Less: allowance for credit losses	(1,424,542)	(1,510,875)	(1,315,029)
	16,306,371	17,042,433	14,822,003
Non-current			
Trade receivables	3,530	4,771	14,376
– due from third parties	3,530	4,771	14,376
Less: allowance for credit losses	(178)	(113)	(536)
	3,352	4,658	13,840

(a) As at January 1, 2023, the gross carrying amounts of trade and note receivables from contracts with customers amounted to RMB16,952,101,000 (net of ECL of RMB1,422,996,000).

(b) The normal credit term to the customers ranged between 30 days and 180 days. Ageing of trade receivables is prepared based on the invoice date, which approximated the respective revenue recognition dates, as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	12,674,341	11,888,196	10,871,558
1 to 2 years	1,208,401	2,067,028	1,291,666
2 to 3 years	775,082	837,731	615,131
Over 3 years	1,177,560	1,392,080	843,782
	15,835,384	16,185,035	13,622,137

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Trade receivables	4,932,986	4,484,483	3,327,922
– due from subsidiaries	303,309	260,821	318,954
– due from other parties	4,629,677	4,223,662	3,008,968
Note receivables	1,551,187	1,789,492	1,880,019
– due from subsidiaries	11,276	68,952	20,120
– due from other parties	1,539,911	1,720,540	1,859,899
Less: allowance for credit losses	(424,279)	(391,195)	(211,659)
	6,059,894	5,882,780	4,996,282

Ageing of trade receivables is prepared based on the invoice date, which approximated the respective revenue recognition dates, as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	4,674,208	4,266,006	3,254,678
1 to 2 years	96,050	56,787	32,295
2 to 3 years	54,617	30,520	14,895
Over 3 years	108,111	131,170	26,054
	4,932,986	4,484,483	3,327,922

27. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayment:			
Prepayment for non-current assets	128,923	109,986	79,035
Other receivables:			
Deposits	84,057	121,269	363,230
Loan receivables:			
Loan receivables	571,436	458,527	189,357
Less: credit loss allowance	(90,667)	(90,716)	(92,455)
	480,769	367,811	96,902
Other non-current assets:			
Deductible taxes	3,441,924	4,513,518	5,883,752
Asset for the right to returned products	95,393	201,270	598,787
Vegetation restoration costs	31,837	38,432	35,266
Others	78,095	139,599	101,791
	3,647,249	4,892,819	6,619,596
	4,340,998	5,491,885	7,158,763
Current			
Prepayments:			
Prepayments for operating expenses, raw material and finished goods	1,253,251	1,200,455	1,873,831
Other receivables:			
Deposits receivable	367,548	417,815	340,885
Due from related parties	941,106	367,194	605,109
Due from third parties	1,255,971	2,895,138	614,837
Receivables from equity investments disposal	467,373	449,468	383,775
Dividends receivables	344,227	402,049	131,974
Others	126,390	89,583	104,160
	3,502,615	4,621,247	2,180,740
Less: impairment provision	(442,285)	(697,957)	(789,525)
	3,060,330	3,923,290	1,391,215
Other current assets:			
Deductible taxes	954,932	1,069,958	1,384,189
Prepaid taxes	82,572	36,071	26,106
Others	30,277	35,761	56,197
	1,067,781	1,141,790	1,466,492
	5,381,362	6,265,535	4,731,538

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayment for non-current assets	60,686	30,000	–
Other non-current assets	–	83	233
	60,686	30,083	233
Current			
Prepayments:			
Prepayments for operating expenses, raw material and finished goods	182,925	169,834	160,461
Other receivables:			
Due from related parties *(Note)*	1,750,084	1,967,541	1,231,287
Due from third parties	3,075	3,213	2,334
Deposits receivables	113,145	112,096	111,999
Others	7,421	8,290	6,067
	1,873,725	2,091,140	1,351,687
Less: provision for impairment	(212,833)	(403,974)	(640,119)
	1,660,892	1,687,166	711,568
Other current assets:			
Deductible taxes	190,805	132,904	119,238
Others	–	297	1,453
	190,805	133,201	120,691
	2,034,622	1,990,201	992,720

Note: Balances at December 31, 2023, 2024 and 2025 were unsecured, interest-bearing and repayable on demand.

28. INVENTORIES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Materials in transit	165,956	207,489	209,941
Raw materials	2,713,746	2,055,579	1,666,035
Work in progress	339,904	300,394	314,203
Finished goods	26,433,016	37,397,311	52,660,748
Contract fulfillment costs	7,699,766	4,057,144	1,657,939
Goods in transit	354,631	412,601	367,431
Outsourced processing materials	90,791	174,496	291,286
Consumptive biological assets	28,656	26,478	24,174
Low value consumables	1,367	2,561	222
Properties under development	364,555	376,328	–
Properties for sale	–	–	385,344
	38,192,388	45,010,381	57,577,323
Less: provision for impairment	(248,754)	(449,589)	(373,355)
	37,943,634	44,560,792	57,203,968

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	100,545	168,792	116,282
Work in progress	82,264	87,725	93,975
Finished goods	1,297,158	1,493,365	1,112,164
Goods in transit	37,495	–	102,305
Outsourced processing materials	–	–	38,062
	1,517,462	1,749,882	1,462,788
Less: provision for impairment	(11,110)	(25,142)	(18,414)
	1,506,352	1,724,740	1,444,374

29. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

(a) Cash and Cash Equivalents

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	12,093,829	12,183,550	14,047,124
Whereof: deposits with the related finance company and commercial bank	6,571,241	6,578,646	6,447,765
Less: restricted cash	(769,243)	(747,820)	(968,653)
	11,324,586	11,435,730	13,078,471

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	1,522,872	777,652	897,858
Whereof: deposits with finance company	666,713	595,041	518,628
Less: restricted cash	(17,231)	(25,486)	(72,696)
	1,505,641	752,166	825,162

The Group's and the Company's cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates ranging from 0.05% to 1.50%, 0.10% to 1.15% and 0.10% to 1.15% per annum as at December 31, 2023, 2024 and 2025, respectively.

(b) Restricted bank deposits

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Deposits	606,042	396,204	414,819
Restricted cash for loan repayment	80,000	80,000	86,500
Term deposits pledged	1,653	30,053	5,000
Term deposits over three months	56,271	112,900	360,000
Deposits for investment activities	13,149	119,547	70,874
Blocked bank balances	10,561	6,250	9,460
Others	1,567	2,866	22,000
	769,243	747,820	968,653

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deposits	4,082	1,724	894
Deposits for investment activities	13,149	23,002	70,874
Blocked bank balances	–	741	–
Others	–	19	928
	17,231	25,486	72,696

The Group's and the Company's restricted cash carried interest rates ranging from 0.10% to 3.99%, 0.10% to 3.40% and 1.20% to 3.40% per annum as at December 31, 2023, 2024 and 2025 respectively.

(c) Cash and Bank Balances are Denominated in:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
RMB	9,914,677	10,399,498	12,265,542
Euro ("**EUR**")	828,732	716,116	498,915
USD	775,534	698,316	795,733
Others	574,886	369,620	486,934
	12,093,829	12,183,550	14,047,124

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
RMB	1,522,872	777,652	897,858

30. BORROWINGS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Short-term borrowings			
Bank borrowings			
– Secured	1,492,571	1,563,362	1,483,440
– Unsecured	3,730,655	1,678,880	1,115,137
Borrowings from related finance company			
– Secured	100	40,037	100,000
– Unsecured	1,271,203	1,312,141	901,553
Other borrowings			
– Unsecured	506,718	7,282,792	9,579,175
Long-term borrowings amounts due within one year			
Finance leasing			
– Secured	1,405,308	1,487,541	1,816,299
Bank borrowings			
– Secured	8,148,741	8,788,904	9,810,811
– Unsecured	975,557	2,607,618	2,894,525
	17,530,853	24,761,275	27,700,940
Non-current			
Long-term borrowings maturing beyond one year			
Finance leasing			
– Secured	9,577,787	10,617,263	14,933,410
Bank borrowings			
– Secured	5,820,731	7,441,630	10,536,531
– Unsecured	6,641,848	4,985,304	5,244,850
	22,040,366	23,044,197	30,714,791

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Variable-rate borrowings	15,031,111	15,222,954	20,220,505
Fixed-rate borrowings	24,540,108	32,582,518	38,195,226
	39,571,219	47,805,472	58,415,731
Variable-rate borrowings	1.55%~6.22%	1.55%~4.20%	2.30%~6.28%
Fixed-rate borrowings	1.50%~5.63%	1.25%~5.73%	2.20%~4.5%

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Short-term borrowings			
Bank borrowings			
– Secured	136,134	–	51,306
– Unsecured	1,386,711	550,481	–
Other borrowings			
– Unsecured	362,219	186,500	83,465
Long-term borrowings amounts due within one year			
Bank borrowings			
– Secured	336,953	1,243,295	1,425,086
	2,222,017	1,980,276	1,559,857
Non-current			
Long-term borrowings maturing beyond one year			
Bank borrowings			
– Unsecured	2,155,100	700,000	–
Variable-rate borrowings	3,181,917	1,942,952	600,492
Fixed-rate borrowings	1,195,200	737,324	959,365
	4,377,117	2,680,276	1,559,857
Variable-rate borrowings	2.50%~3.55%	2.70%~3.05%	2.31%~2.70%
Fixed-rate borrowings	2.60%~3.50%	2.58%~2.58%	2.25%~2.5%

(a) As at December 31, 2023, secured bank borrowings mainly included: (i) borrowings with a principal amount of approximately RMB8,640,175,000 were guaranteed by the Company, its subsidiaries and its related parties, of which a principal amount of approximately RMB1,790,464,000 was pledged by trade receivables of RMB1,314,000 and equipment of RMB1,652,386,000; (ii) borrowings with a principal amount of approximately RMB392,640,000 were secured by land use right of RMB173,056,000; (iii) borrowings with a principal amount of approximately RMB116,109,000 were pledged by certain equity shares of subsidiaries, mainly including Zhaodong Taiguang New Energy Co., Ltd. and Guazhou Guangyuan Photovoltaic Power Generation Co., Ltd.

As at December 31, 2024, secured bank borrowings mainly included: (i) borrowings with a principal amount of approximately RMB10,677,886,000 were guaranteed by the Company, its subsidiaries and its related parties, of which a principal amount of approximately RMB3,246,248,000 pledged by trade receivables of RMB2,189,279,000 and equipment of RMB2,847,867,949; (ii) borrowings with a principal amount of approximately RMB394,222,000 secured by buildings and land use right of RMB143,676,472; (iii) borrowings with a principal amount of approximately RMB98,422,000 were pledged by certain equity shares of subsidiaries, mainly including Zhaodong Taiguang New Energy Co., Ltd and Guazhou Guangyuan Photovoltaic Power Generation Co., Ltd.; (iv) borrowings with a principal amount of approximately RMB10,004,000 were pledged by note receivables of RMB619,048,514 and restricted cash of RMB747,819,982.

As at December 31, 2025, secured bank borrowings mainly included: (i) borrowings with a principal amount of approximately RMB11,703,711,000 were guaranteed by the Company, its subsidiaries and its related parties, of which a principal amount of approximately RMB1,681,756,000 were pledged by trade receivables of RMB2,075,233,428 and equipment of RMB8,522,808,198; (ii) borrowings with a principal amount of approximately RMB180,159,000 were secured by buildings and land use right of RMB161,046,024; (iii) borrowings with a principal amount of approximately RMB77,480,000 were pledged by certain equity shares of subsidiaries, mainly including Zhaodong Taiguang New Energy Co., Ltd and Guazhou Guangyuan Photovoltaic Power Generation Co., Ltd.; (iv) borrowings with a principal amount of approximately RMB176,834,000 were pledged by note receivables of RMB508,185,500 and restricted cash of RMB968,652,830.

(b) As at December 31, 2023, 2024 and 2025, the Group's borrowings were repayable as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	17,530,853	24,761,275	27,700,940
Between 1 and 2 years	11,932,907	7,477,327	13,002,767
Between 2 and 5 years	5,722,257	7,589,302	7,394,229
Over 5 years	4,385,202	7,977,568	10,317,795
	39,571,219	47,805,472	58,415,731

(c) As at December 31, 2023, 2024 and 2025, the Company's borrowings were repayable as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,222,017	1,980,276	1,559,857
Between 1 and 2 years	1,359,900	700,000	–
Between 2 and 5 years	795,200	–	–
	4,377,117	2,680,276	1,559,857

(d) The Group has entered into certain supplier finance arrangements with banks. Under these arrangements, the banks pay suppliers the amounts owed by the Group in advance of the original due dates at a discount offered by the suppliers. The Group's obligations to suppliers are legally extinguished on settlement by the relevant banks. The Group then settles with the banks between 180-360 days after settlement by the banks with interest ranges from 2.45-3.4% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices. The interest rates are consistent with the Group's short-term borrowing rates.

The Group's borrowing arising from supplier financing arrangement is as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Supplier financing arrangements	2,189,698	7,232,299	9,503,000
	2,189,698	7,232,299	9,503,000

31. TRADE AND NOTE PAYABLES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade and note payables			
– Trade payables[(i)]	17,659,801	18,686,108	18,283,244
– due to related parties	2,155,351	1,480,679	1,346,922
– due to third parties	15,504,450	17,205,429	16,936,322
– Note payables[(ii)]	1,591,846	1,399,290	1,305,898
– due to related parties	348,877	45,516	–
– due to third parties	1,242,969	1,353,774	1,305,898
– Letter of credit	84,514	50,717	9,565
	19,336,161	20,136,115	19,598,707

(i) As at December 31, 2023, 2024 and 2025, trade payables include payables for equipment amounting to RMB1,119,310,000, RMB353,406,000 and RMB211,899,000.

(ii) As at December 31, 2023, 2024 and 2025, note payables include bank acceptance bills amounting to RMB1,563,059,000, RMB1,188,184,000 and RMB961,778,000 and trade acceptance bills amounting to RMB28,787,000, RMB211,106,000 and RMB344,120,000.

Note payables of the Group are mainly repayable within six months.

An aging analysis of the trade payables based on the date of goods and services received as at the end of the reporting period was as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	16,811,830	17,527,600	16,947,896
1 to 2 years	412,588	705,859	611,172
2 to 3 years	249,935	172,418	363,980
Over 3 years	185,448	280,231	360,196
	17,659,801	18,686,108	18,283,244

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade and note payables			
– Trade payables	1,711,155	2,108,443	2,262,304
– due to related parties	1,059,144	1,412,174	1,547,570
– due to third parties	652,011	696,269	714,734

An aging analysis of the trade payables based on the date of goods and services received as at the end of the reporting period was as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,702,501	2,097,069	2,243,794
1 to 2 years	1,697	4,860	10,162
2 to 3 years	4,266	174	2,369
Over 3 years	2,691	6,340	5,979
	1,711,155	2,108,443	2,262,304

32. ACCRUALS AND OTHER PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Salaries, wages and benefits	1,585,593	1,722,507	1,773,782
Deposits payables	2,672,695	2,682,209	2,532,097
Accruals and other payables	1,248,281	1,034,822	911,578
Consideration for share transfer	144,717	185,030	274,558
Other tax payables	227,898	364,026	583,424
Dividends payable	13,167	10,494	8,266
Sales rebate	331,018	853,992	971,354
Others	150,060	122,536	112,552
	6,373,429	6,975,616	7,167,611

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Salaries, wages and benefits	642,685	689,953	745,055
Deposits payables	108,217	102,090	83,356
Accruals and other payables	94,458	180,562	176,106
Consideration for share transfer	4,185	548	32,155
Other tax payables	7,393	9,430	17,330
Due to subsidiaries	139,174	128,007	176,727
Sales rebate *(Note)*	335,646	874,088	924,541
Others	18,793	9,945	3,729
	1,350,551	1,994,623	2,158,999

Note: These sales rebate comprise sales allowances granted by the Company to its subsidiaries and third parties, and are treated as variable consideration under IFRS 15, offsetting revenue upon recognition.

33. RECEIVED IN ADVANCE

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Advance receipt from disposal of assets classified as held for sale	–	105,183	22,127
Rental	19,398	17,439	10,413
Advance receipt for equity investments transfer	1,000	3,000	11,235
	20,398	125,622	43,775
Non-current			
Advance receipt from disposal of assets classified as held for sale	224,517	–	–

34. PROVISIONS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Warranty	201,342	20,527	22,595
Refunded liability[(i)]	103,399	217,255	644,080
Allowance for financial guarantee contracts[(ii)]	18,115	51,200	44,814
Onerous contract	–	32,341	–
Others	1,098	–	4,706
	323,954	321,323	716,195
Current:			
Warranty	–	179,109	197,764

Movements in warranty during the Relevant Periods are set out below:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at beginning of the year	214,574	201,342	199,636
Charged to profit or loss			
– additional provisions recognized	76,309	88,807	119,882
– unused amounts reversed	(10,939)	(8,070)	(13,607)
Amounts used during the year	(78,593)	(83,367)	(85,522)
Currency translation differences	(9)	924	(30)
Carrying amount at end of the year	**201,342**	**199,636**	**220,359**

(i) Refunded liability primarily consists of the following matters:

In the course of conducting power station business with finance leasing companies, Chint Anneng entered into "repurchase" clauses. At each year end, Chint Anneng estimates the projected return rate for the power stations sold to finance leasing companies using the historical power generation and revenue performance of other power stations operated by Chint Anneng in the region where the relevant business was conducted that have completed a full evaluation cycle. The return period is based on the operation and maintenance period, which is typically 20 to 25 years.

Following the estimation of the return rate in the manner described above, Chint Anneng recognizes the provision by multiplying the sales amount by the estimated return rate.

(ii) The aggregate amount of outstanding financial guarantees issued to banks in respect of banking facilities granted to related parties, an investee company measured as equity investment at FVTOCI or individual customers that the Group could be required to be paid amounted to RMB3,193,836,000, RMB2,413,719,000 and RMB2,342,795,000, if the guarantees were called upon in entirety. Details of the financial guarantees are set out in note 43 and note 46.

The management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Details of the loss allowance for financial guarantee contracts are set out in note 45.

35. OTHER CURRENT LIABILITIES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
VAT to be recognized	232,099	158,453	109,029
Others	26,417	25,028	17,669
	258,516	183,481	126,698

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
VAT to be recognized	14,444	10,346	21,304
Others	11,652	9,401	11,643
	26,096	19,747	32,947

36. DEFERRED INCOME

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Government grants	330,117	269,915	213,283

The movements of deferred income during the Relevant Period are as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	356,215	330,117	269,915
Additions	50,676	17,076	28,964
Recognized in profit or loss	(78,480)	(74,378)	(85,596)
Others	1,706	(2,900)	–
At end of the year	**330,117**	**269,915**	**213,283**

37. SHARE CAPITAL

The Group and The Company

	Year ended December 31,					
	2023		**2024**		**2025**	
	Share capital	Number of shares	Share capital	Number of shares	Share capital	Number of shares
	RMB'000	*'000*	*RMB'000*	*'000*	*RMB'000*	*'000*
Ordinary shares of RMB1 each registered						
Issued and fully paid						
At the beginning of the year	2,149,974	2,149,974	2,148,969	2,148,969	2,148,969	2,148,969
Cancellation of ordinary shares *(Note)*	(1,005)	(1,005)	–	–	–	–
At the end of the year	**2,148,969**	**2,148,969**	**2,148,969**	**2,148,969**	**2,148,969**	**2,148,969**

Note: The Company cancelled 1,005,000 treasury shares in 2023. The difference of RMB25,623,000 between the nominal value of the cancelled shares and the proportionate carrying amount of the treasury shares has been charged against share premium, and correspondingly reduced its registered capital. The procedures for the capital reduction were completed on November 30, 2023.

38. TREASURY SHARES

The Group and the Company

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	1,071,557	1,044,929	–
Cancellation of ordinary shares *(Note 37)*	(26,628)	–	–
Treasury shares transferred to the grantees[(i)]	–	(1,044,929)	–
Repurchase of ordinary shares[(ii)]	–	–	499,977
At the end of the year	**1,044,929**	**–**	**499,977**

(i) The Company utilized the 21,304,500 repurchased treasury shares in full during 2024 to implement the employee shareholding plan. Accordingly, RMB1,044,929,000 was derecognized from treasury shares, and the difference of RMB748,796,000 between the consideration received from employees for subscribing to such shares and the cost of the treasury shares has been charged against share premium.

(ii) The Company's repurchase of 20,839,551 shares through centralized bidding transactions in 2025, resulting in a corresponding increase in treasury shares amounting to RMB499,977,000.

39. SHARE INCENTIVE SCHEME

(a) Equity-Settled shared-based payment arrangement of the Company

On March 14, 2024, the restricted share incentive plan (the "**2024 Restricted Share Incentive Plan**") was approved at the 1st extraordinary shareholders' meeting of the Company. According to the relevant plan, the granted shares are the A-share common stocks that the Company has repurchased. Under the 2024 restricted share incentive plan, the total amount to be granted to the incentive targets will not exceed 21,304,500 A shares. The vesting period of restricted shares is 12 months from the date the restricted shares have been transferred. Should an incentive target cease employment during the vesting period, the Company shall repurchase the restricted share interests held by such employees at the original issue price.

The fair value of the incentive shares at the grant date amounted to RMB159,784,000 as determined by the market price of the Company's listed shares. For grants of shares that satisfy the specified vesting conditions, the difference between the fair value and the issue price of the vested shares is expensed on a straight-line basis over the periods in which services are expected to be rendered by the relevant employees. The Company recognized share – based payment expenses of RMB122,910,000 and RMB36,874,000 in 2024 and 2025 respectively, giving rise to an increase in other reserves.

Set out below are details of the share incentive plans adopted by the Company during the Relevant Period:

	Date of grant	**Number of restricted shares granted**	**Exercise price**	**Fair value of restricted shares on date of grant**	**Vesting period**
			(RMB)	*(RMB)*	
Batch 1	March 14, 2024	21,304,500	13.90	7.50	March 14, 2024 to April 19, 2025

The following table discloses movements of the 2024 Restricted Share Intensive Plan during the Relevant Period:

	Year ended December 31,		
	2023	**2024**	**2025**
At the beginning of the year	–	–	21,304,500
Granted	–	21,304,500	–
Vested	–	–	(21,304,500)
At the end of the year	**–**	**21,304,500**	**–**

As at December 31, 2024, the remaining vesting period of the 2024 Restricted Share is 0.3 year.

(b) Equity-Settled shared-based payment arrangement of the subsidiaries

(i) Restricted Share Incentive Schemes of Chint Power

On August 2, 2023, the restricted share incentive plan (the "**2023 Restricted Share Incentive Plan**") was approved at the 4th extraordinary shareholders' meeting of Chint Power. Under the 2023 restricted share incentive plan, the total amount to be granted to the incentive targets will not exceed 6,900,000 shares. Chint Power will repurchase the shares granted to the incentive participants when they do not satisfy the vesting conditions. The total consideration paid by the incentive participants are recognised as liabilities and will be reversed by portion to other reserve when the shares vest each year.

The difference between the capital injection amount and the fair value of the acquired equity on date of grant was recorded as share-based payment expenses. The fair value had been arrived with reference to the market price of ordinary shares of the Company less the exercise price. The Company recognized share – based payment expenses of RMB3,895,000, RMB8,873,000 and RMB3,238,000 in 2023, 2024 and 2025 respectively.

Details of specific categories of shares are as follows:

	Date of grant	**Number of restricted shares granted**	**Exercise price**	**Fair value of restricted shares on date of grant**	**Vesting period**
			(RMB)	*(RMB)*	
Batch 1	September 22, 2023	5,510,000	9.65	4.35	September 22, 2023 to September 22, 2026
Batch 2	June 21, 2024	1,377,500	9.58	3.31	June 21, 2024 to June 21, 2026

Under the batch 1, the shares are vested based on the service conditions and performance conditions. The restricted shares shall be subject to different vesting service periods from the vesting commencement date and different performance appraisal: i) 40% of granted shares are vested upon 12 months from the vesting commencement date; ii) 30% of granted shares are vested upon 24 months from the vesting commencement date; and iii) 30% of granted shares are vested upon 36 months from the vesting commencement date, and restricted shares with different vesting service periods are each subject to distinct performance conditions.

Under the batch 2, The restricted shares shall be subject to different vesting service periods from the vesting commencement date and different performance appraisal: i) 50% of granted shares are vested upon 12 months from the vesting commencement date; ii) 50% of granted shares are vested upon 24 months from the vesting commencement date, and restricted shares with different vesting service periods are each subject to distinct performance conditions.

The number of restricted shares under the 2023 Restricted Share Incentive Plan granted to the Group's incentive participants is summarized as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	'000	*'000*	*'000*
At the beginning of the year	–	5,510	4,582
Granted	5,510	1,378	–
Exercised	–	(2,136)	–
Forfeited	–	(170)	(2,366)
At the end of the year	**5,510**	**4,582**	**2,216**

As at December 31, 2023, December 31, 2024 and December 31, 2025, the remaining service period of the award granted under this incentive plan are ranged from 9 to 33 months, 6 to 21 months and 6 to 9 months respectively.

(ii) Restricted Share Incentive Schemes of Chint Anneng

In December, 2020, the restricted share incentive plan (the "**2020 Restricted Share Incentive Plan**") was approved at the shareholders' meeting of Chint Anneng. Under the plan, the total amount to be granted to the incentive targets will not exceed 275,000,000 share units. All restricted share units granted to the incentive participants are held directly by five employee holding limited partnership, with the participants indirectly holding such units through their partnership interests in these entities. The grantees comprised employees of the of Chint Anneng and other entities of the Group.

For grantees who were not employees of Chint Anneng, the entire grant of 185,500,000 restricted share units became exercisable immediately upon grant. Accordingly, the share-based compensation expense was recognised in full in profit or loss at the grant date.

For grantees who were employees of Chint Anneng, the total grant consisted of 89,500,000 restricted share units, all of which were subject to an implicit initial public offering ("**IPO**") condition. Of these, 75,800,000 units were additionally subject to a 24 month service condition commencing from the grant date.

Details of specific categories of shares are as follows:

	Date of grant	**Number of restricted shares granted**	**Exercise price**	**Fair value of restricted shares on date of grant**	**Vesting period**
			(RMB)	*(RMB)*[(i)]	
Batch 1	December 25, 2020	185,500,000	1.00	1.78	N/A
Batch 2	December 25, 2020	13,700,000	1.00	1.78	IPO
Batch 2	December 25, 2020	75,800,000	1.00	1.78	IPO and 24-month service period

(i) The fair value of the restricted shares granted in 2020 was RMB1.78 per unit of registered capital, which had been arrived with reference to the valuation.

As of December 31, 2022, a total of 1,500,000 shares under the 2020 Restricted Share Incentive Plan batch 2 had been forfeited due to employee departures.

In September 2025, following Chint Anneng's withdrawal of its IPO application, two employee holding limited partnerships amended the exit terms under the plan. Under the amended terms, participants are permitted to transfer their partnership interests prior to an IPO at fair value. This amendment was accounted for as a modification of the share-based payment arrangement. The incremental fair value resulting from the modification of the exit terms with respect to 6,800,000 restricted share units held by Chint Anneng employees was recognised immediately in the Group's consolidated financial statements as an expense, with a corresponding increase in non-controlling interests.

The following table discloses movements of the 2020 Restricted Share Incentive Plan during the Relevant Period:

	Year ended December 31,		
	2023	**2024**	**2025**
	'000	*'000*	*'000*
At the beginning of the year	88,000	87,800	87,800
Forfeited	(200)	–	–
Exercised	–	–	(6,800)
At the end of the year	**87,800**	**87,800**	**81,000**

(iii) Share Incentive Schemes of Shanghai Chint Power Systems Co., Ltd. ("Shanghai Chint Power System")

On November 14, 2022, two employee share incentive plans (the "**Share Incentive Scheme**") were approved by the board meeting. Under the plan, 42,000,000 restricted share units of Shanghai Chint Power Systems Co., Ltd. were granted to the incentive targets.

All restricted share units granted to the incentive participants are held directly by two employees holding limited partnership, Shanghai Chuofeng Management Consulting Center (Limited Partnership) ("**上海綽峰管理諮詢中心(有限合夥)**") (Shanghai Chuofeng) and Shanghai Zhizhe Management Consulting Center (Limited Partnership) ("**上海摯者管理諮詢中心(有限合夥)**") (Shanghai Zhizhe), with the participants indirectly holding such units through their partnership interests in these entities.

Details of specific categories of equity interests are as follows:

	Date of grant	**Number of restricted shares granted**	**Exercise price**	**Fair value of restricted shares on date of grant[(i)]**	**Vesting period**
			(RMB)	*(RMB)*	
Batch 1	November 14, 2022	10,000,000	0.97	1.80	August 18, 2021 to November 30, 2025
Batch 2	November 14, 2022	32,000,000	1.05	1.72	August 10, 2022 to November 30, 2025

(i) The fair value of Shanghai Chint Power System had been arrived with reference to the valuation carried out on the grant dates by an independent qualified professional valuer not connected to the Group, using discounted cash flow method.

The restricted equity interests are vested based on performance conditions: i) 40% of granted restricted share units are vested if the net profit excluding R&D expenses for year 2022 reached at least RMB91.75 million; ii) 30% of granted restricted share units are vested if the net profit excluding R&D expenses for year 2023 reached at least RMB110.10 million; and iii) 30% of granted restricted share units are vested if the net profit excluding R&D expenses for year 2024 reached at least RMB132.12 million.

In May 2023, the shares in Shanghai Chint Power System held by Chuofeng and Zhizhe under the Share Incentive Scheme were replaced by the shares of Chint Power. The original exercise prices, vesting conditions and remaining vesting service periods of such awards remained unchanged.

The following table discloses movements of the Share Incentive Scheme during the Relevant Period:

	Year ended December 31,		
	2023	**2024**	**2025**
	'000	*'000*	*'000*
At the beginning of the year	42,000	42,000	42,000
Vested	–	–	(42,000)
At the end of the year	**42,000**	**42,000**	**–**

As at December 31, 2023, December 31, 2024 and December 31, 2025, the average remaining service period of the award granted under this incentive plan are 2 years, 1 year and 0 year respectively.

(c) For the year ended December 31, 2023, 2024 and 2025, the share-based payment expenses of RMB65,112,462, RMB166,610,410 and RMB98,345,571 were recognised in the consolidated statements of profit or loss.

40. RESERVES

The Company

	Share premium	Other comprehensive income	Surplus reserve	Other reserves	Share-based payments reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	12,650,555	(2,700)	1,075,704	501,761	–	9,762,113	23,987,433
Profit for the year	–	–	–	–	–	1,717,642	1,717,642
Other comprehensive income for the year	–	39,671	–	–	–	–	39,671
Total comprehensive income for the year	–	39,671	–	–	–	1,717,642	1,757,313
Cancellation of shares repurchased	(25,623)	–	–	–	–	–	(25,623)
Absorption of subsidiaries	–	–	–	(315,104)	–	–	(315,104)
Share of other changes in net assets of associates	–	–	–	9,992	–	–	9,992
Declaration of dividends	–	–	–	–	–	(851,066)	(851,066)
At December 31, 2023	12,624,932	36,971	1,075,704	196,649	–	10,628,689	24,562,945

	Share premium	Other comprehensive income	Surplus reserve	Other reserves	Share-based payments reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024	12,624,932	36,971	1,075,704	196,649	–	10,628,689	24,562,945
Profit for the year	–	–	–	–	–	1,416,556	1,416,556
Other comprehensive income for the year	–	457	–	–	–	–	457
Total comprehensive income for the year	–	457	–	–	–	1,416,556	1,417,013
Treasury shares transferred to the grantees	(748,796)	–	–	–	–	–	(748,796)
Share-based compensation expenses	–	–	–	–	122,910	–	122,910
Share of other changes in net assets of associates	–	–	–	1,875	–	–	1,875
Declaration of dividends	–	–	–	–	–	(1,181,933)	(1,181,933)
At December 31, 2024	11,876,136	37,428	1,075,704	198,524	122,910	10,863,312	24,174,014

	Share premium	Other comprehensive income	Surplus reserve	Other reserves	Share-based payments reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025	11,876,136	37,428	1,075,704	198,524	122,910	10,863,312	24,174,014
Profit for the year	–	–	–	–	–	1,884,881	1,884,881
Other comprehensive income for the year	–	4,218	–	–	–	–	4,218
Total comprehensive income for the year	–	4,218	–	–	–	1,884,881	1,889,099
Share-based compensation expenses	–	–	–	–	36,874	–	36,874
Share of other changes in net assets of associates	–	–	–	804	–	–	804
Declaration of dividends	–	–	–	–	–	(1,286,448)	(1,286,448)
At December 31, 2025	11,876,136	41,646	1,075,704	199,328	159,784	11,461,745	24,814,343

41. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of profit before tax to net cash generated from operations:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax for the year	6,493,761	6,768,398	7,623,080
Adjustments for:			
Interest income	(237,540)	(309,842)	(285,345)
Finance costs	1,411,171	1,789,498	2,003,043
Depreciation and amortization of non-current assets	2,156,394	2,324,342	2,684,910
Net losses on disposal of property, plant and equipment and other non-current assets	61,560	44,858	126,076
Impairment losses (including reversals of impairment losses) on financial assets and other items	150,349	579,686	89,834
Impairment provision for inventories	158,545	250,756	90,743
Impairment losses on long-lived assets	87,812	230,443	129,102
Impairment provision for investments in associates and joint ventures	6,198	3,421	3,779
Fair value changes in financial instruments	138,493	(45,420)	(183,807)
Gains from disposal of associates and joint ventures and subsidiaries	(15,119)	(92,693)	(67,583)
Dividends from financial instruments	(139,557)	(79,278)	(93,705)
Gains from disposal of FVTPL	(281,153)	(155,341)	(160,195)
Share of results of associates and joint ventures, net	(425,923)	(335,012)	(242,433)
Net foreign exchange (gains)/losses	(72,986)	233,545	(27,717)
Share-based compensation expenses	65,112	166,610	98,346
Others	2,127	(1,664)	5,849
Change in working capital:			
Decrease/(increase) in receivables	767,568	(3,327,853)	1,980,356
Increase in payables	10,339,277	15,975,937	23,735,148
Increase in inventories	(15,531,423)	(6,731,772)	(12,507,862)
Cash generated from operations	5,134,666	17,288,619	25,001,619

(b) Non-Cash Activities

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Additions of right-of-use assets by way of lease liabilities *(Note 21)*	595,326	4,898,127	7,250,776

(c) Net Debt Reconciliation

	Borrowings	**Lease liabilities**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2023	30,043,640	1,387,938	31,431,578
Financing cash flows	564,280	(215,018)	349,262
Interest paid	(803,213)	(62,851)	(866,064)
Interest accrued	1,334,762	62,851	1,397,613
Other non-cash movements-additions *(Note 1)*	8,431,750	595,326	9,027,076
Other non-cash movements-decrease	–	(261,036)	(261,036)
At December 31, 2023	**39,571,219**	**1,507,210**	**41,078,429**
At January 1, 2024	39,571,219	1,507,210	41,078,429
Financing cash flows	(8,671,582)	(284,164)	(8,955,746)
Interest paid	(960,708)	(143,112)	(1,103,820)
Interest accrued	1,629,632	143,112	1,772,744
Other non-cash movements-additions *(Note 1)*	16,236,911	4,898,127	21,135,038
Other non-cash movements-decrease	–	(256,572)	(256,572)
At December 31, 2024	**47,805,472**	**5,864,601**	**53,670,073**
At January 1, 2025	47,805,472	5,864,601	53,670,073
Financing cash flows	(11,997,969)	(386,016)	(12,383,985)
Interest paid	(967,754)	(334,494)	(1,302,248)
Interest accrued	1,649,918	334,494	1,984,412
Other non-cash movements-additions *(Note 1)*	21,926,064	7,250,776	29,176,840
Other non-cash movements-decrease *(Note 2)*	–	(2,223,436)	(2,223,436)
At December 31, 2025	**58,415,731**	**10,505,925**	**68,921,656**

Note 1: The non-cash increase in borrowings mainly arises where the finance leasing companies settles payments to the Group's suppliers for goods or service fees on the Group's behalf.

Note 2: Primarily attributable to the disposal by Chint Anneng of certain photovoltaic power stations, together with the related roof lease arrangement, to third-party investors.

42. BUSINESS COMBINATION, TRANSACTION WITH THE NON-CONTROLLING INTERESTS AND DISPOSAL OF SUBSIDIARIES

(a) Business combination not under common control

Acquisitions during the year ended December 31, 2023

Chint Power

The Company entered into agreements with the former controlling shareholders of Chint Power (formerly known as Jiangsu Tongrun Equipment Technology Co., Ltd.) to acquire 24.99% of the equity interests of Chint Power for RMB850,000,000. Concurrently, Chint Power acquired 86.97% of the equity interests in Angtai Power System held by the Company for RMB730,828,000, and the remaining 13.03% held equity interests in by other parties for RMB109,477,000. The above transactions were completed in May 2023. Taking into account the Company's shareholding in Chint Power, the acting-in-concert agreement entered into with other shareholders of Chint Power, and other relevant factors, upon completion of the transactions, the Company obtained control over Chint Power.

	Chint Power
	RMB'000
Net cash consideration[(i)]	119,172
Add: Consideration of partial disposal of Angtai Power System (61.98% in Angtai Power System)[(ii)]	520,836
Add: non-controlling interest	751,892
Less: net fair value of identifiable assets acquired and liabilities assumed	(1,002,390)
Goodwill	389,510

(i) The net cash consideration paid by the Company for these transactions amounted to RMB119,172,000, being the difference between the RMB850,000,000 paid for the acquisition of 24.99% equity interests in Chint Power and the RMB730,828,000 received from the disposal of 86.97% equity interests in Angtai Power System.

(ii) Being the consideration attributable to the partial disposal of equity interests in Angtai hold by the Group from 86.97% to 24.99%.

Assets acquired and liabilities recognised at the date of acquisition of Chint Power:

	RMB'000
Property, plant and equipment	522,176
Right of use assets	136,035
Intangible assets	47,713
Inventories	279,383
Trade and note receivables	223,975
Deferred tax assets	7,977
Cash and cash equivalents	576,953
Restricted bank deposits	4,799
Other assets	76,765
Borrowings	(51,113)
Trade and note payables	(205,975)
Accruals and other payable	(483,261)
Contract liabilities	(41,855)
Deferred tax liabilities	(85,424)
Other liabilities	(5,758)
Net assets	1,002,390

The fair value of receivables acquired at the date of acquisition approximated to their gross contractual amounts.

The non-controlling interests in Chint Power recognised at the acquisition date was measured by reference to the proportionate share of recognized amounts of net assets of Chint Power and amounted to RMB751,892,000.

In the aforementioned acquisition of Chint Power, Angtai Power System was within the consolidation scope of the Group both before and after the transaction. Prior to the transaction, the Company directly held 86.97% of its equity interests. After the transaction, the Company indirectly holds 24.99% equity interests in Angtai Power System through Chint Power. This change in ownership percentage resulted in a partial disposal of the subsidiary's equity interests without loss of control over the subsidiary, i.e., the consideration attributable to the 61.98% interest in Angtai Power System amounted to RMB520,836,000, which is accounted for as an equity transaction with non-controlling interests. Consequently, in the Group's consolidated financial statements, an increase in other reserves of RMB230,077,000 and an increase in non-controlling interests of RMB290,759,000 were recognized in respect of this transaction.

In addition to the transaction described above, during the year ended December 31, 2023, the Group completed other business combinations that were not individually significant. Collectively, these transactions resulted in an increase of RMB24,067,000 in non-controlling interests.

*Ordos Zhetai Solar Power Generation Co., Ltd. ("**Ordas Zhetai**")*

In July 2023, the Group acquired 100% equity interests of Ordas Zhetai with consideration of RMB 33,000,000.

	Ordas Zhetai
	RMB'000
Cash consideration	33,000
Less: net fair value of identifiable assets acquired and liabilities assumed	33,000
Goodwill	–

Assets acquired and liabilities recognised at the date of acquisition:

	RMB'000
Property, plant and equipment	409,966
Cash and cash equivalents	123
Trade and note receivables	38,460
Prepayments and other receivables	10,802
Trade and other payables	(426,351)
Net assets	33,000

Except for the aforementioned business combination, other acquisition of subsidiaries made no significant impact on the Group's Historical Financial Information. Such acquisitions resulted in increases in property, plant and equipment, intangible assets, right-of-use assets and non-controlling interests of RMB 250,279,000, RMB3,207,000, RMB3,875,000 and nil, respectively.

Acquisitions during the year ended December 31, 2024

Acquisitions of subsidiaries completed by the Group during 2024 did not have material impacts on the Group's Historical Financial Information. Such acquisitions resulted in increases in property, plant and equipment, intangible assets and right-of-use assets of and non-controlling interests of RMB17,974,000, RMB220,000, nil and nil, respectively.

Acquisitions during the year ended December 31, 2025

In December 2025 and June 2025, the Group completed the acquisition of 100% equity interests in Hangzhou Shuyuan Electric Power Technology Co., Ltd. ("**Shuyuan**") and Hefei Chint Photovoltaic Power Generation Co., Ltd, ("**Hefei Chint**") with consideration paid of RMB22,126,000 and RMB66,459,000 respectively.

	Shuyuan	**Hefei Chint**
	RMB'000	*RMB'000*
Consideration	22,126	66,459
Less: net fair value of identifiable assets acquired and liabilities assumed	22,126	66,459
Goodwill	–	–

Assets acquired and liabilities recognised at the date of acquisition

	Shuyuan	**Hefei Chint**
	RMB'000	*RMB'000*
Property, plant and equipment	225,704	246,664
Right-of-use assets	16,761	14,090
Trade and note receivables	59,014	168,090
Prepayments, other receivables and other assets	169,322	11,471
Cash and cash equivalent	17,655	12,078
Other assets	49,977	9,284
Trade and other payables	(308,630)	(223,370)
Lease liabilities	(19,233)	(15,348)
Other liabilities	(188,444)	(156,500)
Net assets	22,126	66,459

Expect for the aforementioned business combination, other acquisition of subsidiaries made no significant impact on the Group's Historical Financial Information. Such acquisitions resulted in increases in property, plant and equipment, intangible assets and right-of-use asset and non-controlling interests of RMB501,676,000, RMB39,000 and RMB39,083,000 and nil, respectively.

(b) Transaction with the non-controlling interests

The Group acquired/disposed certain equity interests of certain subsidiaries from/to non-controlling shareholders, and the difference between consideration paid/received and the carrying amount of equity interest acquired/disposed was recognized as an increase/decrease in reserves. Major transactions with the non-controlling interests during the Relevant Period were as follows:

Transactions during the year ended December 31, 2023

In May 2023, the Group acquired additional 1.59% equity interests of Chint Anneng from non-controlling interests at a consideration RMB504,000,000. The Group recognized a decrease in other reserves of RMB341,216,000 and a decrease in non-controlling interests of RMB162,784,000.

During the year ended December 31, 2023, capital reductions by non-controlling shareholders in the subsidiaries Guangdong Chint Electric Co., Ltd., Jiangxi Xinchint Electric Sales Co., Ltd., Hunan Xiang Chint Electric Sales Co., Ltd., Shanghai Taiyan Electrical Appliances Co., Ltd., Chint Electric Appliances Sales (Shandong) Co., Ltd., Chint Electric Appliances Trading (Liaoning) Co., Ltd., and Ju Chint Electric Appliances Trading (Chongqing) Co., Ltd. resulted in decreases in non-controlling interests of RMB41,549,000, RMB9,800,000, RMB9,800,000, RMB9,800,000, RMB9,800,000, RMB9,800,000, and RMB9,800,000 respectively.

Except for the aforementioned non-controlling interests transactions, the Directors are of the view that other transactions with non-controlling interests during the year ended December 31, 2023 did not have any significant impact on the Group's Financial Information. Such transactions in aggregate resulted in a decrease in other reserves of RMB28,106,000 and a decrease in non-controlling interests of RMB21,170,000 of the Group.

Transactions during the year ended December 31, 2024

During the year ended December 31, 2024, capital reductions by non-controlling shareholders in the subsidiaries Chint Electric Sales (Zhejiang) Co., Ltd., Chint Electric Sales (Wuxi) Co., Ltd., Guangxi United Chint Electric Sales Co., Ltd., Sichuan Xinchint Electric Sales Co., Ltd. and Chint Electric Sales (Shanxi) Co., Ltd. resulted in decreases in non-controlling interests of RMB9,800,000, RMB14,700,000, RMB4,900,000, RMB29,400,000 and RMB9,800,000 respectively.

During the year ended December 31, 2024, Angtai Power failed to achieve its performance commitment. As the former shareholder of Angtai Power, the Company was required to pay performance-based compensation to Chint Power. Accordingly, other reserves decreased by RMB25,338,000 and non-controlling interests increased by RMB25,338,000.

Except for the aforementioned non-controlling interests transactions, the Directors are of the view that other transactions with non-controlling interests during the year ended December 31, 2024 did not have any significant impact on the Group's Historical Financial Information. Such transactions in aggregate resulted in an increase in other reserves of RMB6,282,000 and an decrease in non-controlling interests of RMB31,335,000 of the Group.

Transactions during the year ended December 31, 2025

In December 2025, the Group acquired additional 3.28% equity interests of Zhejiang Chint Building Electrics Co., Ltd. from non-controlling interests at a consideration RMB39,919,000. The Group recognized an increase in other reserves of RMB1,067,000 and a decrease in non-controlling interests of RMB40,986,000.

In September 2025, the Group acquired additional 3.95% equity interests of Chint Anneng from non-controlling interests at a consideration RMB1,249,516,000. The Group recognized a decrease in other reserves of RMB546,444,000 and a decrease in non-controlling interests of RMB703,072,000.

In March 2025, the Group deregistered Yueqing Letai Internet of Things Incubator Co., Ltd. and settled the interests of non-controlling shareholders based on the net assets of the subsidiary, resulting in a decrease in non-controlling interests of RMB150,000,000.

Except for the aforementioned non-controlling interests transactions, the Directors are of the view that other transactions with non-controlling interests during the year ended December 31, 2025 did not have any significant impact on the Group's Historical Financial Information. Such transactions in aggregate resulted in a decrease in other reserves of RMB6,936,000 and a decrease in non-controlling interests of RMB39,600,000 of the Group.

(c) Disposal of subsidiaries

The Group disposed of certain subsidiaries to third parties. The major disposals during the Relevant Period were as follows:

Disposed subsidiaries during the year ended 31 December 2023

In 2023, the Group disposed of its 70% equity interests in Zhejiang Hangtai Digital Energy Development Co., Ltd. ("**Hangtai Energy**"), Yongchang County Hangtai New Energy Development Co., Ltd. ("**Yongchang Energy**") and Hangzhou Miantai New Energy Development Co., Ltd. ("**Miantai Energy**") to a third-party investor for total consideration of RMB809,646,600, RMB68,100,000, RMB230,755,000. After the disposals, the Group retained a 30% equity interest in Hangtai Energy, Yongchang Energy and Miantai Energy, which were reclassified as investments in associates.

	Hangtai Energy	Yongchang Energy	Mantai Energy	Total
Property, plant and equipment	2,396,127	422,870	871,543	3,690,540
Right-of-use assets	196,737	6,140	11,829	214,706
Other non-current assets	47,445	89,807	106,751	244,003
Trade and note receivables	847,086	2,903	7,229	857,218
Prepayments, other receivables and other assets	978,132	7	935	979,074
Cash and cash equivalents	47,833	42	603	48,478
Trade and note payables	(853,531)	(86,433)	(78,741)	(1,018,705)
Accruals and other payables	(1,320,745)	(349,399)	(95,503)	(1,765,647)
Borrowings	(968,094)	–	(557,817)	(1,525,911)
Lease liabilities	(194,384)	(5,975)	(9,491)	(209,850)
Other liabilities	(1,660)	(7)	–	(1,667)
Net assets	1,174,946	79,955	257,338	1,512,239
Consideration	809,647	68,100	230,755	1,108,502
Fair value of interest retained in an associate	346,991	29,186	98,895	475,072
Net assets disposed	(1,174,946)	(79,955)	(257,338)	(1,512,239)
(Loss)/Gain on disposal	(18,308)	17,331	72,312	71,335

Except for the disposals disclosed above, the Group disposed of several other subsidiaries during the year. These disposals were individually and collectively immaterial and are therefore not disclosed separately. The deconsolidation of these subsidiaries resulted in decreases in property, plant and equipment, intangible assets and right-of-use assets of RMB226,449,000, RMB188,000 and RMB9,553,000, respectively.

Disposed subsidiaries during the year ended 31 December 2024

In October 2024, the Company disposed of an 82% equity interest in Wenzhou Yantai New Energy Development Co., Ltd. (Yantai),which holds 100% equity interest in Wenzhou Hengtai New Energy Development Co., Ltd. As at the disposal date, the major assets of the disposed subsidiary included construction in progress of RMB845,633,000 and right-of-use assets of RMB331,559,000. The net assets of the disposed subsidiary attributable to the Group amounted to RMB165,921,000. The consideration received in respect of the disposal of the 82% equity interest was RMB135,571,000, and the retained 18% equity interest, with a fair value of RMB29,759,000, was re-measured and classified as investments in other equity instruments, and a loss on disposal of RMB591,000 was recognised.

Except for the disposals disclosed above, the Group disposed of several other subsidiaries during the year. These disposals were individually and collectively immaterial and are therefore not disclosed separately. The deconsolidation of these subsidiaries decreases in property, plant and equipment and right-of-use assets of RMB51,459,000 and RMB1,360,000, respectively.

Disposed subsidiaries during the year ended 31 December 2025

In October 2025, the Group disposed of its 100% equity interests in Taizhou Xiangtai New Energy Co., Ltd. ("**TaiZhou Xiangtai**") to a third-party investor for total consideration of RMB96,000,000. The transaction resulted in a gain on disposal of RMB70,629,000.

	TaiZhou Xiangtai
Prepayments, other receivables and other assets	2,080
Property, plant and equipment	360,154
Right-of-use assets	45,135
Other non-current assets	41,401
Trade and note receivables	14,923
Cash and cash equivalents	15,183
Trade and note payables	(77,290)
Borrowings	(328,618)
Lease liabilities	(47,596)
Other liabilities	(1)
Net assets	25,371
Consideration	96,000
Net assets disposed of	(25,371)
Gain on disposal	70,629

Except for the disposals disclosed above, the Group disposed of several other subsidiaries during the year. These disposals were individually and collectively immaterial and are therefore not disclosed separately. The deconsolidation of these subsidiaries decreases in property, plant and equipment, intangible assets and right-of-use assets of RMB82,000,000, RMB24,000 and RMB2,270,000, respectively.

43. CONTINGENCIES AND COMMITMENTS

43.1 Contingencies

(i) For certain individual customers who meet the installation requirements for residential photovoltaic power stations, they purchase the assets of such photovoltaic power stations through bank loans. Chint Anneng provides these individuals with joint and several liability guarantees. In Chint Anneng's guarantee agreements with customers for photovoltaic power station loans, the dealers providing construction services also provide counter-guarantees, and the guarantee period is generally 10 to 15 years, with a maximum of 18 years. All power station proceeds are directly channeled through a closed-loop collection mechanism to the financing bank for priority loan repayment. As of December 31, 2023, 2024 and 2025, the outstanding guarantee balance amounted to RMB1,511,241,000, RMB1,456,649,000 and RMB1,305,215,000, respectively.

(ii) In the year ended December 31, 2024, certain subsidiaries of Zhejiang Fulaitai New Energy Co., Ltd. paid part of the purchase price for the acquisition of residential rooftop photovoltaic power station assets from Chint Anneng by way of bank loans. Chint Anneng provided a joint and several guarantee covering 18% of those bank loans, and the guarantee period is generally 9 to 15 years. As of December 31, 2024 and 2025, the outstanding guaranteed amounts were RMB89,609,000 and RMB380,873,000, respectively.

(iii) In the years ended December 31, 2022 and 2023, Chint Anneng cooperated with Citic Financial Leasing Co., Ltd. to carry out residential distributed photovoltaic power generation development business. Under this cooperation, Chint Anneng sold residential photovoltaic power stations to Citic Financial Leasing Co., Ltd., which then leased the aforementioned residential photovoltaic power stations to end-users. The end-users primarily used electricity income and subsidy income (if any) as the main sources of repayment to pay rent to Citic Financial Leasing Co., Ltd. To safeguard the realization of the relevant rights and interests of Citic Financial Leasing Co., Ltd. and the end-users, Chint Anneng entered into an agreement with Citic Financial Leasing Co., Ltd., pursuant to which Chint Anneng and its subsidiary, Zhejiang Chaotai Technology Co., Ltd., agreed to provide shortfall coverage to Citic Financial Leasing Co., Ltd. for a period of up to 25 years for any portion of the actual electricity income from the residential photovoltaic power stations that fails to cover the rental income due to Citic Financial Leasing Co., Ltd., the end-users' income, and the guaranteed electricity income shortfall, if any, where the actual electricity income does not meet the committed guaranteed level.

(iv) During the year ended December 31, 2023, Chint Anneng cooperated with Industrial Bank Financial Leasing Co., Ltd. in the development of residential photovoltaic businesses. Under this cooperation, Chint Anneng sold residential photovoltaic power stations to Industrial Bank Financial Leasing Co., Ltd., which then leased the aforesaid residential photovoltaic power stations to end-users. The end-users' main source of repayment to Industrial Bank Financial Leasing Co., Ltd. consisted of electricity income and subsidy income (if any). To safeguard the realisation of the relevant rights and interests of Industrial Bank Financial Leasing Co., Ltd., Chint Anneng entered into an agreement with Industrial Bank Financial Leasing Co., Ltd., pursuant to which Chint Anneng agreed to provide a shortfall coverage obligation to Industrial Bank Financial Leasing Co., Ltd. for a period of up to 25 years for any portion of the actual electricity income from the residential photovoltaic power stations that falls short of the rental income due to Industrial Bank Financial Leasing Co., Ltd.

43.2 Capital commitments

The following shows the major capital commitments of the Group:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment commitments:			
– Contracted, but not provided for	974,562	1,226,933	1,366,933
Investment			
– Contracted, but not provided for	19,600	19,600	19,600
	994,162	1,246,533	1,386,533

44. FINANCIAL INSTRUMENTS BY CATEGORY

The detailed information of financial instruments by category during the Relevant Period is as below:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets measured at fair value:			
Note receivables at FVTOCI *(Note 17)*	130,493	112,871	148,161
Equity investments at FVTOCI *(Note 17)*	1,722,996	2,193,438	2,834,325
Derivative financial instruments *(Note 18)*	11,389	6,693	126,223
Equity investments at FVTPL *(Note 18)*	2,762,362	4,303,365	6,434,115
Performance compensation *(Note 18)*	–	5,857	–
	4,627,240	6,622,224	9,542,824
Financial assets measured at amortized cost:			
Trade and note receivables *(Note 26)*	16,309,723	17,047,091	14,835,843
Restricted bank cash *(Note 29)*	769,243	747,820	968,653
Cash and cash equivalents *(Note 29)*	11,324,586	11,435,730	13,078,471
Other receivables *(Note 27)*	3,625,156	4,412,370	1,851,347
	32,028,708	33,643,011	30,734,314

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities			
Financial liabilities measured at fair value:			
Derivative financial instruments	6,603	1,934	1,201
Financial liabilities measured at amortized cost:			
Trade and note payables *(Note 31)*	19,336,161	20,136,115	19,598,707
Accruals and other payables (excluding non-financial liabilities) *(Note 32)*	4,559,938	4,889,083	4,810,405
Lease liabilities *(Note 21)*	1,507,210	5,864,601	10,505,925
Borrowings *(Note 30)*	39,571,219	47,805,472	58,415,731
Other current liabilities *(Note 35)*	26,417	25,028	17,669
	65,007,548	78,722,233	93,349,638

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets measured at fair value:			
Derivative financial instruments *(Note 18)*	1,763	–	119,275
Equity investments at FVTPL *(Note 18)*	535,081	708,181	717,439
	536,844	708,181	836,714
Financial assets measured at amortized cost:			
Trade and note receivables *(Note 26)*	6,059,894	5,882,780	4,996,282
Restricted bank cash *(Note 29)*	17,231	25,486	72,696
Cash and cash equivalents *(Note 29)*	1,505,641	752,166	825,162
Other receivables *(Note 27)*	1,660,892	1,687,166	711,568
	9,243,658	8,347,598	6,605,708

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities			
Financial liabilities measured at fair value:			
Derivative financial instruments	–	1,934	–
	–	1,934	–
Financial liabilities measured at amortized cost:			
Trade and note payables *(Note 31)*	1,711,155	2,108,443	2,262,304
Accruals and other payables (excluding non-financial liabilities) *(Note 32)*	700,473	1,295,240	1,396,614
Lease liabilities *(Note 21)*	54,444	24,268	16,791
Borrowings *(Note 30)*	4,377,117	2,680,276	1,559,857
	6,843,189	6,108,227	5,235,566

45. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, and liquidity risk. The Group's overall risk management seeks a balance between risk and return, minimizes the adverse impact of risk on the Group's finance performance and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Group's risk management is to identify and analyze the various risks faced by the Group, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range.

45.1 Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of the Company and its subsidiaries. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimize these exposures through buying and selling foreign currencies at market rate, wherever possible.

As at December 31, 2023, 2024 and 2025, the Group's major financial assets/liabilities exposed to foreign exchange risk, representing those financial assets/liabilities denominated in USD and EUR included in a group entity with different functional currency:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets denominated in:			
USD	3,355,383	3,505,783	4,200,850
EUR	3,970,277	3,507,925	3,935,863

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities denominated in:			
USD	1,400,792	1,000,356	2,007,217
EUR	1,893,292	1,794,644	3,786,052

As shown in the table above, the Group is primarily exposed to changes in USD and EUR exchange rates. The sensitivity of profit or loss before income tax to changes in the exchange rates arises from USD and EUR denominated financial instruments is as below:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
USD exchange rate –			
Increase 5%	97,730	125,271	109,682
Decrease 5%	(97,730)	(125,271)	(109,682)
EUR exchange rate –			
Increase 5%	103,849	85,664	7,491
Decrease 5%	(103,849)	(85,664)	(7,491)

(ii) Interest rate risk

The Group's interest rate risk primarily arises from interest-bearing borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the proportion of borrowings issued at floating rates and fixed rates based on the market environment and maintains an appropriate combination of financial instruments through regular review and monitoring.

As at December 31, 2023, 2024 and 2025, total borrowings of the Group which were bearing at floating rates amounted to approximately RMB15,031,111,000, RMB15,222,954,000 and RMB20,220,505,000 respectively.

If interest rate had been 50 basis points higher or lower with all other variables held constant, the profit before tax would decrease/increase by approximately RMB75,156,000, RMB76,115,000 and RMB101,103,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

Considering the repricing or maturity date, the fair value interest rate risk arises from borrowings and bank balances carried at fixed rates is not significant for the Group.

(iii) Price risk

The Group is mainly exposed to equity price risk arising from investments held by the Group that are classified either as FVTPL (Note 18) or FVTOCI (Note 17). To manage its price risk arising from the investments, the Group diversifies its investment portfolio. The investments are mainly made for strategic purposes. Each investment is managed by the management on a case-by-case basis.

Sensitivity analysis is performed by the management to assess the exposure of the Group's financial results to equity price risk of FVTPL and FVTOCI at the end of each Relevant Period. If prices of the respective instruments held by the Group had been 5%, 5% and 5% higher/lower as at December 31, 2023, 2024 and 2025, for the years ended December 31, 2023, 2024 and 2025, (i) profit before tax of the Group would have been approximately RMB138,118,000, RMB215,168,000 and RMB321,706,000, higher/lower as a result of gains/losses on financial instruments classified as at FVTPL; (ii) other comprehensive income before tax of the Group would have been higher/lower by approximately RMB86,150,000, RMB109,672,000 and RMB141,716,000, as a result of gains/losses on financial instruments classified as at FVTOCI.

45.2 Credit risk

Credit risk arises from cash and cash equivalents, restricted cash and term deposits, as well as trade and note receivables, other receivables, loan receivables, financial guarantee contracts and contract assets. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, financial guarantee contracts and contract assets.

(i) Risk management

To manage this risk, cash and cash equivalents as well as restricted cash and term deposits are mainly placed with reputable financial institutions which are all high-credit-rating financial institutions.

To manage risk from trade and note receivables as well as other receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of the counterparties. It also has continuous monitoring procedures to ensure the collection of the receivables as scheduled and follow up action is taken to recover overdue debts, if any.

(ii) Impairment of financial assets

The Group has five types of financial assets that are subject to the ECL model:

- Cash and cash equivalents, restricted cash and term deposits;
- Trade receivables;
- Note receivables at amortized cost and at FVTOCI;
- Other receivables;
- Loan receivables;
- Financial guarantee contracts; and
- Contract assets.

Credit risk of cash and cash equivalents and restricted cash and term deposits

Cash and cash equivalents and restricted cash are mainly placed with high-credit-rating financial institutions. There has been no recent history of default in relation to these financial institutions. The ECL was immaterial as at December 31, 2023, 2024 and 2025.

Credit risk of trade and note receivables and contract assets

(i) Trade receivables

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables.

The Group has concentration of credit risk as 16.82%, 20.42% and 20.13% of the total trade receivables was due from the Group's largest customer as at December 31, 2023, 2024 and 2025, respectively. The Group has concentration of credit risk as 39.25%, 35.56% and 30.79% of the total trade receivables was due from the Group's five largest customers as at December 31, 2023, 2024 and 2025, respectively.

Trade receivables relating to debtors with known financial difficulties or significant doubt on collection are assessed individually for impairment. The management reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment loss allowance is made for irrecoverable amounts on trade receivables. The remaining trade receivables are grouped and collectively assessed for impairment. The provision rates are based on aging analysis for grouping of debtors that have similar loss patterns taking into consideration the historical default rates, debtors' portfolios, economic environments, industry conditions and forward-looking information as at the end of each reporting period that is reasonable and supportable available without undue costs or effort.

The historical loss rates are calculated based on the historical payment profiles of customers and the corresponding historical incurred credit losses. The historical loss rates are adjusted to reflect the forward-looking information on macroeconomic factors as well as the credit rating analysis of respective customers and other external data which have impacts to the ability of the customers to settle the receivables. The Group has identified the GDP of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the Group and other indicators of severe financial difficulties.

On that basis, the loss allowance as at December 31, 2023, 2024 and 2025 were determined as follows for trade receivables:

As at December 31, 2023, the loss allowance of individually impaired trade receivables is determined as follows:

Assess individually:

	Gross carrying amount	**ECL rate**	**Loss allowance**	**Reason**
	RMB'000		*RMB'000*	
Trade receivables	256,474	98%	250,162	Financial difficulty

As at December 31, 2024, the loss allowance of individually impaired trade receivables is determined as follows:

Assess individually:

	Gross carrying amount	ECL rate	Loss allowance	Reason
	RMB'000		*RMB'000*	
Trade receivables	190,940	96%	183,808	Financial difficulty

As at December 31, 2025, the loss allowance of individually impaired trade receivables is determined as follows:

Assess individually:

	Gross carrying amount	ECL rate	Loss allowance	Reason
	RMB'000		*RMB'000*	
Trade receivables	120,054	95%	113,758	Financial difficultly

As at December 31, 2023, 2024 and 2025, the loss allowance of grouped impaired trade receivables are determined as follows:

Assessed based on grouping:

Current

	As at December 31, 2023			As at December 31, 2024			As at December 31, 2025		
	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*	%	*RMB'000*	*RMB'000*	%	*RMB'000*	*RMB'000*
Intelligent electrical products – High risk region customers components grouping	13.48	919,096	123,895	16.98	1,035,740	175,877	17.81	1,256,779	223,847
– Others customers components grouping									
Green energy solutions	9.01	6,887,844	620,400	9.17	6,248,537	572,780	10.76	5,078,208	546,611
– State Grid Corporation of China and Residential components grouping	0.29	3,641,411	10,453	0.32	4,289,861	13,658	0.31	4,338,383	13,426
– Others customers components grouping	10.39	3,992,159	414,769	13.27	4,190,648	556,028	15.71	2,607,551	409,776
Metal Products	3.61	134,870	4,863	3.89	224,538	8,724	3.68	206,786	7,611
Total		15,575,380	1,174,380		15,989,324	1,327,067		13,487,707	1,201,271

Non-current

	As at December 31, 2023			As at December 31, 2024			As at December 31, 2025		
	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*	%	*RMB'000*	*RMB'000*	%	*RMB'000*	*RMB'000*
Intelligent electrical products – Others customers components grouping	5.04	3,530	178	2.37	4,771	113	3.73	14,376	536

The loss allowances for trade receivables for the years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Opening loss allowance	1,417,997	1,424,720	1,510,988
Loss allowance recognized/(reversed), net	46,164	212,032	(79,108)
Loss allowance written off	(34,810)	(125,760)	(116,283)
Currency translation differences	(472)	(1)	(3)
Impact of changes in the scope of consolidation	(4,159)	(3)	(29)
Closing loss allowance	1,424,720	1,510,988	1,315,565

(ii) Contract assets

For contract assets, the Group measures the loss provision based on the lifetime ECL regardless of whether there exists a significant financing component. Set out below is the information about credit risk exposure on the Group's contract assets:

As at December 31, 2023, the loss allowance of individually impaired contract assets is determined as follows:

Assess individually:

	Gross carrying amount	**ECL rate**	**Loss allowance**	**Reason**
	RMB'000		*RMB'000*	
Contract assets	2,597	100%	2,597	Financial difficulty

As at December 31, 2024, the loss allowance of individually impaired contract assets is determined as follows:

Assess individually:

	Gross carrying amount	**ECL rate**	**Loss allowance**	**Reason**
	RMB'000		*RMB'000*	
Contract assets	2,597	100%	2,597	Financial difficulty

As at December 31, 2025, the loss allowance of individually impaired contract assets is determined as follows:

Assess individually:

	Gross carrying amount	**ECL rate**	**Loss allowance**	**Reason**
	RMB'000		*RMB'000*	
Contract assets	11,290	99%	11,183	Financial difficulty

Assessed based on grouping:

	As at December 31, 2023			As at December 31, 2024			As at December 31, 2025		
	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*	%	*RMB'000*	*RMB'000*	%	*RMB'000*	*RMB'000*
Intelligent electrical products – Others customers components grouping	19.93	78,142	15,570	26.84	118,720	31,862	12.37	161,218	19,948
Green energy solutions – Others customers components grouping	7.75	387,078	29,994	8.88	998,317	88,612	16.29	1,076,986	175,388
Total		465,220	45,564		1,117,037	120,474		1,238,204	195,336

The loss allowances for contract assets for the years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Opening loss allowance	48,762	48,161	123,071
Loss allowance (reversed)/recognized, net	(601)	76,739	83,435
Loss allowance written off	–	(1,827)	–
Currency translation differences	–	(2)	13
Closing loss allowance	48,161	123,071	206,519

(iii) Note receivables at amortized cost and note receivables at FVTOCI

The Group measured provisions for impairment of notes receivables based on the lifetime ECL and assessed that there was no significant credit risk associated with its bank acceptance notes as the Group did not expect that there would be any significant losses from non-performance by these reputable banks.

(iv) Other receivables

Other receivables at the end of each of the periods are mainly comprised of deposits, due from related and third parties, receivables from equity investments disposal and dividend receivables. The Group considers the probability of default upon initial recognition of the assets and whether there has been significant increase in credit risk on an ongoing basis throughout Relevant Period. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as of the reporting date with the risk of default as of the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant impact on the debtor's ability to meet its obligations;

- external credit rating of the counterparty;

- actual or expected significant adverse changes in the operating results of the debtor; and
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making a contractual payment.

If the credit risk of the asset is in line with original expectations, the Group recognizes the asset at 12-month ECLs (Stage 1). If a significant credit risk of the asset has occurred compared to original expectations or the credit is impaired, the asset is recognized at lifetime ECLs (Stages 2 and 3).

Set out below is the information about credit risk exposure on the Group's other receivables:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
December 31, 2023				
Expected loss rate	1.03%	15.00%	66.86%	
Gross carrying amount	2,763,219	263,913	559,540	3,586,672
Loss allowance	28,577	39,586	374,122	442,285
December 31, 2024				
Expected loss rate	0.33%	15.00%	83.74%	
Gross carrying amount	3,710,405	260,047	772,064	4,742,516
Loss allowance	12,416	39,007	646,534	697,957
December 31, 2025				
Expected loss rate	0.69%	15.00%	92.03%	
Gross carrying amount	1,592,170	126,432	825,368	2,543,970
Loss allowance	11,010	18,965	759,550	789,525

The loss allowances for other receivables for the years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Opening loss allowance	353,309	442,285	697,957
Loss allowance recognized, net	100,298	257,243	91,266
Loss allowance written off	(3,888)	(1,165)	(440)
Impact of changes in the scope of consolidation	(7,434)	(406)	742
Closing loss allowance	442,285	697,957	789,525

(v) Loan receivables

If the credit risk of the asset is in line with original expectations, the Group categorizes the asset as performing and recognizes 12-month ECLs (Stage 1). If a significant credit risk of the asset has occurred compared to original expectations or the credit is impaired, the asset is categorized as underperforming or non-performing and lifetime ECLs are recognized (Stages 2 and 3):

Set out below is the information about credit risk exposure on the Group's loan receivables:

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
December 31, 2023				
Expected loss rate	1.97%	3.86%	100.00%	
Gross carrying amount	201,480	294,622	75,334	571,436
Loss allowance	3,969	11,364	75,334	90,667
December 31, 2024				
Expected loss rate	3.49%	4.07%	100.00%	
Gross carrying amount	117,674	265,030	75,823	458,527
Loss allowance	4,112	10,781	75,823	90,716
December 31, 2025				
Expected loss rate	4.21%	–	100.00%	
Gross carrying amount	101,164	–	88,193	189,357
Loss allowance	4,262	–	88,193	92,455

The loss allowances for loan receivables for the years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Opening loss allowance	88,974	90,667	90,716
Loss allowance recognized, net	1,693	587	627
Impact of changes in the scope of consolidation	–	(538)	1,112
Closing loss allowance	90,667	90,716	92,455

Credit risk of financial guarantee contracts

The Group monitors the risk that the specified debtor will default on the contract. A 12-month ECL is measured (Stage 1) unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured (Stages 2 and 3).

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

Set out below is the information about credit risk exposure on the Group's finance guarantee contracts:

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
December 31, 2023				
Expected loss rate	0.57%	–	–	
Exposure on finance guarantee contracts	3,193,836	–	–	3,193,836
Loss allowance	18,115	–	–	18,115
December 31, 2024				
Expected loss rate	2.12%	–	–	
Exposure on finance guarantee contracts	2,413,719	–	–	2,413,719
Loss allowance	51,200	–	–	51,200
December 31, 2025				
Expected loss rate	1.91%	–	–	
Exposure on finance guarantee contracts	2,342,795	–	–	2,342,795
Loss allowance	44,814	–	–	44,814

The loss allowances for financial guarantee contracts for the years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Opening loss allowance	15,320	18,115	51,200
Loss allowance recognized/(reversed), net	2,795	33,085	(6,386)
Closing loss allowance	18,115	51,200	44,814

45.3 Liquidity risk

The Group intends to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate liquid assets such as cash and cash equivalents or to retain adequate financing arrangements to meet the Group's liquidity requirements.

The tables below analyze the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the end of each Relevant Period to their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Weighted average effective interest rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023							
Trade and note payables	NA	19,336,161	–	–	–	19,336,161	19,336,161
Accruals and other payables (excluding non-financial liabilities)	NA	4,559,938	–	–	–	4,559,938	4,559,938
Lease liabilities	4.50%	200,185	197,840	613,159	972,914	1,984,098	1,507,210
Derivative financial instruments	NA	6,603	–	–	–	6,603	6,603
Borrowings	3.12%	17,807,450	12,587,774	6,481,969	5,240,007	42,117,200	39,571,219
Other current liabilities (excluding non-financial liabilities)	NA	26,417	–	–	–	26,417	26,417
Financial guarantee contracts	NA	3,193,836	–	–	–	3,193,836	18,115
		45,130,590	12,785,614	7,095,128	6,212,921	71,224,253	65,025,663

	Weighted average effective interest rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024							
Trade and note payables	NA	20,136,115	–	–	–	20,136,115	20,136,115
Accruals and other payables (excluding non-financial liabilities)	NA	4,889,083	–	–	–	4,889,083	4,889,083
Lease liabilities	4.32%	327,240	324,820	1,018,217	7,011,332	8,681,609	5,864,601
Derivative financial instruments	NA	1,934	–	–	–	1,934	1,934
Borrowings	3.25%	25,164,369	7,887,676	8,596,890	9,532,630	51,181,565	47,805,472
Other current liabilities (excluding non-financial liabilities)	NA	25,028	–	–	–	25,028	25,028
Financial guarantee contracts	NA	2,413,719	–	–	–	2,413,719	51,200
		52,957,488	8,212,496	9,615,107	16,543,962	87,329,053	78,773,433

	Weighted average effective interest rate	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025							
Trade and note payables	NA	19,598,707	–	–	–	19,598,707	19,598,707
Accruals and other payables (excluding non-financial liabilities)	NA	4,810,405	–	–	–	4,810,405	4,810,405
Lease liabilities	3.51%	429,258	771,452	2,406,070	11,724,690	15,331,470	10,505,925
Derivative financial instruments	NA	1,201	–	–	–	1,201	1,201
Borrowings	3.44%	28,100,036	13,716,347	8,375,919	12,329,036	62,521,338	58,415,731
Other current liabilities (excluding non-financial liabilities)	NA	17,669	–	–	–	17,669	17,669
Financial guarantee contracts	NA	2,342,795	–	–	–	2,342,795	44,814
		55,300,071	14,487,799	10,781,989	24,053,726	104,623,585	93,394,452

45.4 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares, sell assets to reduce debt or raise additional funding from shareholders or financial institutions as and when necessary. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023, 2024 and 2025.

The Group monitors capital on the basis of the debt to asset ratio as at December 31, 2023, 2024 and 2025 are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total assets	120,804,656	138,222,178	158,800,627
Total liabilities	74,298,269	87,478,440	105,005,346
Debt to asset ratio	61.50%	63.29%	66.12%

45.5 Fair value estimation

(i) Determination of fair value and the fair value hierarchy of financial instruments

This note provides information on how the Group determines the fair values of various financial assets and liabilities.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group

As at December 31, 2023

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVOCI				
– Note receivables at FVTOCI *(Note 17)*	–	130,493	–	130,493
– Equity investments at FVTOCI *(Note 17)*	–	–	1,722,996	1,722,996
	–	130,493	1,722,996	1,853,489
Financial assets at FVTPL				
– Equity investments at FVTPL *(Note 18)*	379,426	–	2,382,941	2,762,367
– Derivative financial instruments *(Note 18)*	–	11,389	–	11,389
	379,426	11,389	2,382,941	2,773,756
Financial liabilities at FVTPL				
– Derivative financial liabilities	–	6,603	–	6,603

As at December 31, 2024

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTOCI				
– Note receivables at FVTOCI *(Note 17)*	–	112,871	–	112,871
– Equity investments at FVTOCI *(Note 17)*	–	–	2,193,438	2,193,438
	–	112,871	2,193,438	2,306,309
Financial assets at FVTPL				
– Equity investments at FVTPL *(Note 18)*	415,564	–	3,887,801	4,303,365
– Derivative financial instruments *(Note 18)*	–	6,693	–	6,693
– Others	–	–	5,857	5,857
	415,564	6,693	3,893,658	4,315,915
Financial liabilities at FVTPL				
– Derivative financial liabilities	–	1,934	–	1,934

As at December 31, 2025

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTOCI				
– Note receivables at FVTOCI *(Note 17)*	–	148,161	–	148,161
– Equity investments at FVTOCI *(Note 17)*	–	–	2,834,325	2,834,325
	–	148,161	2,834,325	2,982,486
Financial assets at FVTPL				
– Equity investments at FVTPL *(Note 18)*	412,803	–	6,021,312	6,434,115
– Derivative financial instruments *(Note 18)*	–	126,223	–	126,223
	412,803	126,223	6,021,312	6,560,338
Financial liabilities at FVTPL				
– Derivative financial liabilities	–	1,201	–	1,201

The Company

As at December 31, 2023

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTPL				
– Equity investments at FVTPL *(Note 18)*	379,421	–	155,660	535,081
– Derivative financial instruments *(Note 18)*	–	1,763	–	1,763
	379,421	1,763	155,660	536,844

As at December 31, 2024

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTPL				
– Equity investments at FVTPL *(Note 18)*	415,564	–	292,617	708,181
	415,564	–	292,617	708,181
Financial liabilities at FVTPL				
– Derivative financial liabilities	–	1,934	–	1,934
	–	1,934	–	1,934

As at December 31, 2025

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTPL				
– Equity investments at FVTPL *(Note 18)*	412,803	–	304,636	717,439
– Derivative financial instruments*(Note 18)*	–	119,275	–	119,275
	412,803	119,275	304,636	836,714

(i) The market prices of the above listed equity shares measured at Level 1 fair value are determined based on the quoted closing price in active markets.

The fair values of derivative financial instruments are based on quoted market prices or recent transaction prices provided by respective financial institutions, where appropriate.

The timing of transfers is determined at the date of the event or change in circumstances that caused the transfers. During the Relevant Period, there was no transfer between Level 1, Level 2 and Level 3.

(ii) The Group's valuation process

For the financial assets, classified as level 3 fair values, the Group's finance department assisted by the an independent valuer, Kunyuan Assets Appraisal Co., Ltd. (located at North Block, Modern International Mansion, No.159 Tianmushan Road, Xihu District, Hangzhou City), which is not connected with the Group and to perform the valuations for financial reporting purpose. The finance department reports the valuation results to the Directors.

(iii) The reconciliation of Level 3 assets are analyzed below:

	Financial assets at FVTOCI and FVTPL		
	Equity investments at FVTOCI	Equity investments at FVTPL	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2023	1,289,637	584,554	1,874,191
Increases	349,435	1,808,904	2,158,339
Changes in fair value changes through other comprehensive income	75,983	–	75,983
Changes in fair value changes through profit or loss	–	(10,517)	(10,517)
Currency translation differences	7,941	–	7,941
At December 31, 2023	1,722,996	2,382,941	4,105,937

	Financial assets at FVTOCI and FVTPL			
	Equity investments at FVTOCI	Equity investments at FVTPL	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024	1,722,996	2,382,941	–	4,105,937
Increases	639,865	1,500,946	5,857	2,146,668
Changes in fair value changes through other comprehensive income	(146,008)	–	–	(146,008)
Changes in fair value changes through profit or loss	–	3,914	–	3,914
Currency translation differences	(23,415)	–	–	(23,415)
At December 31, 2024	2,193,438	3,887,801	5,857	6,087,096

	Financial assets at FVTOCI and FVTPL			
	Equity investments at FVTOCI	Equity investments at FVTPL	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025	2,193,438	3,887,801	5,857	6,087,096
Increases/(decrease), net	414,515	2,078,427	(5,857)	2,487,085
Changes in fair value changes through other comprehensive income	183,306	–	–	183,306
Changes in fair value changes through profit or loss	–	55,084	–	55,084
Currency translation differences	43,066	–	–	43,066
At December 31, 2025	2,834,325	6,021,312	–	8,855,637

(i) The fair values of unlisted equity instruments at FVTOCI and FVTPL as at December 31, 2023, 2024 and 2025 have been arrived with reference to adjusted net assets or valuation carried out on the dates by an independent qualified professional valuer not related to the Group, using discounted cash flow method.

(ii) The fair value of bank acceptance notes receivables measured at FVTOCI have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. Given that the maturities are of a short-term nature, the impact of fair value changes is immaterial.

(iv) Valuation inputs and relationships to fair value

Description	Fair value As at December 31, 2023	2024	2025	Valuation techniques	Significant unobservable input(s)	Range of significant unobservable inputs	Relationship of unobservable input(s) to fair values
	RMB'000	*RMB'000*	*RMB'000*				
Unlisted equity investments at FVTOCI	1,722,996	2,050,701	2,755,600	Discounted cash flow method	Discount rate	6.18% to 11.19%	An increase in discount rate would result in decrease in fair value, and vice versa.
	–	142,737	78,725	Net asset value	Net asset value	N/A	An increase in net asset value would result in an increase in fair value, and vice versa.
Unlisted equity investments at FVTPL	–	–	6,021,312	Discounted cash flow method	Discount rate	5.89% to 10.56%	An increase in discount rate would result in decrease in fair value, and vice versa.
	2,382,941	3,887,801	–	Net asset value	Net asset value	N/A	An increase in net asset value would result in an increase in fair value, and vice versa.
Note receivables at FVTOCI	130,493	112,871	148,161	Discounted cash flow method	N/A	N/A	N/A
Derivative financial instruments	11,389	6,693	126,223	Recent transaction price	N/A	N/A	N/A
Derivative financial liabilities	6,603	1,934	1,201	Recent transaction price	N/A	N/A	N/A

If the discount rate used had been 0.5% higher/lower for equity instruments at FVTOCI, the other comprehensive income before tax for the years ended December 31, 2023, 2024 and 2025 would have been decreased/increased by approximately RMB68,920,000, RMB82,028,000 and RMB110,224,000.

If the discount rate used had been 0.5% higher/lower for equity instruments at FVTPL, the profit before tax for the year ended December 31, 2025 would have been decreased/increased by approximately RMB240,852,000.

45.6 Transfers of financial assets

Transferred financial assets that were derecognized in their entirety:

The Group has discounted certain note receivables to banks or endorsed to certain suppliers for settlement of trade payables. These note receivables are issued or guaranteed by reputable PRC banks with high credit ratings, therefore the Directors consider the substantial risks in relation to these note receivables are interest risk as the credit risk arising from these bills are minimal. Upon the discount/endorsement of these note receivables, the Group has transferred substantially all the risks of these note receivables to relevant banks/suppliers, hence the Group has derecognized these note receivables.

As at December 31, 2023, 2024 and 2025, the Group's note receivables amounted to RMB13,488,244,000, RMB10,315,998,000 and RMB15,952,450,000, respectively, which were discounted to the banks or endorsed to certain suppliers for settlement of trade payables but not mature that are derecognized in their entirety.

Transferred financial assets that were not derecognized in their entirety:

As at December 31, 2023, 2024 and 2025, included in the Group's note receivables amounted to RMB136,134,000, nil and RMB75,712,000, respectively, which were discounted to the banks or endorsed to certain suppliers for settlement of trade payables on a full recourse basis that are not derecognized in their entirety. As the Group has not transferred the significant risks and rewards relating to the note receivables to the banks or its suppliers upon endorsement, it continues to recognize the full carrying amount of note receivables and recognized the cash received on the transfer as the pledged borrowings or trade payables from the endorsement of the notes with full recourse.

46. RELATED PARTY TRANSACTIONS

(a) Ultimate Controlling Shareholder

	Ownership interest As at December 31,		
Name	**2023**	**2024**	**2025**
Mr. Nan Cunhui	53.02%	53.02%	53.02%

(b) Names and relationship with related parties

The Directors are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group for the years ended December 31, 2023, 2024 and 2025:

Name of the related parties	Relationship with the Group
Zhejiang Taiheng New Energy Co., Ltd. (浙江泰恆新能源有限公司)	An associate of the Group
Chintec Spółka z ograniczoną odpowiedzialnością	An associate of the Group
Aksay Kazakh Autonomous County Lutai New Energy Development Co., Ltd. (阿克塞哈薩克族自治縣陸泰新能源開發有限公司)	An associate of the Group
CHINTEC SP. Z O.O.	An associate of the Group
DEKRA Testing Services (Zhejiang) Co., Ltd. (德凱質量測試服務(浙江)有限公司)	An associate of the Group
Yongchang County Hangtai New Energy Development Co., Ltd. (永昌縣杭泰新能源開發有限公司)	An associate of the Group
Hangtai New Energy Development Co., Ltd. In Liangzhou District, Wuwei City (武威市涼州區杭泰新能源開發有限公司)	An associate of the Group
Chint Group Finance Co., Ltd. (正泰集團財務有限公司)	An associate of the Group
Shantou Guangyao New Energy Co., Ltd. (汕頭市光耀新能源有限公司)	An associate of the Group
Wenzhou Taihan New Energy Development Co., Ltd. (溫州泰瀚新能源開發有限公司)	An associate of the Group
Gansu Jintai Electric Power Co., Ltd. (甘肅金泰電力有限責任公司)	An associate of the Group
Zhangjiakou Jingzhang Yingbin Corridor Ecological Energy Co., Ltd. (張家口京張迎賓廊道生態能源有限公司)	An associate of the Group
Ordos Zhengli New Energy Power Generation Co., Ltd. (鄂爾多斯市正利新能源發電有限公司)	An associate of the Group
Chun'an Mingyu New Energy Development Co., Ltd. (淳安明禹新能源開發有限公司)	An associate of the Group
Shantou Hengpeng New Energy Co., Ltd. (汕頭恆鵬新能源有限公司)	An associate of the Group
Huadian Hubei Huanggang New Energy Co., Ltd. (華電湖北黃岡新能源有限公司)	An associate of the Group
Hangzhou Heyu New Energy Development Co., Ltd. (杭州合禹新能源開發有限公司)	An associate of the Group
AST (Astronergy Solar Thailand Co, Ltd.)	An associate of the Group
Zhuhai Zhutai Photovoltaic Power Generation Co., Ltd. (珠海市珠泰光伏發電有限公司)	An associate of the Group
Guangzhou Meishuo Shengfu Energy Technology Co., Ltd. (廣州市美碩生富能源科技有限公司)	An associate of the Group
Solmotion GmbH	An associate of the Group
Hangzhou Tiance Qirui Industrial Co., Ltd. (杭州天策啟瑞實業有限公司)	An associate of the Group
MLT Solar Energy Products Company Ltd	An entity controlled by the Ultimate Controlling Shareholder
ASTRONERGY NEW ENERGY TECHNOLOGY (SINGAPORE) PTE. LTD.	An entity controlled by the Ultimate Controlling Shareholder
Astronergy Europe GmbH	An entity controlled by the Ultimate Controlling Shareholder
Astronergy Solar Inc.	An entity controlled by the Ultimate Controlling Shareholder
Haining Chint Solar Energy Technology Co., Ltd. (海寧正泰太陽能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint New Energy Technology (Yancheng) Co., Ltd. (鹽城正泰新能源科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint New Energy Technology Co., Ltd. (正泰新能科技股份有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Jiuquan Chint New Energy Technology Co., Ltd. (酒泉正泰新能源科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Yueqing Zhengxin Metal Parts Co., Ltd. (樂清市正鑫金屬件有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Electric Co., Ltd. (正泰電氣股份有限公司)	An entity controlled by the Ultimate Controlling Shareholder

Name of the related parties	Relationship with the Group
Zhejiang Chint Yishan Logistics Technology Co., Ltd. (浙江正泰億閃物流科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Zengtai Import and Export Trading Co., Ltd. (杭州錚泰進出口貿易有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Yueqing Chint Solar Energy Technology Co., Ltd. (樂清正泰太陽能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shaanxi Chint Cable Co., Ltd. (陝西正泰電纜有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Horgos Chint Technology Service Co., Ltd. (霍爾果斯正泰科技服務有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shandong Chint Cable Co., Ltd. (山東正泰電纜有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Automotive Technology Co., Ltd. (浙江正泰汽車科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Cable Co., Ltd. (浙江正泰電纜有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Zhiwei Energy Service Co., Ltd. (浙江正泰智維能源服務有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Electric Technology Co., Ltd. (浙江正泰電氣科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Energy Efficiency Technology Co., Ltd. (浙江正泰能效科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shanghai Dianke Electric Appliance Technology Co., Ltd. (正泰集團研發中心(上海)有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Wenzhou Taiyu New Material Technology Co., Ltd. (溫州泰鈺新材料科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Home Technology Co., Ltd. (浙江正泰居家科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Taiyida Logistics Technology Co., Ltd. (浙江泰易達物流科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Juneng Technology Co., Ltd. (浙江正泰聚能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Intelligent Manufacturing Equipment (Shenzhen) Co., Ltd. (正泰智能製造裝備(深圳)有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Network Technology Co., Ltd. (正泰網絡科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Liaoning Chint Intelligent Electric Co., Ltd. (遼寧正泰智能電氣有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Group Complete Plant Manufacturing Co., Ltd. (浙江正泰智能電氣有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shaanxi Chint Intelligent Electric Co., Ltd. (陝西正泰智能電氣有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Wenzhou Chint Smart Home Technology Co., Ltd. (溫州正泰智能家居科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Yancheng Chint Solar Energy Technology Co., Ltd. (鹽城正泰太陽能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Yiwu Chint Solar Energy Technology Co., Ltd. (義烏正泰太陽能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Guodian Energy Environment Design & Research Institute Co., Ltd. (杭州國電能源環境設計研究院有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint E-commerce Co., Ltd. (浙江正泰電子商務有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Yanchi County Hetai New Energy Technology Co., Ltd. (鹽池縣賀泰新能源科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shanghai Chint Enterprise Management Service Co., Ltd. (上海正泰企業管理服務有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Qidi (Shanghai) Technology Development Co., Ltd. (正泰啟迪(上海)科技發展有限公司)	An entity controlled by the Ultimate Controlling Shareholder

Name of the related parties	Relationship with the Group
Zunyi Taiyida Logistics Co., Ltd. (遵義泰易達物流有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint New Energy Investment Co., Ltd. (浙江正泰新能源投資有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Zhongzi Enterprise Management Co., Ltd. (浙江正泰中自企業管理有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Lixiang Jingyan Semiconductor Equipment (Shanghai) Co., Ltd. (理想晶延半導體設備(上海)股份有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Jiuan Testing Technology Co., Ltd. (浙江九安檢測科技有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Zhidianyun Digital Technology Co., Ltd. (浙江智電雲數字科技有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Wenzhou Minshang Bank Co., Ltd. (溫州民商銀行股份有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Shanghai Zhengsailian Venture Capital Management Co., Ltd. (上海正賽聯創業投資管理有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Jiumu Smart Agriculture Technology Co., Ltd. (浙江九畝智慧農業科技有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Anji Jiumu Ecological Agriculture Co., Ltd. (安吉九畝生態農業有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Zhenghua Construction Technology Co., Ltd. (浙江正驊建築科技有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Bohong Decoration Co., Ltd. (浙江柏泓裝飾有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Shandong Qitai New Energy Technology Co., Ltd. (山東祺泰新能源科技有限公司)	An entity controlled by the key management of the Company
Binzhou Qitai New Energy Technology Co., Ltd. (濱州市祺泰新能源科技有限公司)	An entity controlled by the key management of the Company
Jining Qitai New Energy Technology Co., Ltd. (濟寧祺泰新能源科技有限公司)	An entity controlled by the key management of the Company
Weifang Qitai New Energy Technology Co., Ltd. (濰坊祺泰新能源科技有限公司)	An entity controlled by the key management of the Company
Shandong Chint Electric Co., Ltd. (山東正泰電器有限公司)	An entity controlled by the key management of the Company
Jinan Haotai Electrical Equipment Co., Ltd. (濟南豪泰電氣設備有限公司)	An entity controlled by the key management of the Company
Yueqing Chint (樂清正泰光伏發電有限公司)	An associate of the Group
Qingdao Chengtai Green Energy Co., Ltd. (青島城泰綠色能源有限公司)	An associate of the Group
Jiayuguan Chint Photovoltaic Power Generation Co., Ltd. (嘉峪關正泰光伏發電有限公司)	An associate of the Group
Yili Kubuqi (內蒙古億利庫布其生態能源有限公司)	An associate of the Group
Huadian Xinneng Hangtai (Quzhou) Photovoltaic Power Generation Co., Ltd. (華電新能杭泰(衢州)光伏發電有限公司)	An associate of the Group
Ji'an Shengtian (吉安盛天新能源有限公司)	An associate of the Group
Dunhuang Chint Photovoltaic Power Generation Co., Ltd. (敦煌正泰光伏發電有限公司)	An associate of the Group
Zhongwei Qingyin Yuanxing Solar Energy Co., Ltd. (中衛清銀源星太陽能有限責任公司)	An associate of the Group

Name of the related parties	Relationship with the Group
Zhongwei Chint Photovoltaic Power Generation Co., Ltd. (中衛正泰光伏發電有限公司)	An associate of the Group
Gaotai Chint Photovoltaic Power Generation Co., Ltd. (高台縣正泰光伏發電有限公司)	An associate of the Group
Minqin Chint Photovoltaic Power Generation Co., Ltd. (民勤縣正泰光伏發電有限公司)	An associate of the Group
Dunhuang Tianrun New Energy Co., Ltd. (敦煌市天潤新能源有限公司)	An associate of the Group
Astronergy Solar Thailand Co., Ltd.	An associate of the Group
Yueqing Zhengxi Enterprise Management Consulting Center (Limited Partnership) (樂清正熹企業管理諮詢中心(有限合夥))	An associate of the Group
Yueqing Zhenghong Enterprise Management Consulting Center (Limited Partnership) (樂清正宏企業管理諮詢中心(有限合夥))	An associate of the Group
Yongchang Chint Photovoltaic Power Generation Co., Ltd. (永昌正泰光伏發電有限公司)	An associate of the Group
Jinchang Weisheng Solar Energy Power Generation Co., Ltd. (金昌帷盛太陽能發電有限公司)	An associate of the Group
Ji'an Shengtian (浙江杭泰數智能源開發有限公司)	An associate of the Group
Zhejiang Chint Auto Parts Co., Ltd. (浙江正泰汽車零部件有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Rongtai Import and Export Trading Co., Ltd. (杭州嶸泰進出口貿易有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Chint Jinxiu Photovoltaic Technology Co., Ltd. (杭州正泰錦繡光伏科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Optoelectronics Co., Ltd. (浙江正泰光電有限責任公司)	An entity controlled by the Ultimate Controlling Shareholder
Shanghai Chint Property Service Co., Ltd. (上海正泰物業服務有限公司)	An entity controlled by the Ultimate Controlling Shareholder
TAIYIDA LOGISTICS (HONG KONG) CO., LIMITED (泰易達物流(香港)有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Wenzhou Chint Home Appliance Co., Ltd. (溫州正泰居家電器有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Electric Power Design Co., Ltd. (正泰電力設計有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Chint Digital Technology Co., Ltd. (杭州正泰數智科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Jiangsu Chint Taijie Sai Intelligent Technology Co., Ltd. (江蘇正泰泰傑賽智能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shanghai Tahechen Energy Technology Co., Ltd. (上海泰氫晨能源科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Ruineng Electric Power Testing Co., Ltd. (浙江睿能電力檢測有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Zhongzi Controlling Engineering Co., Ltd. (浙江正泰中自控制工程有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shaanxi Chint Digital Technology Co., Ltd. (陝西正泰數智科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Electric Power Services Co., Ltd. (正泰電力服務有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Anhui Hedian Chint Electrical Complete Equipment Co., Ltd. (安徽合電正泰電氣成套設備有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Bohong Holding Co., Ltd. (浙江柏泓控股有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Qinghai Lihao Clean Energy Co., Ltd. (青海麗豪清能股份有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Bohong Construction Technology Co., Ltd. (浙江柏泓建築科技有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder

Name of the related parties	Relationship with the Group
Jiuxiang Yizhan (Hangzhou) Trading Co., Ltd. (九鄉驛站(杭州)貿易有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Jiuxiang Yizhan (Wenzhou) Trading Co., Ltd. (九鄉驛站(溫州)貿易有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Zhongkong Information Industry Co., Ltd. (浙江中控信息產業股份有限公司)	An associate of the Group
Chint (Zhejiang) Rail Transit Technology Co., Ltd. (正泰(浙江)軌道交通科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Beijing Hexin Ruitong Electric Power Technology Co., Ltd. (北京和信瑞通電力技術股份有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Taimeng Enterprise Management Co., Ltd. (杭州泰夢企業管理有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Liaocheng Dongxin Yunling New Energy Co., Ltd. (聊城市東新雲領新能源有限公司)	An entity controlled by the Ultimate Controlling Shareholder

The following transactions and balances were carried out between the Group and its related parties during the Relevant Period. In the opinion of the Directors, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. In addition to those disclosed elsewhere in the Historical Financial Information, the Group has the following transactions with related parties:

(c) Material transactions with related parties

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Sales of goods and rendering of services:			
An associate of the Group	483,087	1,464,181	64,441
An entity controlled by the Ultimate Controlling Shareholder	2,323,960	2,703,803	2,792,932
An entity significantly influenced by the Ultimate Controlling Shareholder	84	520	451
An entity controlled by the key management of the Company	191,038	228,294	312,231
	2,998,169	4,396,798	3,170,055

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Purchase of goods and services:			
An associate of the Group	61,930	46,512	16,964
An entity significantly influenced by the Ultimate Controlling Shareholder	97,081	48,536	16,559
An entity controlled by the Ultimate Controlling Shareholder	7,993,081	4,646,337	4,561,843
An entity controlled by the key management of the Company	120,335	152,665	79,934
	8,272,427	4,894,050	4,675,300

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Lease income:			
An associate of the Group	945	790	841
An entity controlled by the Ultimate Controlling Shareholder	22,787	21,389	11,460
An entity significantly influenced by the Ultimate Controlling Shareholder	2,309	2,353	580
An entity controlled by the key management of the Company	–	–	3,114
	26,041	24,532	15,995

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Rental expenses:			
An associate of the Group	–	28	–
An entity controlled by the Ultimate Controlling Shareholder	109,496	85,437	54,537
An entity significantly influenced by the Ultimate Controlling Shareholder	–	–	–
An entity controlled by the key management of the Company	–	–	1,031
	109,496	85,465	55,568

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Guarantee provided by the Ultimate Controlling Shareholder:			
An associate of the Group	6,267,126	5,658,149	423,770

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Guarantee provided by the Company and its subsidiaries:			
An associate of the Group	1,262,595	643,461	338,990

(d) Balance with related parties

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade and note receivables:			
An associate of the Group	1,232,485	941,571	62,330
An entity controlled by the Ultimate Controlling Shareholder	1,198,073	912,972	676,706
An entity significantly influenced by the Ultimate Controlling Shareholder	3,594	3,853	316
An entity controlled by the key management of the Company	30,178	29,819	61,510
Less: credit loss allowance	(123,650)	(185,189)	(51,360)
	2,340,680	1,703,026	749,502

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade and note payables:			
An associate of the Group	20,620	12,078	10,771
An entity controlled by the Ultimate Controlling Shareholder	2,396,115	1,434,886	1,266,354
An entity significantly influenced by the Ultimate Controlling Shareholder	25,410	21,729	28,227
An entity controlled by the key management of the Company	62,083	57,502	41,570
	2,504,228	1,526,195	1,346,922

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other receivables:			
An associate of the Group	908,552	345,506	580,997
A joint venture of the Group	–	–	610
An entity controlled by the Ultimate Controlling Shareholder	31,121	21,678	23,424
An entity significantly influenced by the Ultimate Controlling Shareholder	637	10	8
An entity controlled by the key management of the Company	796	–	70
Less: credit loss allowance	(42,864)	(70,169)	(113,749)
	898,242	297,025	491,360

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other payables:			
An associate of the Group	8,106	42,339	3,571
An entity controlled by the Ultimate Controlling Shareholder	21,917	36,316	39,673
An entity significantly influenced by the Ultimate Controlling Shareholder	541	2,073	2,790
An entity controlled by the key management of the Company	796	894	994
	31,360	81,622	47,028

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract assets:			
An associate of the Group	87,966	138,879	56,848
An entity controlled by the Ultimate Controlling Shareholder	539	1,593	14,713
Less: credit loss allowance	(2,447)	(14,338)	(28,611)
	86,058	126,134	42,950

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities:			
An associate of the Group	1,001,219	22	3,810
An entity controlled by the Ultimate Controlling Shareholder	2,116	3,368	20,684
An entity significantly influenced by the Ultimate Controlling Shareholder	2	181	180
An entity controlled by the key management of the Company	379	6,600	22,704
	1,003,716	10,171	47,378

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Notes receivables at FVTOCI:			
An associate of the Group	–	41	–
An entity controlled by the Ultimate Controlling Shareholder	–	7,642	–
	–	7,683	–

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments:			
An associate of the Group	21	343,940	189
An entity controlled by the Ultimate Controlling Shareholder	52,786	43,858	98,520
An entity significantly influenced by the Ultimate Controlling Shareholder	234	351	86
An entity controlled by the key management of the Company	45	215	685
	53,086	388,364	99,480

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Received in advance:			
An associate of the Group	1,159	7,554	500
An entity controlled by the Ultimate Controlling Shareholder	88	156	1,965
An entity significantly influenced by the Ultimate Controlling Shareholder	4,839	111	121
	6,086	7,821	2,586

All the balances with the related parties are in trade nature.

(e) Transactions and balance with Chint Group Finance Co., Ltd. and Wenzhou Minshang Bank Co., Ltd.

The Group received interest income on deposits from Chint Group Finance Co., Ltd. of RMB48,787,000, RMB60,127,000 and RMB38,042,000 for the years ended December 31, 2023, 2024 and 2025, respectively. As at December 31, 2023, 2024 and 2025, the outstanding balance of deposits (including principal and interest) held by the Group with Chint Group Finance Co., Ltd. amounted to RMB6,465,024,000, RMB6,039,126,000 and RMB6,083,914,000, respectively.

The Group paid interest on borrowings to Chint Group Finance Co., Ltd. of RMB34,952,000, RMB34,830,000 and RMB38,809,000 for the years ended December 31, 2023, 2024 and 2025, respectively. As at December 31, 2023, 2024 and 2025, the outstanding borrowings owed by the Group to Chint Finance Company amounted to RMB1,270,100,000, RMB1,352,238,000 and RMB1,131,344,000, respectively.

The Group received interest income on deposits from Wenzhou Minshang Bank Co., Ltd. of RMB6,165,000, RMB10,660,000 and RMB12,254,000 for the years ended December 31, 2023, 2024 and 2025, respectively. As at December 31, 2023, 2024 and 2025, the outstanding balance of deposits (including principal and interest) held by the Group with Wenzhou Minshang Bank Co., Ltd. amounted to RMB106,217,000, RMB539,520,000 and RMB363,851,000, respectively.

(f) Key management compensation

Compensation of the key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 10, was as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Fee	300	300	302
Salaries, wages and bonuses	33,584	26,100	23,167
Share-based compensation expenses	25,782	51,284	35,421
Pension costs, housing fund, medical insurance and other social benefits	1,227	1,093	620
	60,893	78,777	59,510

As at December 31, 2023, 2024 and 2025, payroll payables of approximately RMB21,574,000, RMB15,943,000, and RMB17,085,000 which were unpaid at those dates were included in other payables and accruals. The share-based payments provided to key management personnel consist of restricted share incentive schemes which are equity-settled, details are set out in Note 39.

47. EVENTS AFTER THE REPORTING PERIOD

[On June 23, 2026, the Board of Directors of the Company approved the Company's participation, through the Shanghai United Assets and Equity Exchange, in the competitive bidding process to acquire a 3.16% equity interest in Chint Anneng held by National Green Development Fund Co., Ltd. ("**Green Fund**"). As of the date of this report, the Company has successfully completed the bidding process and secured the relevant equity interest, with a total transaction consideration of RMB1,115,891,900. Upon completion of this transaction, the Company's direct and indirect shareholding in Chint Anneng will increase from 68.08% to 71.24%. This transaction is expected to further deepen the Company's presence in the green energy sector, integrate high-quality resources, optimise Chint Anneng's equity structure, enhance overall strategic synergy and management efficiency, and is not expected to have a material impact on the Company's daily operations and production activities.]

[On August 3, the application for the Carbon-Neutral Green Held-Type Real-Estate Asset-Backed Special-Purpose Plan (Rural Revitalisation) (the "**ABS**"), with Chint Anneng as its originator, was accepted by the Shanghai Stock Exchange. The underlying assets size of the proposed ABS is RMB6,662,000,000. As at the date of this report, the financial impact of issuance of the ABS is currently being assessed by the Directors.]

48. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025 and up to the date of this report.]

The following is the text of a report set out on pages IA-1 to IA-43, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ZHEJIANG CHINT ELECTRICS CO., LTD
浙江正泰電器股份有限公司

Introduction

We have reviewed the condensed consolidated financial statements of Zhejiang Chint Electrics Co., Ltd. 浙江正泰電器股份有限公司 (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages IA-3 to IA-43, which comprise the condensed consolidated statements of financial position as of June 30, 2026, and the related condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statements of cash flows for the six months then ended, and notes to the condensed consolidated financial statements. The condensed consolidated financial statements have been prepared by the directors of the Company solely for the purpose of **[REDACTED]** of **[REDACTED]** of the H shares of the Company on The Stock Exchange of Hong Kong Limited. As a result, the condensed consolidated financial statements may not be suitable for another purpose. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[Date]

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended June 30,	
	NOTES	**2026**	**2025**
		RMB'000	*RMB'000*
		(unaudited)	*(unaudited)*
Revenue	*5*	38,064,189	29,630,740
Cost of sales		(29,090,231)	(21,296,623)
Gross profit		8,973,958	8,334,117
Other income, other gains and losses	*6*	676,119	531,316
Other expenses	*7*	(40,116)	(30,764)
Administrative expenses		(1,294,831)	(1,580,604)
Selling and marketing expenses		(1,194,011)	(1,230,111)
Research and development ("**R&D**") expenses		(619,102)	(617,271)
Impairment losses (including reversals of impairment losses) on financial assets and other items		(145,906)	(221,704)
Finance costs	*9*	(1,187,504)	(1,040,597)
Share of results of associates and joint ventures		69,463	126,006
Profit before tax	*8*	5,238,070	4,270,388
Income tax expense	*10*	(1,163,675)	(830,260)
Profit for the period		4,074,395	3,440,128

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Other comprehensive income/(expense) for the period		
Items that will not be reclassified subsequently to profit or loss, net of tax:		
Changes in fair value of equity investments at fair value through other comprehensive income ("**FVTOCI**")	–	(113,907)
Shares of other comprehensive income in investments in associates and joint ventures	622	316
Remeasurements of defined benefit plans	107	–
	729	(113,591)
Items that may be reclassified subsequently to profit or loss, net of tax:		
Shares of other comprehensive expenses in investments in associates and joint ventures	(3)	–
Exchange differences arising on translation of foreign operations	(219,100)	(277,168)
	(219,103)	(277,168)
Other comprehensive expense for the period, net of tax	(218,374)	(390,759)
Total comprehensive income for the period	3,856,021	3,049,369
Profit for the period attributable to:		
– Owners of the Company	3,130,444	2,561,187
– Non-controlling interests	943,951	878,941
	4,074,395	3,440,128

		Six months ended June 30,	
	NOTE	**2026**	**2025**
		RMB'000	*RMB'000*
		(unaudited)	*(unaudited)*
Total comprehensive income for the period attributable to:			
– Owners of the Company		2,963,754	2,209,310
– Non-controlling interests		892,267	840,059
		3,856,021	3,049,369
Earnings per share			
Basic *(RMB)*	*12*	1.47	1.19
Diluted *(RMB)*	*12*	1.47	1.19

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTES	As at June 30, 2026	As at December 31, 2025
		RMB'000 (unaudited)	*RMB'000* (audited)
Non-current assets			
Property, plant and equipment	*13*	29,158,568	29,719,403
Right-of-use assets	*13*	10,686,032	11,296,986
Investment properties		548,485	413,434
Investments in associates and joint ventures		6,076,964	6,040,517
Deferred tax assets	*14*	1,700,128	1,990,479
Intangible assets		110,191	129,450
Goodwill		490,917	490,917
Equity investments at FVTOCI		2,932,187	2,834,325
Financial assets at fair value through profit or loss ("**FVTPL**")		6,519,635	6,434,115
Prepayments, other receivables and other assets	*16*	6,815,404	7,158,763
Trade receivables	*15*	25,027	13,840
		65,063,538	66,522,229
Current assets			
Inventories		54,202,178	57,203,968
Trade and note receivables	*15*	15,729,230	14,822,003
Prepayments, other receivables and other assets	*16*	6,169,960	4,731,538
Contract assets	*5*	969,797	1,042,975
Financial assets at FVTPL		13,490	126,223
Income tax assets		72,915	135,716
Note receivables at FVTOCI		150,412	148,161
Restricted bank deposits		890,318	968,653
Cash and cash equivalents		14,862,645	13,078,471
		93,060,945	92,257,708
Assets classified as held for sale		–	20,690
		93,060,945	92,278,398
Total assets		158,124,483	158,800,627

	NOTES	As at June 30, 2026	As at December 31, 2025
		RMB'000 (unaudited)	*RMB'000* (audited)
Current liabilities			
Trade and note payables	*18*	18,088,338	19,598,707
Accruals and other payables		6,671,593	7,167,611
Income tax payables		517,108	546,556
Borrowings	*17*	24,756,624	27,700,940
Derivative financial instruments		46,959	1,201
Lease liabilities		446,539	412,748
Provisions		181,365	197,764
Contract liabilities	*5*	5,553,254	6,005,612
Other current liabilities		162,639	126,698
Received in advance		16,650	43,775
		56,441,069	61,801,612
Net current assets		36,619,876	30,476,786
Total assets less current liabilities		101,683,414	96,999,015

	NOTES	As at June 30, 2026	As at December 31, 2025
		RMB'000 (unaudited)	*RMB'000* (audited)
Non-current liabilities			
Deferred tax liabilities	*14*	1,309,338	1,341,228
Borrowings	*17*	34,046,007	30,714,791
Lease liabilities		9,465,648	10,093,177
Provisions		649,012	716,195
Contract liabilities	*5*	134,079	123,795
Deferred income		196,705	213,283
Other non-current liabilities		22,642	1,265
		45,823,431	43,203,734
Net assets		55,859,983	53,795,281
Capital and reserves			
Share capital	*19*	2,148,969	2,148,969
Treasury shares		(499,977)	(499,977)
Other reserves		12,893,047	13,295,783
Retained profits		31,465,984	29,624,642
Equity attributable to owners of the Company		46,008,023	44,569,417
Non-controlling interests		9,851,960	9,225,864
Total equity		55,859,983	53,795,281

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Share premium	Treasury shares	Other comprehensive income	Other reserves	Retained profits	Sub-total	Non-controlling interests	Total equity
	RMB'000 (Note 19)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025 *(audited)*	2,148,969	12,369,394	–	(393,728)	1,596,762	26,421,237	42,142,634	8,601,104	50,743,738
Profit for the period	–	–	–	–	–	2,561,187	2,561,187	878,941	3,440,128
Other comprehensive expense for the period	–	–	–	(351,877)	–	–	(351,877)	(38,882)	(390,759)
Total comprehensive (expense)/income for the period	–	–	–	(351,877)	–	2,561,187	2,209,310	840,059	3,049,369
Disposal of equity investments at FVTOCI	–	–	–	(3,484)	–	13,036	9,552	–	9,552
Declaration of dividends	–	–	–	–	–	(1,286,448)	(1,286,448)	(166,679)	(1,453,127)
Transactions with non-controlling interests *(Note 21)*	–	–	–	–	(23)	–	(23)	(145,691)	(145,714)
Repurchase of shares *(Note 19)*	–	–	(197,193)	–	–	–	(197,193)	–	(197,193)
Share-based compensation expenses	–	–	–	–	53,063	–	53,063	16,485	69,548
Others	–	–	–	–	9,765	(6,765)	3,000	–	3,000
At June 30, 2025 *(unaudited)*	2,148,969	12,369,394	(197,193)	(749,089)	1,659,567	27,702,247	42,933,895	9,145,278	52,079,173

	Attributable to owners of the Company								
	Share capital	Share premium	Treasury shares	Other comprehensive income	Other reserves	Retained profits	Sub-total	Non-controlling interests	Total equity
	RMB'000 (Note 19)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2026 *(audited)*	2,148,969	12,369,394	(499,977)	(258,198)	1,184,587	29,624,642	44,569,417	9,225,864	53,795,281
Profit for the period	–	–	–	–	–	3,130,444	3,130,444	943,951	4,074,395
Other comprehensive expense for the period	–	–	–	(166,690)	–	–	(166,690)	(51,684)	(218,374)
Total comprehensive (expense)/income for the period	–	–	–	(166,690)	–	3,130,444	2,963,754	892,267	3,856,021
Disposal of equity investments at FVTOCI	–	–	–	–	–	4,238	4,238	–	4,238
Declaration of dividends	–	–	–	–	–	(1,276,878)	(1,276,878)	(232,798)	(1,509,676)
Distributions to equity holders	–	–	–	–	–	(11,716)	(11,716)	–	(11,716)
Transactions with non-controlling interests *(Note 21)*	–	–	–	–	(240,792)	–	(240,792)	(49,398)	(290,190)
Capital contributions by non-controlling interests	–	–	–	–	–	–	–	14,356	14,356
Share-based compensation expenses	–	–	–	–	–	–	–	1,669	1,669
Others	–	–	–	–	4,746	(4,746)	–	–	–
At June 30, 2026 *(unaudited)*	2,148,969	12,369,394	(499,977)	(424,888)	948,541	31,465,984	46,008,023	9,851,960	55,859,983

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
OPERATING ACTIVITIES		
Cash generated from operations	13,998,155	8,332,117
Interest received	38,358	53,660
Income tax paid	(854,931)	(1,247,653)
NET CASH FROM OPERATING ACTIVITIES	13,181,582	7,138,124
INVESTING ACTIVITIES		
Proceeds on disposal of investments	532,009	118,039
Proceeds on settlement of derivative financial instruments	75,701	4,516
Proceeds on disposal of property, plant and equipment, intangible assets and other non-current assets	19,549	27,748
Payments for purchase of investments in associates and joint ventures	–	(5,739)
Purchase of equity investments at FVTOCI	(120,860)	(366,675)
Purchase of financial assets at FVTPL	(166,503)	(983,623)
Purchase of property, plant and equipment, intangible assets and other non-current assets	(639,129)	(1,266,568)
Movements of restricted cash and term deposits	56,000	6,450
Net outflow of cash from the acquisitions	(50,930)	(54,541)
Net inflow of cash resulting from the disposal of subsidiaries	9,600	16,708
Dividends received from equity investments	79,446	178,266
Proceeds from repayment of loans by equity investments	147,459	312,361
Proceeds on disposal of assets held for sale	924	4,757
Payments for loans to equity investments	(113,133)	(613,830)
Performance compensation received	–	–
Others	(456)	9,040
NET CASH USED IN INVESTING ACTIVITIES	(170,323)	(2,613,091)

		Six months ended June 30,	
	NOTE	**2026**	**2025**
		RMB'000	*RMB'000*
		(unaudited)	*(unaudited)*
FINANCING ACTIVITIES			
Capital contributions from/(reductions by) the non-controlling shareholders		14,356	(145,691)
Proceeds from borrowings		13,304,763	13,055,510
Repayments of borrowings		(21,818,738)	(8,905,174)
Repayment of principal elements of lease payments		(346,654)	(5,028,366)
Interests paid		(600,225)	(585,165)
Dividends paid to the Company's shareholders	*11*	(1,276,878)	(1,286,448)
Dividends paid to the non-controlling shareholders		(176,285)	(161,955)
Transactions with non-controlling shareholders		(241,283)	(1,550)
Payments for repurchase of shares		–	(197,193)
Others		(79,392)	4,115
NET CASH USED IN FINANCING ACTIVITIES		(11,220,336)	(3,251,917)
Net increase in cash and cash equivalents		1,790,923	1,273,116
Cash and cash equivalents at beginning of the period		13,078,471	11,435,730
Effects of foreign exchange rate changes		(6,749)	(52,577)
Cash and cash equivalents at end of the period		14,862,645	12,656,269

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Zhejiang Chint Electrics Co., Ltd. 浙江正泰電器股份有限公司 ("**the Company**") is a joint stock company with limited liability established in Zhejiang in the People's Republic of China (the "**PRC**"), which was established on August 5, 1997. The Company was listed on the Shanghai Stock Exchange Main Board (stock code: 601877) in January 2010. The addresses of the Company's registered office and its principal place of business are set out in the section headed "Corporate Information" in the Document. The ultimate controlling shareholder of the Company is Mr. Nan Cunhui (the "**Ultimate Controlling Shareholder**").

The Company and its subsidiaries ("**the Group**") has developed two complementary business segments: intelligent electrical products and green energy solutions. Together, these businesses allow the Group to serve key links of the power and energy value chain, including generation, storage, distribution and end use.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared based on the accounting policies which conform with the IFRS Accounting Standards issued by the International Accounting Standards Board.

The condensed consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments, which have been measured at fair value.

3. APPLICATION OF IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the condensed combined financial statements for the six months ended June 30, 2026, the Group has consistently applied all IFRS Accounting Standards issued by International Accounting Standards Board, which are effective for the accounting period beginning on January 1, 2026.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those followed in the preparation of the Group's historical financial information for the three years ended December 31, 2025 and material accounting policy information has been included in the accountants' report as set out in Appendix I to the document.

The condensed consolidated financial statements and the selected notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the latest consolidated financial statements as at and for the year ended December 31, 2025. The condensed consolidated financial statements and notes do not include all of the information and disclosures required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

5. REVENUE AND SEGMENT INFORMATION

An analysis of revenue is as follows:

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Revenue from contracts with customers	38,022,695	29,586,225
Revenue from operating leases	41,494	44,515
	38,064,189	29,630,740

Disaggregation of revenue from contracts with customers

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Types of products or service		
Intelligent electrical products		
– Terminal electrical products	4,193,175	3,854,578
– Power distribution electrical products	3,125,883	3,326,547
– Control electrical products	2,279,908	2,029,669
– Instruments and meters	1,034,117	1,065,399
– Building electrical products	903,748	892,232
– Others[(i)]	609,963	556,549
	12,146,794	11,724,974
Green energy solutions		
– Photovoltaic power station solutions	17,691,437	9,550,374
– Engineering, procurement and construction services ("**EPC**")	219,330	153,831
– Operations and maintenance services	5,260,975	5,577,497
– Sales of inverters and energy storage systems	1,013,712	917,353
– Others[(ii)]	1,299,949	1,292,522
	25,485,403	17,491,577
Others[(iii)]	390,498	369,674
Revenue from contracts with customers	38,022,695	29,586,225

(i) The other intelligent electrical products primarily contain power supply electrical products, electronic electrical products and control electrical products.

(ii) The other green energy solutions primarily contain metal products and non-photovoltaic power service revenue.

(iii) The others primarily represent sales of parts and components and other miscellaneous income.

Geographical information by customers

The following table shows the Group's revenue from contracts with customers disaggregated by location, where location is determined by the project site for power station plants and by the customer's location for all other revenue.

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Chinese Mainland	33,274,188	25,599,527
The Americas	1,464,690	1,472,192
Europe	1,771,302	1,223,777
Asia-Pacific	867,749	595,228
Others[(i)]	644,766	695,501
	38,022,695	29,586,225

(i) Primarily represent sales in Saudi Arabia and Egypt, as well as sales of products tailored to non-PRC standards to overseas distributors.

Information about the Group's non-current assets excluding deferred tax assets and financial instruments is presented based on the geographical locations of the assets.

	As at June 30,	As at December 31,
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(audited)*
Chinese Mainland	52,288,020	53,861,495
Other countries or regions[(i)]	963,904	927,843
	53,251,924	54,789,338

(i) Non-current assets in other countries or regions are primarily located in Singapore, Saudi Arabia, and Netherlands, which together account for less than 10% of the Group's non-current assets.

Timing of revenue from contracts with customers recognition

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Products transferred at a point in time	37,511,738	28,896,315
Services transferred over time	510,957	689,910
	38,022,695	29,586,225

Segment Information

The segment information for the six months ended June 30, 2026 is as follows:

	Intelligent electrical	Green energy	Elimination between segments	Total
	RMB'000 (unaudited)	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Segment revenue:				
Revenue from transactions with external customers	12,143,962	25,878,733	–	38,022,695
Revenue from leases	29,569	11,925	–	41,494
Inter-segment revenue	369,545	1,221	(370,766)	–
Total revenue	12,543,076	25,891,879	(370,766)	38,064,189
Cost of sales	(9,361,572)	(20,084,899)	356,240	(29,090,231)
Segment results	3,181,504	5,806,980	(14,526)	8,973,958
Other income, other gains and losses	709,219	175,825	(208,925)	676,119
Other expenses	(12,716)	(27,400)	–	(40,116)
Administrative expenses	(554,212)	(754,905)	14,286	(1,294,831)
Selling and marketing expenses	(816,712)	(377,299)	–	(1,194,011)
R&D expenses	(474,368)	(144,734)	–	(619,102)
Impairment losses (including reversals of impairment losses) on financial assets and other items	(68,798)	(100,288)	23,180	(145,906)
Finance costs	(49,194)	(1,138,324)	14	(1,187,504)
Share of results of associates and joint ventures	75,316	32,957	(38,810)	69,463
Profit before tax	1,990,039	3,472,812	(224,781)	5,238,070
Segment assets	42,826,605	131,287,296	(15,989,418)	158,124,483
Segment liabilities	11,311,416	91,712,662	(759,578)	102,264,500

Segment information for the six months ended June 30, 2025 was as follows:

	Intelligent electrical	Green energy	Elimination between segments	Total
	RMB'000 (unaudited)	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Segment revenue:				
Revenue from transactions with external customers	12,069,596	17,516,629	–	29,586,225
Revenue from leases	24,854	19,661	–	44,515
Inter-segment revenue	9,970	357,844	(367,814)	–
Total revenue	12,104,420	17,894,134	(367,814)	29,630,740
Cost of sales	(8,492,276)	(13,152,659)	348,312	(21,296,623)
Segment results	3,612,144	4,741,475	(19,502)	8,334,117
Other income, other gains and losses	225,051	314,759	(8,494)	531,316
Other expenses	(10,479)	(20,285)	–	(30,764)
Administrative expenses	(613,116)	(968,193)	705	(1,580,604)
Selling and marketing expenses	(827,432)	(402,679)	–	(1,230,111)
R&D expenses	(509,131)	(108,140)	–	(617,271)
Impairment losses (including reversals of Impairment losses) on financial assets and other items	(58,319)	(171,169)	7,784	(221,704)
Finance costs	(61,935)	(978,742)	80	(1,040,597)
Share of results of associates and joint ventures	65,700	90,570	(30,264)	126,006
Profit before tax	1,822,483	2,497,596	(49,691)	4,270,388
Segment assets	41,318,063	129,192,187	(15,103,103)	155,407,147
Segment liabilities	10,901,029	93,639,632	(1,212,688)	103,327,973

Contract assets

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Current:		
Warranty deposits	661,995	658,881
Work completed but not yet billed	307,802	384,094
	969,797	1,042,975

Contract liabilities

During the six months ended June 30, 2026, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liabilities were primarily due to the recognition of revenues upon fulfillment of performance obligations.

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Non-current:		
Contract liabilities in relation to provision of services	134,079	123,795
Current:		
Contract liabilities in relation to sale of goods and provision of services	5,553,254	6,005,612

6. OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2026	2025
	RMB'000 (unaudited)	*RMB'000 (unaudited)*
Other income		
VAT deduction	16,373	43,564
Government grants	136,948	199,970
Interest income	121,209	140,860
Dividend income	50,800	64,880
Others	27,820	22,198
	353,150	471,472
Other gains and losses		
Gains on financial instruments at FVTPL[(i)]	517,700	12,497
Gains from disposal of investments in associates and joint ventures and subsidiaries	989	14,868
Net losses on disposal of property, plant and equipment and other long-term assets	(22,457)	(28,144)
Foreign exchange (losses)/gains, net	(167,738)	145,636
Asset impairment provision	(6,371)	(85,357)
Others	846	344
	322,969	59,844
	676,119	531,316

(i) For the six months ended June 30, 2026, the gains on financial instruments at FVTPL mainly include disposal gains on financial instruments at FVTPL of RMB359 million and fair value gains on level 1 financial assets at FVTPL of RMB159 million.

7. OTHER EXPENSES

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Bank charges	12,293	18,990
Construction cost overruns	14,758	3,556
Public welfare donations	41	255
Others	13,024	7,963
	40,116	30,764

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Depreciation of property, plant and equipment	1,086,660	1,025,627
Depreciation of right-of-use assets	318,322	265,042
Amortization of intangible assets	22,079	27,492
Other depreciation and amortization	66,923	73,043
Less: amount capitalized	(23,488)	(22,070)
Total depreciation and amortization	1,470,496	1,369,134
Cost of inventories recognized as cost of sales	25,315,889	18,057,292
Employee benefit expenses	2,741,787	2,843,694
Impairment losses included in property, plant and equipment	6,370	85,301
R&D expenses	619,102	617,271

9. FINANCE COSTS

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Interest expenses on borrowings	968,676	880,341
Interest expenses on lease liabilities	192,096	144,075
Others	40,589	19,334
Finance costs before capitalization	1,201,361	1,043,750
Less: capitalized finance costs[(i)]	(13,857)	(3,153)
	1,187,504	1,040,597

Note:

(i) In accordance with IAS 23 Borrowing Costs, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets.

10. INCOME TAX EXPENSE

The income tax expense of the Group during the relevant periods are analyzed as follows:

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Current tax	866,460	926,327
Under provision in respect of prior years	21,821	69,641
Deferred tax	275,394	(165,708)
	1,163,675	830,260

The Group is subject to income tax on an entity basis on profits arising in or derived from the different jurisdictions in which members of the Group are domiciled and operate.

PRC Corporate Income Tax

In accordance with the relevant regulations of the Enterprise Income Tax laws (the "**EIT Law**") of the PRC, the applicable statutory tax rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

During the relevant periods, the Company and certain subsidiaries of the Group have obtained High and New Technology Enterprises certification ("**HNTE**") and hence they are entitled to a preferential corporate income tax rate of 15%.

Pursuant to Caishui 2022 No. 13 "Announcement on Further Implementing the Income Tax Preferential Policies for Small low-profit Enterprises"(關於進一步實施小微企業所得税優惠政策的公告), Caishui 2023 No. 6 "Announcement on Preferential Income Tax Policies for Small low-profit Enterprises and Individual Industrial and Commercial Households" and Caishui [2023] No. 12 "Announcement on the Income Tax Preferential Policies for Small low-profit Enterprises and Self-employed Businesses" (關於小微企業和個體工商戶所得税優惠政策的公告), certain subsidiaries were qualified for Small low-profit Enterprises and entitled to a preferential income tax rate of 20%, and the annual taxable income not exceeding RMB3.0 million was reduced to 25% and taxed at a rate of 20%.

During the relevant periods, certain subsidiaries enjoy the Western Regions corporate income tax incentive, with a preferential tax rate of 15%.

Pursuant to Guoshuifa [2009] No. 80 "Notice on Issues Concerning the Implementation of Corporate Income Tax Incentives for Nationally Key-Priority Public Infrastructure Projects", certain subsidiaries enjoy the corporate income tax preferential policy of "three-year exemption followed by three-year 50% reduction".

Pursuant to Article 29 of the Enterprise Income Tax Law of PRC and relevant local regulations, the autonomous authorities of national autonomous areas may decide to reduce or exempt the portion of enterprise income tax payable by local enterprises that belongs to the local share. Certain subsidiaries enjoy the exemption of the local share portion, with a preferential tax rate of 15% before December 31, 2025.

Pursuant to Article 99 and Article 101 of the Implementing Regulations of the Enterprise Income Tax Law, as well as the Announcement on Improving the Value-Added Tax Policy for the Comprehensive Utilization of Resources (Announcement [2021] No. 40 of the Ministry of Finance and the State Taxation Administration), certain subsidiaries qualify for corporate income tax incentives related to the comprehensive utilization of resources before December 31, 2025. For these subsidiaries, 90% of the relevant income is included in the total revenue when calculating the taxable income.

Pursuant to Article 27 of the Income Tax Law of PRC, certain subsidiaries enjoy the preferential corporate income tax policy of exemption or reduction for income derived from engaging in agriculture, forestry, animal husbandry, and fishery projects.

Hong Kong Profits Tax

Certain subsidiaries in Hong Kong are subject to Hong Kong profits tax rate of 16.5% on the estimated assessable profits during the relevant periods.

Certain subsidiaries in Hong Kong have no profit tax as the business of these companies qualifies as offshore operations that was not subject to Hong Kong profits tax during the relevant periods.

Corporate Income Tax in Other Jurisdictions

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

OECD Pillar Two Model Rules

The Organization for Economic Co-operation and Development ("**OECD**") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("**Pillar Two legislation**") to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group is reasonably expected to fall into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

The Group is operating in certain jurisdictions where the Pillar Two Rules is effective. The Group has reviewed its corporate structure in light of the introduction of Pillar Two model rules in various jurisdictions. The Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per respective jurisdiction. The Group applies the IAS 12 exception to recognition and disclosure information about deferred tax assets and liabilities relating to Pillar Two income taxes. Due to the novelty and complexity of Pillar Two, the Group continues to monitor for advancements and further guidance on Pillar Two rules, considering impacts of such developments on its tax expense.

For those jurisdictions where the Pillar Two legislation was enacted but not effective at the reporting date, the Group has no related current tax exposure. However, certain subsidiaries of the Company are located in jurisdictions where Pillar Two legislation has been enacted, specifically jurisdictions including Hong Kong and Singapore, effective since 1 January, 2025, as well as countries including New Zealand, effective since 1 January, 2026. Based on the Group's assessment, there is no impact and no material related current tax exposure in these jurisdictions for the six month ended June 30, 2025 and 2026, respectively.

11. DIVIDENDS

During the six months ended June 30, 2026, the Company declared and paid cash dividend of RMB0.60 per ordinary share, in aggregate of RMB1,276,878,000, to ordinary shareholders of the Company, based on the total share capital eligible for profit distribution, excluding treasury shares (six months ended June 30, 2025: RMB1,286,448,000).

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended June 30,	
	2026	**2025**
	(unaudited)	*(unaudited)*
Earnings:		
Earnings for the purpose of basic and diluted earnings per share attributable to owners of the Company *(RMB'000)*	3,130,444	2,561,187
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share *('000)*	2,128,129	2,148,153

13. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended June 30, 2026, the Group disposed of certain plant and machinery with an aggregate carrying amount of RMB59,767,000 (six months ended June 30, 2025: RMB95,127,000), resulting in a loss on disposal of RMB22,722,000 (six months ended June 30, 2025: RMB28,445,000).

In addition, during the six months ended June 30, 2026, the Group incurred RMB1,185,051,000 for construction costs for photovoltaic power stations and buildings (six months ended June 30, 2025: RMB1,198,217,000).

During the six months ended June 30, 2026, the Group renewed several lease agreements and entered into several new lease agreements with lease terms ranging from 2 to 25 years (six months ended June 30, 2025: 2 to 25 years). On the date of lease commencement, the Group recognized right-of-use assets of RMB3,015,797,000 (six months ended June 30, 2025: RMB4,392,251,000) and lease liabilities of RMB3,003,629,000 (six months ended June 30, 2025: RMB4,368,348,000).

In addition, the Group derecognised right-of-use assets of RMB3,505,004,000 upon disposal of the photovoltaic power station during the six months ended June 30, 2026 (six months ended June 30, 2025: RMB678,369,000).

14. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the condensed consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Gross deferred tax assets	2,997,676	3,875,561
Offsetting against deferred tax liabilities	(1,297,548)	(1,885,082)
Net deferred tax assets	1,700,128	1,990,479
Gross deferred tax liabilities	2,606,886	3,226,310
Offsetting against deferred tax assets	(1,297,548)	(1,885,082)
Net deferred tax liabilities	1,309,338	1,341,228

The following are the deferred tax assets (liabilities) recognized and movements thereon during the six months ended June 30, 2025 and 2026:

Deferred Tax Assets

	Loss allowance and impairment provision	Refund liabilities and accruals	Provisions for warranties	Sales rebate	Unrealised profits	Contract liabilities	Fair value adjustments	Lease liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025 *(audited)*	275,938	147,054	30,910	126,376	1,221,595	41,520	18,675	202,121	45,852	2,110,041
(Charged)/credited to profit or loss	(47,799)	34,091	4,019	17,956	279,723	8,992	–	1,428,969	(24,498)	1,701,453
Credited to other comprehensive income("OCI")	–	–	–	–	–	–	60,227	–	–	60,227
Currency translation difference	–	–	–	–	–	–	3,840	–	–	3,840
At December 31, 2025 *(audited)*	228,139	181,145	34,929	144,332	1,501,318	50,512	82,742	1,631,090	21,354	3,875,561
At January 1, 2026 *(audited)*	228,139	181,145	34,929	144,332	1,501,318	50,512	82,742	1,631,090	21,354	3,875,561
Credited/(charged) to profit or loss	842	(23,161)	(3,510)	(15,699)	(218,897)	1,104	–	(616,316)	(319.00)	(875,956)
Currency translation difference	–	–	–	–	–	–	(1,929)	–	–	(1,929)
At June 30, 2026 *(unaudited)*	228,981	157,984	31,419	128,633	1,282,421	51,616	80,813	1,014,774	21,035	2,997,676

Deferred tax liabilities

	Valuation increase	Right of use assets	Depreciation of fixed assets	Fair value adjustments	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025 *(audited)*	37,249	212,093	1,465,529	69,976	63	1,784,910
Charged/(credited) to profit or loss	21,885	1,406,942	(29,410)	17,707	(63)	1,417,061
Charged to OCI	–	–	–	40,082	–	40,082
Currency translation difference	–	–	–	(15,743)	–	(15,743)
At December 31, 2025 *(audited)*	59,134	1,619,035	1,436,119	112,022	–	3,226,310
At January 1, 2026 *(audited)*	59,134	1,619,035	1,436,119	112,022	–	3,226,310
Credited to profit or loss	(2,619)	(609,802)	(28,908)	40,767	–	(600,562)
Currency translation difference	–	–	–	(18,862)	–	(18,862)
At June 30, 2026 *(unaudited)*	56,515	1,009,233	1,407,211	133,927	–	2,606,886

Deferred tax assets have not been recognized in respect of the following items:

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Tax losses	2,015,386	2,004,146
Deductible temporary differences	2,825,939	2,754,253
	4,841,325	4,758,399

15. TRADE AND NOTE RECEIVABLES

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Current		
Trade receivables	15,576,644	13,607,761
– due from related parties	1,102,435	763,865
– due from third parties	14,474,209	12,843,896
Note receivables	1,550,628	2,529,271
– due from related parties	131,295	36,997
– due from third parties	1,419,333	2,492,274
Less: allowance for credit losses	(1,398,042)	(1,315,029)
	15,729,230	14,822,003
Non-current		
Trade receivables	25,665	14,376
– due from third parties	25,665	14,376
Less: allowance for credit losses	(638)	(536)
	25,027	13,840

The normal credit term to the customers ranged from 30 days to 180 days. Ageing of trade receivables is prepared based on the invoice date, which approximated to the respective revenue recognition dates, as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Within 1 year	12,476,902	10,871,558
1 to 2 years	1,694,554	1,291,666
2 to 3 years	623,923	615,131
Over 3 years	806,930	843,782
	15,602,309	13,622,137

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Non-current		
Prepayment:		
Prepayment for non-current assets	94,289	79,035
Other receivables:		
Deposits	551,022	363,230
Loan receivables:		
Loan receivables	172,868	189,357
Less: credit loss allowance	(89,253)	(92,455)
	83,615	96,902
Other non-current assets:		
Deductible taxes	5,397,767	5,883,752
Asset for the right to returned products	538,123	598,787
Vegetation restoration costs	33,639	35,266
Others	116,949	101,791
	6,086,478	6,619,596
	6,815,404	7,158,763
Current		
Prepayments:		
Prepayments for operating expenses, raw material and finished goods	2,020,916	1,873,831
Other receivables:		
Deposits receivable	473,098	340,885
Due from related parties	599,839	605,109
Due from third parties	1,705,376	614,837
Receivables from equity investments disposal	428,974	383,775
Dividends receivables	221,515	131,974
Others	182,481	104,160
	3,611,283	2,180,740
Less: Impairment provision	(807,405)	(789,525)
	2,803,878	1,391,215
Other current assets:		
Deductible taxes	1,308,450	1,384,189
Prepaid taxes	9,073	26,106
Others	27,643	56,197
	1,345,166	1,466,492
	6,169,960	4,731,538

17. BORROWINGS

During the six months ended June 30, 2026, the Group's new borrowings and its repayments amounted to RMB22,205,638,000 (six months ended June 30, 2025: RMB20,327,760,000), and RMB21,818,738,000 (six months ended June 30, 2025: RMB8,905,174,000), respectively.

The borrowings bear interest rates ranging from 2.11% to 6.28% (December 31, 2025: interest rates ranging from 2.2% to 6.28%) per annum.

18. TRADE AND NOTE PAYABLES

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Trade and note payables		
– Trade payables	16,061,982	18,283,244
– due to related parties	1,915,227	1,346,922
– due to third parties	14,146,755	16,936,322
– Note payables[(i)]	1,730,682	1,305,898
– due to related parties	5,233	–
– due to third parties	1,725,449	1,305,898
– Letter of credit	295,674	9,565
	18,088,338	19,598,707

(i) As at June 30, 2026, note payables include bank acceptance bills amounting to RMB834,941,000 (December 31, 2025: RMB961,778,000) and trade acceptance bills amounting to RMB895,741,000 (December 31, 2025: RMB344,120,000).

Note payables of the Group are mainly repayable within six months.

An aging analysis of the trade payables based on the date of goods and services received as at the end of the reporting period was as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Within 1 year	15,111,283	16,947,896
1 to 2 years	514,877	611,172
2 to 3 years	160,735	363,980
Over 3 years	275,087	360,196
	16,061,982	18,283,244

19. SHARE CAPITAL

	As at June 30, 2026		As at December 31, 2025	
	(unaudited)		*(audited)*	
	Share capital	Number of shares	Share capital	Number of shares
	RMB'000	*'000*	*RMB'000*	*'000*
Ordinary shares	2,148,969	2,148,969	2,148,969	2,148,969

During the six month period ended June 30, 2025, the Company's repurchase of 8,740,734 shares through centralized bidding transactions, resulting in a corresponding increase in treasury shares amounting to RMB197,193,000.

20. SHARE INCENTIVE SCHEME

Equity-Settled shared-based payment arrangement of the subsidiary, Jiangsu Chint Power Technology Co., Ltd. ("Chint Power")

On August 2, 2023, the restricted share incentive plan (the "**2023 Restricted Share Incentive Plan**") was approved at the 4th extraordinary shareholders' meeting of Chint Power. Under the 2023 Restricted Share Incentive Plan, the total amount to be granted to the incentive targets will not exceed 6,900,000 shares. Chint Power will repurchase the shares granted to the incentive participants when they do not satisfy the vesting conditions. The total consideration paid by the incentive participants are recognised as liabilities and will be reversed by portion to other reserve when the shares vest each year.

The difference between the capital injection amount and the fair value of the acquired equity on date of grant was recorded as share-based payment expenses. The fair value had been arrived with reference to the market price of ordinary shares of Chint Power less the exercise price. The Group recognized share-based payment expenses of RMB1,669,000 for the six month ended June 30, 2026. (six month ended June 30, 2025: RMB1,683,000)

Details of specific categories of shares are as follows:

	Date of grant	Number of restricted shares granted	Exercise price	Fair value of restricted shares on date of grant	Vesting period
		(RMB)		*(RMB)*	
Batch 1	September 22, 2023	5,510,000	9.65	4.35	September 22, 2023 to September 22, 2026
Batch 2	June 21, 2024	1,377,500	9.58	3.31	June 21, 2024 to June 21, 2026

Under the batch 1, the shares are vested based on the service conditions and performance conditions. The restricted shares shall be subject to different vesting service periods from the vesting commencement date: i) 40% of granted shares are vested upon 12 months from the vesting commencement date; ii) 30% of granted shares are vested upon 24 months from the vesting commencement date; and iii) 30% of granted shares are vested upon 36 months from the vesting commencement date, and restricted shares with different vesting service periods are each subject to distinct performance conditions.

Under the batch 2, The restricted shares shall be subject to different vesting service periods from the vesting commencement date and different performance appraisal: i) 50% of granted shares are vested upon 12 months from the vesting commencement date; ii) 50% of granted shares are vested upon 24 months from the vesting commencement date, and restricted shares with different vesting service periods are each subject to distinct performance conditions.

The number of restricted shares under the 2023 Restricted Share Incentive Plan granted to the Group's incentive participants is summarized as follows:

	Six months ended June 30,	
	2026	**2025**
	'000	*'000*
	(unaudited)	*(unaudited)*
At the beginning of the period	2,216	4,582
Granted	–	–
Exercised	–	–
Forfeited	–	–
At the end of the period	2,216	4,582

21. TRANSACTION WITH THE NON-CONTROLLING INTERESTS

Major transactions during the period ended June 30, 2025

In March 2025, the Group liquidated Yueqing Letai Internet of Things Incubator Co., Ltd., a non-wholly-owned subsidiary, and distributed RMB150,000,000, representing the net assets attributable to the non-controlling interests, to the non-controlling shareholders.

In addition to the transaction described above, during the six months ended June 30, 2025, the Group entered into other transactions with non-controlling interests, none of which were individually significant. In aggregate, these transactions resulted in a decrease in other reserves of RMB23,000 and a increase in non-controlling interests of RMB4,309,000.

Major transactions during the period ended June 30, 2026

In January 2026, the Group acquired additional 30.5% equity interests of Zhejiang Chint Electromechanical Electrics Co., Ltd., a subsidiary of the Company, from non-controlling interests at a consideration RMB170,531,000. The Group recognized a decrease in other reserves of RMB154,115,000 and a decrease in non-controlling interests of RMB16,416,000. As a result of this transaction, the Group's equity interest in the subsidiary increased to 100%.

In addition to the transaction described above, during the six months ended June 30, 2026, the Group entered into other transactions with non-controlling interests, none of which were individually significant. In aggregate, these transactions resulted in a decrease in other reserves of RMB86,677,000 and a decrease in non-controlling interests of RMB32,982,000.

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

(i) For certain individual customers who meet the installation requirements for residential photovoltaic power stations, they purchase the assets of such photovoltaic power stations through bank loans. Chint Anneng Digital Energy (Zhejiang) Co., Ltd. ("**Chint Anneng**") provides these individuals with joint and several liability guarantees. In Chint Anneng's guarantee agreements with customers for PV station loans, the dealers providing construction services also provide counter-guarantees, and the guarantee period is generally 10 to 15 years, with a maximum of 18 years. All power station proceeds are directly channeled through a closed-loop collection mechanism to the financing bank for priority loan repayment. As of December 31, 2025 and June 30, 2026, the outstanding guarantee balance amounted to RMB1,305,215,000 and RMB1,225,425,200, respectively.

(ii) In 2024, certain subsidiaries of Zhejiang Fulaitai New Energy Co., Ltd. paid part of the purchase price for the acquisition of residential rooftop photovoltaic power station assets from Chint Anneng by way of bank loans. Chint Anneng provided a joint and several guarantee covering 18% of those bank loans, and the guarantee period is generally 9 to 15 years. As of December 31, 2025 and June 30, 2026, the outstanding guaranteed amounts were RMB380,873,000 and RMB353,522,000, respectively.

(iii) In 2022 and 2023, Chint Anneng cooperated with Citic Financial Leasing Co., Ltd. to carry out residential distributed photovoltaic power generation development business. Under this cooperation, Chint Anneng sold residential photovoltaic power stations to Citic Financial Leasing Co., Ltd., which then leased the aforementioned residential photovoltaic power stations to end-users. The end-users primarily used electricity income and subsidy income (if any) as the main sources of repayment to pay rent to Citic Financial Leasing Co., Ltd. To safeguard the realization of the relevant rights and interests of Citic Financial Leasing Co., Ltd. and the end-users, Chint Anneng entered into an agreement with Citic Financial Leasing Co., Ltd., pursuant to which Chint Anneng and its subsidiary, Zhejiang Chaotai Technology Co., Ltd., agreed to provide shortfall coverage to Citic Financial Leasing Co., Ltd. for a period of up to 25 years for any portion of the actual electricity income from the residential photovoltaic power stations that fails to cover the rental income due to Citic Financial Leasing Co., Ltd., the end-users' income, and the guaranteed electricity income shortfall, if any, where the actual electricity income does not meet the committed guaranteed level.

(iv) During the year ended December 31, 2023, Chint Anneng cooperated with Industrial Bank Financial Leasing Co., Ltd. in the development of residential photovoltaic businesses. Under this cooperation, Chint Anneng sold residential photovoltaic power stations to Industrial Bank Financial Leasing Co., Ltd., which then leased the aforesaid residential photovoltaic power stations to end-users. The end-users' main source of repayment to Industrial Bank Financial Leasing Co., Ltd. consisted of electricity income and subsidy income (if any). To safeguard the realisation of the relevant rights and interests of Industrial Bank Financial Leasing Co., Ltd., Chint Anneng entered into an agreement with Industrial Bank Financial Leasing Co., Ltd., pursuant to which Chint Anneng agreed to provide a shortfall coverage obligation to Industrial Bank Financial Leasing Co., Ltd. for a period of up to 25 years for any portion of the actual electricity income from the residential photovoltaic power stations that falls short of the rental income due to Industrial Bank Financial Leasing Co., Ltd.

22.2 Capital commitments

The following shows the major capital commitments of the Group:

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Property, plant and equipment commitments:		
– Contracted, but not provided for	1,562,705	1,366,933
Investment		
– Contracted, but not provided for	84,125	19,600
	1,646,830	1,386,533

23. FINANCIAL VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(i) Determination of Fair Value and the Fair Value Hierarchy of Financial Instruments

This note provides information on how the Group determines the fair values of various financial assets and liabilities.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

As at June 30, 2026

	Level 1	Level 2	Level 3	Total
	RMB'000 (unaudited)	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Financial assets at FVTOCI				
– Note receivables at FVTOCI	–	150,412	–	150,412
– Equity investments at FVTOCI	–	–	2,932,187	2,932,187
	–	150,412	2,932,187	3,082,599
Financial assets at FVTPL				
– Equity investments at FVTPL	544,259	–	5,975,376	6,519,635
– Derivative financial instruments	–	13,490	–	13,490
	544,259	13,490	5,975,376	6,533,125
Financial liabilities at FVTPL				
– Derivative financial liabilities	–	46,959	–	46,959

As at December 31, 2025

	Level 1	Level 2	Level 3	Total
	RMB'000 (audited)	*RMB'000 (audited)*	*RMB'000 (audited)*	*RMB'000 (audited)*
Financial assets at FVTOCI				
– Note receivables at FVTOCI	–	148,161	–	148,161
– Equity investments at FVTOCI	–	–	2,834,325	2,834,325
	–	148,161	2,834,325	2,982,486
Financial assets at FVTPL				
– Equity investments at FVTPL	412,803	–	6,021,312	6,434,115
– Derivative financial instruments	–	126,223	–	126,223
	412,803	126,223	6,021,312	6,560,338
Financial liabilities at FVTPL				
– Derivative financial liabilities	–	1,201	–	1,201

(i) The market prices of the above listed equity shares measured at Level 1 fair value are determined based on the quoted closing price in active markets.

The timing of transfers is determined at the date of the event or change in circumstances that caused the transfers. During the six-month periods ended June 30, 2026 and 2025, there was no transfer between Level 1, Level 2 and Level 3.

(ii) The Group's Valuation Process

For the financial assets classified as level 3 fair values, the Group's finance department assisted by an independent valuer, Kunyuan Assets Appraisal Co., Ltd. (located at North Block, Modern International Mansion, No. 159 Tianmushan Road, Xihu District, Hangzhou City), which is not connected with the Group and to perform the valuations for financial reporting purpose. The finance department reports the valuation results to the management.

(iii) The reconciliation of Level 3 assets are analyzed below:

	Financial assets at FVTOCI and FVTPL			
	Equity investments at FVTOCI	**Equity investments at FVTPL**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2026 *(audited)*	2,834,325	6,021,312	–	8,855,637
Increases/(decrease), net	131,520	(45,936)	–	85,584
Fair value changes through OCI	–	–	–	–
Fair value changes through profit or loss	–	–	–	–
Currency translation differences	(33,658)	–	–	(33,658)
At June 30, 2026 *(unaudited)*	2,932,187	5,975,376	–	8,907,563
At January 1, 2025 *(audited)*	2,193,438	3,887,801	5,857	6,087,096
Increases/(decrease), net	414,515	2,078,427	(5,857)	2,487,085
Fair value changes through OCI	183,306	–	–	183,306
Fair value changes through profit or loss	–	55,084	–	55,084
Currency translation differences	43,066	–	–	43,066
At December 31, 2025 *(audited)*	2,834,325	6,021,312	–	8,855,637

(i) The fair values of unlisted equity instruments at FVTOCI and FVTPL as at December 31, 2025 and June 30, 2026 have been arrived with reference to adjusted net assets or valuation carried out on the dates by an independent qualified professional valuer not connected to the Group, using discounted cash flow method.

(ii) The fair value of bank acceptance note receivables measured at FVTOCI have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. Given that the maturities are of a short-term nature, the impact of fair value changes is immaterial.

(iv) Valuation Inputs and Relationships to Fair Value

Description	Fair value		Valuation techniques	Significant unobservable input(s)	Range of inputs	Relationship-of unobservable input(s) to fair values
	As at June 30, 2026	As at December 31, 2025				
	RMB'000 (unaudited)	*RMB'000 (audited)*				
Unlisted equity investments at FVTOCI	2,853,462	2,755,600	Discounted cash flow method	Discount rate	6.18% to 11.19%	An increase in discount rate would result in decrease in fair value, and vice versa.
	78,725	78,725	Net asset value	Net asset value	N/A	An increase in net asset value would result in an increase in fair value, and vice versa.
Unlisted equity investments at FVTPL	5,975,376	6,021,312	Discounted cash flow method	Discount rate	5.89% to 10.56%	An increase in discount rate would result in decrease in fair value, and vice versa.
Note receivables at FVTOCI	150,412	148,161	Discounted cash flow method	N/A	N/A	N/A
Derivative financial instruments	13,490	126,223	Recent transaction price	N/A	N/A	N/A
Derivative financial liabilities	46,959	1,201	Recent transaction price	N/A	N/A	N/A

24. RELATED PARTY TRANSACTIONS

(a) Ultimate Controlling Shareholder

Name	Ownership interest	
	As at June 30 2026	As at December 31, 2025
	(unaudited)	*(audited)*
Mr. Nan Cunhui	53.02%	53.02%

(b) Names and relationship with related parties

During the reporting period, the following parties are identified as significant related parties to the Group and the respective relationships are set out below:

Name of the related parties	Relationship with the Group
Zhejiang Taiheng New Energy Co., Ltd. (浙江泰恆新能源有限公司)	An associate of the Group
Chintec Spółka z ograniczoną odpowiedzialnością	An associate of the Group
Aksay Kazakh Autonomous County Lutai New Energy Development Co., Ltd. (阿克塞哈薩克族自治縣陸泰新能源開發有限公司)	An associate of the Group
CHINTEC SP. Z O.O.	An associate of the Group
DEKRA Testing Services (Zhejiang) Co., Ltd. (德凱質量測試服務(浙江)有限公司)	An associate of the Group
Yongchang County Hangtai New Energy Development Co., Ltd. (永昌縣杭泰新能源開發有限公司)	An associate of the Group
Hangtai New Energy Development Co., Ltd. In Liangzhou District, Wuwei City (武威市涼州區杭泰新能源開發有限公司)	An associate of the Group
Chint Group Finance Co., Ltd. (正泰集團財務有限公司)	An associate of the Group
Shantou Guangyao New Energy Co., Ltd. (汕頭市光耀新能源有限公司)	An associate of the Group
Wenzhou Taihan New Energy Development Co., Ltd. (溫州泰瀚新能源開發有限公司)	An associate of the Group
Gansu Jintai Electric Power Co., Ltd. (甘肅金泰電力有限責任公司)	An associate of the Group
Zhangjiakou Jingzhang Yingbin Corridor Ecological Energy Co., Ltd. (張家口京張迎賓廊道生態能源有限公司)	An associate of the Group
Ordos Zhengli New Energy Power Generation Co., Ltd. (鄂爾多斯市正利新能源發電有限公司)	An associate of the Group
Chun'an Mingyu New Energy Development Co., Ltd. (淳安明禹新能源開發有限公司)	An associate of the Group
Shantou Hengpeng New Energy Co., Ltd. (汕頭恆鵬新能源有限公司)	An associate of the Group
Huadian Hubei Huanggang New Energy Co., Ltd. (華電湖北黃岡新能源有限公司)	An associate of the Group
Hangzhou Heyu New Energy Development Co., Ltd. (杭州合禹新能源開發有限公司)	An associate of the Group
AST (Astronergy Solar Thailand Co, Ltd.)	An associate of the Group
Zhuhai Zhutai Photovoltaic Power Generation Co., Ltd. (珠海市珠泰光伏發電有限公司)	An associate of the Group
Guangzhou Meishuo Shengfu Energy Technology Co., Ltd. (廣州市美碩生富能源科技有限公司)	An associate of the Group
Solmotion GmbH	An associate of the Group
Hangzhou Tiance Qirui Industrial Co., Ltd. (杭州天策啟瑞實業有限公司)	An associate of the Group
MLT Solar Energy Products Company Ltd	An entity controlled by the Ultimate Controlling Shareholder
ASTRONERGY NEW ENERGY TECHNOLOGY (SINGAPORE) PTE. LTD.	An entity controlled by the Ultimate Controlling Shareholder
Astronergy Europe GmbH	An entity controlled by the Ultimate Controlling Shareholder
Astronergy Solar Inc.	An entity controlled by the Ultimate Controlling Shareholder
Haining Chint Solar Energy Technology Co., Ltd. (海寧正泰太陽能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint New Energy Technology (Yancheng) Co., Ltd. (鹽城正泰新能源科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint New Energy Technology Co., Ltd. (正泰新能科技股份有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Jiuquan Chint New Energy Technology Co., Ltd. (酒泉正泰新能源科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Yueqing Zhengxin Metal Parts Co., Ltd. (樂清市正鑫金屬件有限公司)	An entity controlled by the Ultimate Controlling Shareholder

Name of the related parties	Relationship with the Group
Chint Electric Co., Ltd. (正泰電氣股份有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Yishan Logistics Technology Co., Ltd. (浙江正泰億閃物流科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Zengtai Import and Export Trading Co., Ltd. (杭州錚泰進出口貿易有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Yueqing Chint Solar Energy Technology Co., Ltd. (樂清正泰太陽能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shaanxi Chint Cable Co., Ltd. (陝西正泰電纜有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Horgos Chint Technology Service Co., Ltd. (霍爾果斯正泰科技服務有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shandong Chint Cable Co., Ltd. (山東正泰電纜有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Automotive Technology Co., Ltd. (浙江正泰汽車科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Cable Co., Ltd. (浙江正泰電纜有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Zhiwei Energy Service Co., Ltd. (浙江正泰智維能源服務有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Electric Technology Co., Ltd. (浙江正泰電氣科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Energy Efficiency Technology Co., Ltd. (浙江正泰能效科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shanghai Dianke Electric Appliance Technology Co., Ltd. (正泰集團研發中心(上海)有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Wenzhou Taiyu New Material Technology Co., Ltd. (溫州泰鈺新材料科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Home Technology Co., Ltd. (浙江正泰居家科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Taiyida Logistics Technology Co., Ltd. (浙江泰易達物流科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Juneng Technology Co., Ltd. (浙江正泰聚能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Intelligent Manufacturing Equipment (Shenzhen) Co., Ltd. (正泰智能製造裝備(深圳)有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Network Technology Co., Ltd. (正泰網絡科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Liaoning Chint Intelligent Electric Co., Ltd. (遼寧正泰智能電氣有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Group Complete Plant Manufacturing Co., Ltd. (浙江正泰智能電氣有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shaanxi Chint Intelligent Electric Co., Ltd. (陝西正泰智能電氣有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Wenzhou Chint Smart Home Technology Co., Ltd. (溫州正泰智能家居科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Yancheng Chint Solar Energy Technology Co., Ltd. (鹽城正泰太陽能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Yiwu Chint Solar Energy Technology Co., Ltd. (義烏正泰太陽能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Guodian Energy Environment Design & Research Institute Co., Ltd. (杭州國電能源環境設計研究院有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint E-commerce Co., Ltd. (浙江正泰電子商務有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Yanchi County Hetai New Energy Technology Co., Ltd. (鹽池縣賀泰新能源科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder

Name of the related parties	Relationship with the Group
Shanghai Chint Enterprise Management Service Co., Ltd. (上海正泰企業管理服務有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Qidi (Shanghai) Technology Development Co., Ltd. (正泰啟迪(上海)科技發展有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zunyi Taiyida Logistics Co., Ltd. (遵義泰易達物流有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint New Energy Investment Co., Ltd. (浙江正泰新能源投資有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Zhongzi Enterprise Management Co., Ltd. (浙江正泰中自企業管理有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Lixiang Jingyan Semiconductor Equipment (Shanghai) Co., Ltd. (理想晶延半導體設備(上海)股份有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Jiuan Testing Technology Co., Ltd. (浙江九安檢測科技有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Zhidianyun Digital Technology Co., Ltd. (浙江智電雲數字科技有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Wenzhou Minshang Bank Co., Ltd. (溫州民商銀行股份有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Shanghai Zhengsailian Venture Capital Management Co., Ltd. (上海正賽聯創業投資管理有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Jiumu Smart Agriculture Technology Co., Ltd. (浙江九畝智慧農業科技有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Anji Jiumu Ecological Agriculture Co., Ltd. (安吉九畝生態農業有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Zhenghua Construction Technology Co., Ltd. (浙江正驊建築科技有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Bohong Decoration Co., Ltd. (浙江柏泓裝飾有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Shandong Qitai New Energy Technology Co., Ltd. (山東祺泰新能源科技有限公司)	An entity controlled by the Key management of the Company
Binzhou Qitai New Energy Technology Co., Ltd. (濱州市祺泰新能源科技有限公司)	An entity controlled by the Key management of the Company
Jining Qitai New Energy Technology Co., Ltd. (濟寧祺泰新能源科技有限公司)	An entity controlled by the Key management of the Company
Weifang Qitai New Energy Technology Co., Ltd. (濰坊祺泰新能源科技有限公司)	An entity controlled by the Key management of the Company
Shandong Chint Electric Co., Ltd. (山東正泰電器有限公司)	An entity controlled by the Key management of the Company
Jinan Haotai Electrical Equipment Co., Ltd. (濟南豪泰電氣設備有限公司)	An entity controlled by the Key management of the Company
Yueqing Chint Photovoltaic Power Generation Co., Ltd. (樂清正泰光伏發電有限公司)	An associate of the Group
Qingdao Chengtai Green Energy Co., Ltd. (青島城泰綠色能源有限公司)	An associate of the Group
Jiayuguan Chint Photovoltaic Power Generation Co., Ltd. (嘉峪關正泰光伏發電有限公司)	An associate of the Group
Inner Mongolia Yilikubuqi Ecology Energy Co., Ltd. (內蒙古億利庫布其生態能源有限公司)	An associate of the Group

Name of the related parties	Relationship with the Group
Huadian Xinneng Hangtai (Quzhou) Photovoltaic Power Generation Co., Ltd. (華電新能杭泰(衢州)光伏發電有限公司)	An associate of the Group
Ji'an Shengtian New Energy Co., Ltd. (吉安盛天新能源有限公司)	An associate of the Group
Dunhuang Chint Photovoltaic Power Generation Co., Ltd. (敦煌正泰光伏發電有限公司)	An associate of the Group
Zhongwei Qingyin Yuanxing Solar Energy Co., Ltd. (中衛清銀源星太陽能有限責任公司)	An associate of the Group
Zhongwei Chint Photovoltaic Power Generation Co., Ltd. (中衛正泰光伏發電有限公司)	An associate of the Group
Gaotai Chint Photovoltaic Power Generation Co., Ltd. (高台縣正泰光伏發電有限公司)	An associate of the Group
Minqin Chint Photovoltaic Power Generation Co., Ltd. (民勤縣正泰光伏發電有限公司)	An associate of the Group
Dunhuang Tianrun New Energy Co., Ltd. (敦煌市天潤新能源有限公司)	An associate of the Group
Astronergy Solar Thailand Co., Ltd.	An associate of the Group
Yueqing Zhengxi Enterprise Management Consulting Center (Limited Partnership) (樂清正熹企業管理諮詢中心(有限合夥))	An associate of the Group
Yueqing Zhenghong Enterprise Management Consulting Center (Limited Partnership) (樂清正宏企業管理諮詢中心(有限合夥))	An associate of the Group
Yongchang Chint Photovoltaic Power Generation Co., Ltd. (永昌正泰光伏發電有限公司)	An associate of the Group
Jinchang Weisheng Solar Energy Power Generation Co., Ltd. (金昌帷盛太陽能發電有限公司)	An associate of the Group
Zhejiang Hangtai Shuzhi Energy Development Co., Ltd. (浙江杭泰數智能源開發有限公司)	An associate of the Group
Zhejiang Chint Auto Parts Co., Ltd. (浙江正泰汽車零部件有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Rongtai Import and Export Trading Co., Ltd. (杭州嶸泰進出口貿易有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Chint Jinxiu Photovoltaic Technology Co., Ltd. (杭州正泰錦繡光伏科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Optoelectronics Co., Ltd. (浙江正泰光電有限責任公司)	An entity controlled by the Ultimate Controlling Shareholder
Shanghai Chint Property Service Co., Ltd. (上海正泰物業服務有限公司)	An entity controlled by the Ultimate Controlling Shareholder
TAIYIDA LOGISTICS (HONG KONG) CO., LIMITED (泰易達物流(香港)有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Wenzhou Chint Home Appliance Co., Ltd. (溫州正泰居家電器有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Electric Power Design Co., Ltd. (正泰電力設計有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Chint Digital Technology Co., Ltd. (杭州正泰數智科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Jiangsu Chint Taijie Sai Intelligent Technology Co., Ltd. (江蘇正泰泰傑賽智能科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shanghai Tahechen Energy Technology Co., Ltd. (上海泰氫晨能源科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Ruineng Electric Power Testing Co., Ltd. (浙江睿能電力檢測有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Chint Zhongzi Controlling Engineering Co., Ltd. (浙江正泰中自控制工程有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Shaanxi Chint Digital Technology Co., Ltd. (陝西正泰數智科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Chint Electric Power Services Co., Ltd. (正泰電力服務有限公司)	An entity controlled by the Ultimate Controlling Shareholder

Name of the related parties	Relationship with the Group
Anhui Hedian Chint Electrical Complete Equipment Co., Ltd. (安徽合電正泰電氣成套設備有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Zhejiang Bohong Holding Co., Ltd. (浙江柏泓控股有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Qinghai Lihao Clean Energy Co., Ltd. (青海麗豪清能股份有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Bohong Construction Technology Co., Ltd. (浙江柏泓建築科技有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Jiuxiang Yizhan (Hangzhou) Trading Co., Ltd. (九鄉驛站(杭州)貿易有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Jiuxiang Yizhan (Wenzhou) Trading Co., Ltd. (九鄉驛站(溫州)貿易有限公司)	An entity significantly influenced by the Ultimate Controlling Shareholder
Zhejiang Zhongkong Information Industry Co., Ltd. (浙江中控信息產業股份有限公司)	An associate of the group
Chint (Zhejiang) Rail Transit Technology Co., Ltd. (正泰(浙江)軌道交通科技有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Beijing Hexin Ruitong Electric Power Technology Co., Ltd. (北京和信瑞通電力技術股份有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Hangzhou Taimeng Enterprise Management Co., Ltd. (杭州泰夢企業管理有限公司)	An entity controlled by the Ultimate Controlling Shareholder
Liaocheng Dongxin Yunling New Energy Co., Ltd. (聊城市東新雲領新能源有限公司)	An entity controlled by the Ultimate Controlling Shareholder

The Group entered into the following transactions/balances with the related parties:

(c) Material transactions with related parties

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Purchase of goods and services:		
An associate of the Group	7,931	584
An entity significantly influenced by the Ultimate Controlling Shareholder	7,515	82
An entity controlled by the Ultimate Controlling Shareholder	1,975,952	1,921,023
An entity controlled by the key management of the Company	6,064	33,330
A joint venture of the Group	66	–
	1,997,528	1,955,019

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Sales of goods and rendering of services:		
An associate of the Group	22,956	19,265
An entity significantly influenced by the Ultimate Controlling Shareholder	119	244
An entity controlled by the Ultimate Controlling Shareholder	1,498,209	1,472,871
An entity controlled by the key management of the Company	334,726	146,582
	1,856,010	1,638,962

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Lease income:		
An associate of the Group	254	314
An entity controlled by the Ultimate Controlling Shareholder	7,650	7,859
	7,904	8,173

	Six months ended June 30,	
	2026	**2025**
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Rental expenses:		
An entity significantly influenced by the Ultimate Controlling Shareholder	16,861	29,668

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Guarantee provided by the Company and its subsidiaries:		
An associate of the Group	52,990	338,990

(d) Balance with related parties

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Trade and note receivables:		
An associate of the Group	47,008	62,330
An entity significantly influenced by the Ultimate Controlling Shareholder	540	316
An entity controlled by the Ultimate Controlling Shareholder	1,185,682	676,706
An entity controlled by the key management of the Company	500	61,510
Less: credit loss allowance	(65,511)	(51,360)
	1,168,219	749,502

For the six months ended June 30, 2025 and 2026, the Group recognized/reversed an allowance for bad debt expenses of RMB221,703,000 and RMB139,433,000, respectively.

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Trade and note payables:		
An associate of the group	10,041	10,771
An entity significantly influenced by the Ultimate Controlling Shareholder	12,110	28,227
An entity controlled by the Ultimate Controlling Shareholder	1,897,718	1,266,354
An entity controlled by the key management of the Company	591	41,570
	1,920,460	1,346,922

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Other payables:		
An associate of the Group	2,172	3,571
An entity significantly influenced by the Ultimate Controlling Shareholder	2,395	2,790
An entity controlled by the Ultimate Controlling Shareholder	119,318	39,673
An entity controlled by the key management of the Company	–	994
	123,885	47,028

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Other receivables:		
An associate of the Group	581,758	580,997
An entity significantly influenced by the Ultimate Controlling Shareholder	15	8
An entity controlled by the Ultimate Controlling Shareholder	56,224	23,424
An entity controlled by the key management of the Company	–	70
A joint venture of the Group	–	610
Less: credit loss allowance	(131,127)	(113,749)
	506,870	491,360

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Contract assets:		
An associate of the Group	57,426	56,848
An entity controlled by the Ultimate Controlling Shareholder	897	14,713
Less: credit loss allowance	(30,688)	(28,611)
	27,635	42,950

	As at June 30, 2026	As at December 31, 2025
	RMB'000 (unaudited)	*RMB'000 (audited)*
Contract liabilities:		
An associate of the Group	3,678	3,810
An entity significantly influenced by the Ultimate Controlling Shareholder	180	180
An entity controlled by the Ultimate Controlling Shareholder	12,317	20,684
An entity controlled by the key management of the Company	–	22,704
	16,175	47,378

All the balances with the related parties are trade in nature.

(e) Key management compensation

Compensation of the key management personnel of the Group, including amounts paid to the Company's directors and supervisors was as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000 (unaudited)	*RMB'000 (unaudited)*
Fees	151	150
Salaries, wages and bonuses	10,978	10,330
Share-based compensation expenses	–	–
Pension costs, housing fund, medical insurance and other social benefits	218	409
	11,347	10,889

As at June 30, 2026 and June 30, 2025, approximately RMB1,889,000 and RMB1,748,000 of payroll payables which were unpaid as at period end were included in other payables and accruals.

25. EVENTS AFTER THE REPORTING PERIOD

[On June 23, 2026, the Board of Directors of the Company approved the Company's participation, through the Shanghai United Assets and Equity Exchange, in the competitive bidding process to acquire a 3.16% equity interest in Chint Anneng held by National Green Development Fund Co., Ltd. ("**Green Fund**"). As of the date of this report, the Company has successfully completed the bidding process and secured the relevant equity interest, with a total transaction consideration of RMB1,115,891,900. Upon completion of this transaction, the Company's direct and indirect shareholding in Chint Anneng will increase from 68.08% to 71.24%. This transaction is expected to further deepen the Company's presence in the green energy sector, integrate high-quality resources, optimise Chint Anneng's equity structure, enhance overall strategic synergy and management efficiency, and is not expected to have a material impact on the Company's daily operations and production activities.]

[On August 3, 2026, the asset-backed securities (ABS) scheme named "Caitong – Chint Anneng New Energy Infrastructure Carbon Neutral Green Holding-type Real Estate Asset-backed Special Plan (Rural Revitalisation)", for which Chint Anneng acts as the originator, was accepted for review by the Shanghai Stock Exchange. The proposed issuance size is RMB6.62 billion. As of the date of this report, the ABS scheme is still under regulatory review and has not yet been issued. The core terms of the transaction have not been finalised, and the specific financial impact of the proposed securitisation transaction is currently being assessed.]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

APPENDIX IIA [REDACTED]

[REDACTED]

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the **[REDACTED]** in H Shares, nor does it take the specific circumstances of any particular **[REDACTED]** into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an **[REDACTED]** in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, which is subject to change or adjustment and may have retrospective effect.

No issues on PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, business tax/value-added tax, stamp duty and estate duty were referred in the discussion. Prospective **[REDACTED]** are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

THE PRC TAXATION

Taxation on Dividends

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) (the "**Individual Income Tax Law**") lastly amended by the SCNPC on August 31, 2018 and implemented on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》) lastly amended by the State Council on December 18, 2018 and implemented on January 1, 2019, dividends paid by Chinese Mainland companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差異化個人所得税政策有關問題的通知》) jointly promulgated by the MOF, the State Administration of Taxation (the "**SAT**") and the CSRC on September 7, 2015 and implemented on September 8, 2015, where an individual holds the shares of a listed company obtained from the public offering and market transfer, if the holding period is more than one year, the dividends and bonus income shall be temporarily exempted from individual income tax. Where an individual holds shares of a listed company from the public offering and market transfer, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國税函[2011]348號) promulgated by the SAT on June 28, 2011, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us.

Enterprise Investor

Pursuant to the EIT Law as well as the Implementation Rules of EIT Law, the rate of enterprise income tax (the "**EIT**") shall be 25%. A non-resident enterprise is generally subject to a 10% EIT on Mainland-sourced income (including dividends received from a PRC resident enterprise), if it does not have an establishment or premise in Chinese mainland or has an establishment or premise in Chinese Mainland but its Chinese Mainland-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) promulgated by the SAT and implemented on November 6, 2008, a PRC resident enterprise is required to withhold EIT at a unified rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived out of profit generated since 2008. The Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》), promulgated by the SAT and implemented on July 24, 2009, further provides that PRC resident enterprises listed on Chinese Mainland and overseas stock exchanges by issuing stocks must withhold EIT at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified according to the tax treaty or agreement that the PRC government has concluded with a relevant country or region, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "**Arrangement**") signed on August 21, 2006, the Chinese Government may levy taxes on the dividends paid by a PRC resident enterprise to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC resident enterprise unless a Hong Kong resident directly holds 25% or more of the equity interest in a PRC resident enterprise, such tax shall not exceed 5% of the total dividends payable by the PRC resident enterprise. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《國家税務總局關於〈內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排〉第五議定書》) promulgated by the SAT and implemented on December 6, 2019, provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or arrangements for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese EIT imposed on the dividends received from PRC enterprises. The PRC currently has entered into avoidance of double taxation treaties or arrangements with a number of countries and regions, including but not limited to Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the EIT in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

Value-added Tax

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) effective on May 1 2018, the VAT rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively. According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) promulgated on March 20, 2019 and implemented on April 1, 2019, the VAT rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively. Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) (the "**VAT Law**"), promulgated by the SCNPC on December 25, 2024, and implemented on January 1, 2026, and the Regulations for the Implementation of the Value-added Tax Law of the PRC (《中華人民共和國增值稅法實施條例》), promulgated by the State Council on December 25, 2025, and implemented on January 1, 2026, entities and individuals (including individual industrial and commercial proprietors) selling goods, services, intangible assets, real estate and importing goods in Chinese Mainland are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless stated otherwise, for payers who sell goods, and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13%, and be, in certain specified circumstances, 9%, 6% and 0%.

Income Tax

Individual Investors

Pursuant to the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) promulgated by the MOF and SAT and implemented on March 30, 1998, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The SAT does not specify whether to continue to exempt individuals from individual income tax on the income from the transfer of shares in listed company in the newly revised the Individual Income Tax Law and its implementation rules.

Enterprise Investors

Pursuant to the CIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on Mainland-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in Chinese Mainland or has an establishment or premise in the Chinese Mainland but its Chinese Mainland-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Shenzhen-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the SAT and the CSRC on November 5, 2016 and implemented on December 5, 2016, transfer spread income derived by enterprise investors in Chinese Mainland from stock investment listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in Chinese Mainland from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDC for providing the register of individual investors in Chinese Mainland to the H-share companies and the H-share companies shall withhold individual income tax at the rate of 20% on behalf of the investors.

Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen Hong Kong Stock Connect and the Chinese Mainland-Hong Kong Mutual Recognition of Funds (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated by the MOF, the SAT and the CSRC on December 4, 2019 and implemented on December 5, 2019, and the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Chinese Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated by the MOF, the SAT and the CSRC on August 21, 2023 and implemented on the same date, the transfer spread income derived by individual investors in Chinese Mainland from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax from December 5, 2019 to December 31, 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by enterprise investors in Chinese Mainland from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. In particular, dividends and bonus income obtained by resident enterprises in Chinese Mainland from holding H shares for 12 consecutive months shall be exempted from EIT according to law. H-share companies shall not withhold income tax on dividends and bonus income for enterprise investors in Chinese Mainland. The tax payable shall be declared and paid by the enterprise itself.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花税法》) promulgated by the SCNPC on June 10, 2021 and implemented on July 1, 2022, the purchase and disposal of H shares by non-Chinese Mainland investors outside of Chinese Mainland are not subject to the requirements of the Stamp Duty Law of the PRC.

Estate Duty

Pursuant to the laws of Chinese Mainland, no estate duty is currently levied in Chinese Mainland.

PRINCIPAL TAXATION OF OUR COMPANY IN THE PRC

Please refer to the chapter Regulatory Overview of the document.

FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi. The SAFE, with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council and implemented on August 5, 2008, all international payments and transfers are classified into current items and capital items. Chinese Mainland does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of enterprises in Chinese Mainland may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on June 20, 1996 and became effective on July 1, 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

Pursuant to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or the general meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

Pursuant to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

Pursuant to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and partially repealed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

Pursuant to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionizing and Regulating Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by the SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

Pursuant to the Circular of People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Fund Administration for Domestic Enterprises of Overseas Listing (《中國人民銀行、國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) promulgated by the People's Bank of China (the "**PBOC**") and SAFE on December 24, 2025 and implemented on April 1, 2026, a domestic company shall, within 30 business days from the first trading date of its overseas listing or the completion of the over-allotment option, register the overseas listing with the local branch office of the PBOC in the province or the city with independent planning status where it is registered. The funds raised by the domestic company from overseas listing shall, in principle, be repatriated to the domestic territory in a timely manner. Where such funds are retained overseas to conduct overseas direct investment, overseas securities investment, overseas lending and other businesses, the domestic company shall obtain the approval or filing document from the competent authority prior to the date of completion of the overseas offering or the completion of the over-allotment option, and shall comply with the relevant provisions on cross-border fund administration.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, departmental rules, local government rules, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute legally binding precedents; however, they may be used as judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**"), lastly amended by the NPC on March 13, 2023 and implemented on March 15, 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The ministries and commissions of the State Council, PBOC, National Audit Office of the PRC as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provisions of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection, historical and cultural protection based on the specific circumstances and actual needs of such cities, which shall be submitted to the standing committees of the people's congresses of relevant provinces or autonomous regions for approval before implementation, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by the SCNPC but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees.

Pursuant to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. Pursuant to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC JUDICAL SYSTEM

Pursuant to the Constitution and the Law of the PRC of Organization of the People's Courts (《中華人民共和國人民法院組織法》) lastly amended by the SCNPC on October 26, 2018 and implemented on January 1, 2019, the judicial system is made up of the Supreme People's Court, the local people's courts, and other special people's courts. The local people's courts are divided into three levels, namely the basic people's courts, the intermediate people's courts and the higher people's courts. The Supreme People's Court shall be the highest judicial organ of the state, and shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at higher levels shall supervise the judicial work of the people's courts at lower levels.

Pursuant to the Constitution and the Law of Organization of the People's Procuratorate of the PRC (《中華人民共和國人民檢察院組織法》) lastly amended by SCNPC on October 26, 2018 and implemented on January 1, 2019, the People's Procuratorate is the law supervision organ of the state. The Supreme People's Procuratorate shall be the highest procuratorial organ, and shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates. The people's procuratorates at higher levels shall direct the work of those at lower levels.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**") lastly amended by the SCNPC on September 1, 2023 and implemented on January 1, 2024 sets forth the requirements for initiating a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within Chinese Mainland must comply with the Civil Procedure Law. Civil cases are generally heard by the courts in the defendants' domicile. The court of jurisdiction in a civil action may be chosen by express agreement between parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff's or the defendant's domicile, the place where the contract is performed or signed, or the object of the action is located. The choice of the court cannot conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

A foreign national or enterprise has the same litigation rights and obligations as a PRC citizen or legal person when initiating or defending any proceedings at a people's court. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within Chinese Mainland.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or order made by a people's court or an award made by an arbitration tribunal, the other party may apply to the people's court for enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located in Chinese Mainland or whose property is not in Chinese Mainland, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to the Chinese Mainland enforcement procedures if the Chinese Mainland has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of Chinese Mainland, its sovereignty or security, or against social and public interest.

THE COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established in Chinese Mainland seeking a listing on Hong Kong Stock Exchange is mainly subject to the following laws and regulations of Chinese Mainland.

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**") which was lastly amended by the SCNPC on December 29, 2023 and implemented on July 1, 2024.

The Trial Administrative Measures on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and its five interpretative guidelines which were promulgated by the CSRC on February 17, 2023 and implemented on March 31, 2023 and were applicable to the direct and indirect overseas offering and listing of PRC domestic companies' securities.

Pursuant to the Overseas Listing Trial Measures and its interpretative guidelines, where a domestic company directly conducts offering and listing overseas, it shall formulate its articles of association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**"), which was lastly amended by the CSRC and came into effect on March 28, 2025.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within Chinese Mainland.

The promoters of a joint stock limited company incorporated by public subscription shall convene an inaugural meeting within 30 days after the share capital has been paid up and shall notify all subscribers of the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting may be held only with the presence of subscribers holding more than 50% of the voting rights. The convening and voting procedures for the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated in the agreement of the promoters. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and the board of supervisors of a company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

Registered Shares

Pursuant to the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or intellectual property rights, land use rights, shareholding or claims.

The joint stock limited company is required to maintain a register of shareholders, detailing the following information: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed for by each shareholder; (iii) the serial number of shares if issued in paper form; and (iv) the date on which each shareholder acquired the shares.

Pursuant to the Overseas Listing Trial Measures, domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of fairness and justice. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The term "domestic unlisted shares" in the preceding provision refers to shares offered by a domestic company but not listed or quoted for trading on any domestic trading venues. Domestic unlisted shares shall be centrally registered and deposited at a domestic securities depository and settlement agency. The registration and settlement of overseas listed shares is subject to applicable rules in overseas markets.

Where a domestic enterprise directly issues and is listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase of Share Capital

Pursuant to the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the general meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to original shareholders, if any. If no par value stock is issued, more than one-half of the proceeds from the issuance of the new stocks shall be included in the registered capital. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the document.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) to prepare a balance sheet and a property list; (ii) a company makes a resolution at the general meeting to reduce its registered capital; (iii) a company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital; (iv) the creditors shall have the right to require a company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice; (v) when a company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the articles of association of a joint stock limited company.

Repurchase of Shares

Pursuant to the Company Law, a company shall not purchase its own shares. Except for any following circumstances: (i) reducing the registered capital; (ii) merging with other company that holds the shares of the company; (iii) using the shares for employee stocks plan or equity incentives; (iv) with respect to shareholders voting against any resolution adopted at the general meeting on the merger or division of our company, the right to demand our company to acquire the shares held by them; (v) using the shares for the conversion of convertible corporate bonds issued by the listed company; (vi) as required for maintenance of the corporate value and shareholders' rights and interests of a listed company.

The purchase of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the general meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the board meeting attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorization from the general meeting.

Following the purchase of a company's shares by a company in accordance with the above provisions, such shares shall be canceled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; the total numbers of share of our company held by a company shall not exceed 10% of the total issued shares of our company, and shall be transferred or canceled within three years in the case of items (iii), (v) and (vi) above.

Transfer of shares

Shares held by a shareholder may be transferred in accordance with the law. Pursuant to the Company Law, the shareholder of a joint stock limited company should affect a transfer of his/her shares through a legally established securities exchange or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and domicile of the transferee in the register of shareholders. No changes of registration in the share register provided in the foregoing requirement shall be affected during a period of 20 days prior to the convening of the general meeting or 5 days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Pursuant to the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of the company are listed and traded on a securities exchange. The directors, supervisors and senior management of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company. Shares of a company held by them shall not be transferred within one year from the date of a company's listing on a securities exchange, nor within six months after their resignation from their positions with a company.

If the shares are pledged within the time limit for restricted transfer as provided by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted transfer period.

Shareholders

Pursuant to the Company Law and Guidelines for Articles of Association, the rights of a shareholder of a company include: (i) the right to attend or appoint a proxy to attend general meetings and to vote thereat; (ii) the right to transfer shares in accordance with laws, administrative regulations and articles of association; (iii) the right to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquiries on the company's operations; (iv) the right to bring an action in the people's court to rescind resolutions passed by general meetings and board of directors where articles of association is violated by the above resolutions; (v) the right to receive dividends and other forms of profit distribution according to the proportion of shares they hold; (vi) in the event of the termination or liquidation of the company, the right to participate in the distribution of the residual properties of the company in proportion to the number of shares held; and (vii) other rights granted by laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include the obligation to abide by the company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

General Meetings

Pursuant to the Company Law, the general meeting of a joint stock limited company is made up of all shareholders. The general meeting is the organ of authority of a company, which exercises the following functions and powers: (i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors; (ii) to examine and approve reports of the board of directors; (iii) to examine and approve reports of the board of supervisors; (iv) to examine and approve a company's profit distribution plans and loss recovery plans; (v) to resolve on the increase or reduction of a company's registered capital; (vi) to resolve on the issuance of corporate bonds; (vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company; (viii) to amend the company's articles of association; and (ix) other functions and powers specified in provision of the articles of association.

Annual general meetings are required to be held once every year. An interim general meeting is required to be held within two months after the occurrence of any of the following circumstances: (i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in articles of association; (ii) when the unrecovered losses of a company amount to one-third of the total paid-up share capital; (iii) shareholders individually or jointly holding 10% or more of the company's shares request; (iv) when deemed necessary by the board of directors; (v) the board of supervisors proposes to convene the meeting; and (vi) other circumstances as stipulated in articles of association.

The general meeting shall be convened by the board, and presided over by the chairman of the board. In the event that the chairman of the board is incapable of performing or not performing his/her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his/her duties, a director nominated by more than half of directors shall preside over the meeting.

If the board is incapable of performing or is not performing its duties to convene the general meeting, the board of supervisors should convene and preside over the general meeting in a timely manner. If the board of supervisors fails to convene and preside over the general meeting, shareholders individually or jointly holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over the general meeting. If the shareholders who separately or jointly hold more than 10% of the shares of the company request to convene an extraordinary general meeting, the board and the board of supervisors should, within 10 days after the receipt of such request, decide whether to hold an extraordinary general meeting and reply to the shareholders in writing.

Notice of meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of interim meeting shall be given to all shareholders 15 days prior to the meeting.

Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the board of directors in writing 10 days before the general meeting. The board of directors shall notify other shareholders within two days after receiving the proposal and submit the interim proposal to the general meeting for consideration.

Pursuant to the Company Law, a shareholder may entrust a proxy to attend the general meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders required to attend a general meeting.

Shareholders present at the general meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the general meeting in accordance with articles of association or resolutions of the general meeting. Under the cumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and Guidelines for Articles of Association, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the general meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Board of Directors

Under the Company Law, except for a joint stock limited company with a small scale or a small number of shareholders, a joint stock limited company should have a board of directors, which consists of more than three members. The term of office of a director shall be stipulated in articles of association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Meetings of the board of directors shall be convened at least twice a year. All directors and supervisors shall be notified 10 days before the meeting for every meeting. The board of directors exercises the following functions and powers: (i) to convene general meetings and report its work to the general meetings; (ii) to implement the resolutions of the general meeting; (iii) to decide on a company's business plans and investment plans; (iv) to formulate a company's profit distribution plan and loss recovery plan; (v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds; (vi) to formulate plans for merger, division, dissolution or change of corporate form of a company; (vii) to decide on the internal management structure of a company; (viii) to decide on the appointment or dismissal of the manager of a company and their remuneration; to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration; (ix) to formulate a company's basic management system; and (x) other functions and powers specified in articles of association or granted by the general meeting.

The board meetings shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he/she may appoint another director by a power of attorney specifying the scope of the authorization for another director to attend the meeting on his behalf. If a resolution of the board of directors violates the laws, administrative regulations or articles of association, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Pursuant to the Company Law, a person may not serve as a director of a company if he/she is: (i) a person without capacity or with restricted capacity; (ii) a person who has been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period; (iii) a person who was a director, factory director or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise; (iv) a person who was legal representative of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who were personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; and (v) being listed as one of dishonest persons subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

The board of directors shall have one chairperson, who shall be elected by more than half of all the directors. The chairperson shall exercise the following functions and powers (including but not limited to): (i) to preside over general meetings and convene and preside over board meetings; and (ii) to examine the implementation of resolutions of the board of directors; and (iii) to exercise other powers conferred by the board of directors.

Board of Supervisors

A joint stock limited company may establish an audit committee under the board of directors to exercise the powers of the board of supervisors. A joint stock limited company which has a small scale or a limited number of shareholders is not required to establish a board of supervisors.

Except for the above-mentioned two special circumstances, a joint stock limited company shall establish a board of supervisors composed of not less than three members. The board of supervisors shall comprise shareholder representatives and an appropriate proportion of the company's employee representatives, of which the proportion of employee representatives shall not be less than one-third and the specific proportion shall be stipulated in articles of association. Employee representatives of the board of supervisors shall be democratically elected by the company's employees at the employee representative assembly, employee general meeting or otherwise. Directors or senior management members may not act concurrently as supervisors.

The board of supervisors exercises the following powers: (i) to examine the company's financial affairs; (ii) to supervise the directors and senior management members in their performance of their duties and to propose the removal of directors and senior management members who have violated laws, administrative regulations, articles of association or resolutions of general meetings; (iii) to demand rectification by a director or senior management member when the acts of such persons are harmful to the company's interests; (iv) to propose the convening of extraordinary general meetings, and to convene and preside over general meetings when the board fails to perform the duty of convening and presiding over general meetings under the Company Law; (v) to submit proposals to the general meeting; (vi) to initiate legal proceedings against directors and senior management members in accordance with the Company Law; and (vii) other functions and powers specified in articles of association.

Managers and Senior Management Members

Pursuant to the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager is responsible to the board of directors and may exercise the power in accordance with articles of association or authorization of the board of directors. The manager shall attend board meetings.

Senior management shall refer to the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in articles of association.

Duties of Directors, Supervisors and Senior Management Members

Pursuant to the Company Law, directors, supervisors and senior management members of the company are required to comply with the relevant laws, regulations and articles of association, and have fiduciary and diligent duties to the company. directors, supervisors and senior management members are prohibited from: (i) embezzling the company's property or misappropriating the company's funds; (ii) depositing the company's funds into accounts under their own names or the names of other individuals; (iii) accepting bribes or any other illegal proceeds by taking advantage of their powers; (iv) accepting and possessing commissions paid by a third party for transactions conducted with the company; (v) disclosing the company's secrets without authorization; or (vi) other acts in violation of their fiduciary duty to the company.

If any director, supervisor or senior management members directly or indirectly contracts or conducts a transaction with the company, he/she shall report the matters related to the conclusion of the contract or transaction to the board or general meeting, subject to the approval of the board or general meeting according to articles of association.

The provisions of the preceding paragraph shall apply if any near relatives of the directors, supervisors or senior management members, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior management members or any of their near relatives, or any related parties with any other related-party relationship with the directors, supervisors or senior management members, concludes a contract or conducts a transaction with the company.

Directors, supervisors and senior management members shall not take advantage of his position to take a business opportunity belonging to the company for himself or another person, except under any of the following circumstances: (i) where they have reported to the board or the general meeting and the matter has been approved by a resolution of the board or the general meeting according to articles of association; or (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or articles of association.

Where any director, supervisor or senior management member fails to report to the board of directors or the general meeting and obtain approval by resolution of the board of directors or the general meeting according to articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

A director, supervisor or senior management member who contravenes any law, regulation or the company's articles of association in the performance of his/her duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Pursuant to the Company Law, a company shall establish its financial and accounting systems in accordance with laws, administrative regulations and regulations of the financial department of the State Council. At the end of each fiscal year, the company shall prepare financial and accounting reports which shall be audited by an accounting firm. The financial and accounting reports shall be prepared in accordance with laws, administrative regulations and regulations of the financial department of the State Council.

A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual general meeting. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

The company is required to withdraw 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the company has reached 50% or more of its registered capital, no further withdrawal is required. If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for the losses before making allocations to the statutory reserve in accordance with the preceding paragraph. Subject to a resolution of the general meeting, after withdrawal has been made to the company's statutory reserve fund from its after-tax profits, the company may set aside funds for the discretionary reserve fund.

A joint stock limited company may distribute profits in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with articles of association of the joint stock limited company.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

The reserve fund of the company shall be used to make up for losses of the company, expand the production and operation of the company or increase the capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be first used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital before such conversion.

The company shall not keep accounts other than those provided by law.

Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal of an accounting firm responsible for the company's auditing shall be determined by the general meeting, the board of directors or the board of supervisors in accordance with articles of association. The accounting firm should be allowed to make representations when the general meeting, the board of directors or board of supervisors conduct a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

Pursuant to the Guidelines for Articles of Association, the company shall guarantee to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the hired accounting firm, and shall not refuse, conceal or make false reports. The audit fee of an accounting firm shall be decided by the general meeting.

Distribution of Profits

Pursuant to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to Articles of Association

Any amendment to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, the amendment to articles of association shall be registered with the relevant authority in accordance with the applicable laws.

Dissolution and Liquidation

Pursuant to the Company Law, a company shall be dissolved for the following reasons: (i) the term of business stipulated in articles of association has expired or other events of dissolution specified in articles of association have occurred; (ii) a resolution on dissolution is adopted by the general meeting; (iii) dissolution is required due to the merger or division of the company; (iv) the business license is revoked, or the company is ordered to be closed down or is deregistered in accordance with the law; (v) where the company encounters serious difficulties in its operation and management, and its continued existence will cause significant losses to the interests of shareholders, and where the issue cannot be resolved through other means, shareholders holding more than 10% of the total shareholders' voting rights of the company may request the people's court to dissolve the company. If any of the situations as mentioned in the preceding paragraph arises, the company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the company is dissolved in accordance with sub-paragraph (i) above, it may carry on its existence by amending its articles of association or upon a resolution of the general meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the general meeting. Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the articles of association or it is otherwise elected by the resolution of the general meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

If the liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate relevant persons to form a liquidation group. The people's court shall accept such request and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation group shall exercise the following functions and powers during the liquidation period: (i) to liquidate the company's property and prepare the balance sheet and the list of property; (ii) to notify creditors by sending notices or making public announcements; (iii) to deal with the outstanding business of the company involved in the liquidation; (iv) to pay all outstanding taxes and taxes arising in the course of liquidation; (v) to liquidate claims and debts; (vi) to distribute the remaining property of the company after paying off debts; (vii) to participate in civil litigation activities on behalf of the company.

The liquidation group shall notify the company's creditors within ten days from its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days from the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

The remaining property of the company after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their shareholdings. During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation group, having thoroughly liquidated the company's assets and having prepared the balance sheet and the inventory of assets, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application to the people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall prepare the liquidation report to be submitted to the general meeting or the people's court for confirmation, and submit the liquidation report to the company registration authority to apply for cancellation of the company's registration.

Members of the liquidation group performing their duties of liquidation are obliged to be loyal and diligent. Any member of the liquidation group who neglects to fulfill his/her liquidation duties and thus causes any loss to the company shall be liable for compensation, and any member of the liquidation group who causes any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Where, after three years since the business license of the company is revoked, or the company is ordered to close down or is deregistered, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

Pursuant to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall file in accordance with the provisions of Paragraph 1, Article 16 of the Overseas Listing Trial Measures.

Loss of Share Certificates

If the share certificates in registered form are either stolen, lost or destroyed, the shareholders may, in accordance with the public notice procedures set out in the Civil Procedure Law, apply to the people's court for a declaration that such certificates will no longer be valid. After the people's court declared that such certificates would no longer be valid, the shareholders may apply to the company for the issue of replacement certificates.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law (《證券法》) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

Pursuant to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

Merger and Division

Pursuant to the Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he/she has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

SECURITIES LAW AND REGULATIONS

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating, and supervising all securities related institutions in Chinese Mainland, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by enterprises in Chinese Mainland or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two authorities and reformed the CSRC.

The Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council and implemented on April 22, 1993 provides the application and approval procedures for public offerings of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information with respect to a listed company, investigation and penalties and dispute arbitration.

The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including H shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Pursuant to the Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "**Arbitration Law**") lastly amended by the SCNPC on September 12, 2025 and implemented on March 1, 2026, the Arbitration Law is applicable to economic disputes involving foreign parties, and all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the Civil Procedure Law. Where both parties have agreed to settle disputes by means of arbitration, the people's court will refuse to take legal action brought by a party in the people's court, unless the arbitration agreement is invalid.

Pursuant to the Arbitration Law and Civil Procedure Law, an arbitral award shall be final and binding on the parties. If any party fails to comply with the arbitral award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is evidence to prove that any of the following circumstances exists: the parties have not stipulated an arbitration clause in the contract or have not reached a written arbitration agreement afterwards; the composition of the arbitral tribunal or the arbitration procedures are not in accordance with the arbitration rules; the matters awarded are outside the scope of the arbitration agreement, or the arbitration committee has no jurisdiction to arbitrate; the evidence on which the award is based is forged; the other party has concealed evidence sufficient to affect the fairness of the award; the arbitrator has committed bribery, accepted bribes, engaged in favoritism, or rendered an award in violation of the law when arbitrating the case.

Any party seeking to enforce an arbitral award of foreign arbitration commission against a party who or whose property is not within Chinese Mainland shall apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the people's court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

Pursuant to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and implemented on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and implemented on November 27, 2020, awards made by arbitral authorities in Chinese Mainland can be applied for enforcement in Hong Kong, and Hong Kong arbitration awards can also be applied for enforcement in the Chinese Mainland.

ENFORCEMENT OF JUDICIAL JUDGEMENT

Pursuant to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Chinese Mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People's Court on January 25, 2024 and implemented on January 29, 2024, in the case of effective judgment of a civil and commercial case or civil damages in a criminal case made by the court of China and the court of the Hong Kong Special Administrative Region, any party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement.

This Appendix sets out a summary of the principal provisions of the Articles of Association. This Appendix mainly provides **[REDACTED]** with an overview of the Articles of Association, and may not contain all the information that is important to **[REDACTED]**.

ISSUANCE OF SHARES

The shares of the Company shall be in the form of share certificates. The issuance of the shares of the Company shall be conducted in the principle of openness, fairness and justness, and each share of the same class shall be entitled to equal rights. For shares of the same class issued in the same offering, the conditions and price per share shall be the same. All subscribers for such shares shall pay the same price per share.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Increase and Reduction of Shares

In accordance with the Company's operational and developmental needs, and pursuant to the laws and regulations, the Company may increase its registered capital subject to a resolution of the Shareholders' meeting, by any of the following methods:

(i) Offering of shares to unspecified investors;

(ii) Offering of shares to specified investors;

(iii) Distribution of bonus shares to existing Shareholders;

(iv) Capitalizing reserves into share capital;

(v) Other methods stipulated by laws, administrative regulations, the China Securities Regulatory Commission, and the securities regulatory rules of the place where the Company's shares are listed.

The increase of the Company's registered capital shall be implemented in accordance with the procedures stipulated by the relevant laws and regulations after being approved pursuant to the provisions of the Articles of Association and the rules of the place where the Company's shares are listed.

The Company may reduce its registered capital. To reduce its registered capital, the Company shall proceed it in compliance with the procedures stipulated by the Company Law, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, other laws, administrative regulations, normative documents, and other relevant regulations, as well as the Articles of Association.

Share Repurchase

The Company shall not repurchase its own shares, unless otherwise under any of the following circumstances:

(i) Reducing the Company's registered share capital;

(ii) Merging with another company which holds the Company's shares;

(iii) Using the shares for an employee stock ownership plan or as an equity incentive;

(iv) Purchasing its shares from the Shareholders who have voted against the resolutions on the merger or division of the Company at a Shareholders' meeting upon their request;

(v) Use of shares for conversion of convertible corporate bonds issued by the Company, which are convertible into shares;

(vi) To safeguard the Company's value and protect the interests of the Shareholders;

(vii) Other circumstances as stipulated by laws, administrative regulations, regulatory rules of the stock exchange of the places where the Company's shares are listed and approved by the regulatory authorities.

After the repurchase of its own shares, the Company's equity distribution shall comply with the applicable listing requirements.

The repurchase of the Company's shares by the Company may be carried out through public centralized trading, or other methods recognized under the laws, administrative regulations, the CSRC and the securities regulatory authorities of the place where the Company's shares are listed. Where the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) above, such repurchase shall be conducted through public centralized trading. Where the Company repurchases its shares under the circumstances set out in items (i) and (ii) above, a resolution of the Shareholders' meeting shall be required. Where the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) above, subject to compliance with the applicable securities regulatory rules of the place where the Company's shares are listed, a resolution of the Board of Directors shall be passed by the Board meeting attended by no less than two-thirds of the directors.

In respect of A shares, where the Company repurchases its shares under the circumstances set out in item (i) above, such shares shall be cancelled within ten days from the date of repurchase; where shares are repurchased under the circumstances set out in items (ii) or (iv) above, such shares shall be transferred or cancelled within six months; where shares are repurchased under the circumstances set out in items (iii), (v) or (vi) above, the aggregate number of such shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and shall be transferred or cancelled within three years.

In respect of H shares, where the laws, regulations and securities regulatory rules of the place where the Company's shares are **[REDACTED]** have other provisions regarding matters relating to share repurchase, such provisions shall prevail.

TRANSFER OF SHARES

The shares of the Company shall be transferred in accordance with the law.

The Company shall not accept its own shares as the subject matter of a pledge.

Directors and senior management of the Company shall declare to the Company their holdings of the Company's shares and any changes therein. The number of shares of the same class of the Company transferred by them during each year of their term of office as determined at the time of their appointment shall not exceed 25% of the total number of shares of that class held by them; the shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares of the Company held by them shall not be transferred within half a year after their departure from the Company. If the securities regulatory rules of the listing venue of the Company's shares have other provisions regarding restrictions on the transfer of the Company's shares, such provisions shall prevail.

Where Shareholders holding more than 5% of the shares, Directors and senior management of the Company sell their shares or other equity securities within six months from the acquisition of such shares, or purchase shares within six months from the disposal of such shares, the resulting gains are owned by the Company and the Board of Directors of the Company shall recover its resulting gains. However, this shall not apply to securities companies that hold 5% or more of the Company's shares as a result of purchasing the remaining shares pursuant to underwriting, or to other circumstances stipulated by the CSRC. If there are other securities regulatory rules of the place where the shares of the Company are listed, those regulations shall prevail.

Shares or other equity securities held by the Directors, senior management and natural person Shareholders as mentioned in the preceding paragraph include the shares or other equity securities held by their spouses, parents, children, and held by them by using other people's accounts,

If the Board of Directors of the Company fails to comply with the provision set forth above, Shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, Shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth above, the responsible Directors shall bear joint and several liability pursuant to the laws.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

(i) To receive dividends and other forms of interest distribution according to the proportion of shares held;

(ii) To request in accordance with the law the convening of, and to convene, preside over, attend or appoint a proxy to attend Shareholders' meetings, and to exercise the corresponding voting rights;

(iii) To supervise the business operations and management of the Company, and to make proposals or raise inquiries;

(iv) To transfer, donate or pledge the shares they hold according to the provisions of laws, administrative regulations and the Articles of Association;

(v) To inspect and copy the Articles of Association, the register of Shareholders, the minutes of Shareholders' meetings, the resolutions of Board meetings, and the financial and accounting reports. Shareholders who meet the relevant requirements may inspect the Company's accounting books and accounting vouchers;

(vi) Upon the termination or liquidation of the Company, to participate in the distribution of the Company's residual property according to the proportion of shares held;

(vii) To require the Company to repurchase their shares, for Shareholders who object to a resolution of the Shareholders' meeting on the merger or division of the Company;

(viii) Other rights conferred by laws, regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Shareholders requesting to inspect and copy the Company's relevant materials shall comply with the provisions of the Company Law, the Securities Law, and other laws and securities regulatory rules of the place where the Company's shares are listed.

If the content of a resolution of the Company's Shareholders' meeting or Board of Directors violates any law or administrative regulation, Shareholders shall have the right to request the people's court to declare it invalid.

If the convening procedures or voting methods of a Shareholders' meeting or Board meeting violate any law, administrative regulation or the Articles of Association, or if the content of a resolution violates the Articles of Association, Shareholders shall have the right to request the people's court to revoke the resolution within 60 days from the date on which the resolution is made. However, this shall not apply if the convening procedures or voting methods of the Shareholders' meeting or Board meeting have only minor defects that have not materially affected the resolution.

If there is a dispute among the Board, Shareholders, or other relevant parties regarding the validity of a Shareholders' meeting resolution, the concerned parties shall promptly file a lawsuit with the People's Court. Before the People's Court issues a judgment or ruling to revoke the resolution, the relevant parties shall implement the resolution. The Company, Directors, and senior management shall diligently perform their duties to ensure the normal operation of the company.

If the people's court renders a judgment or ruling on a relevant matter, the Company shall perform its information disclosure obligations in accordance with the provisions of laws, administrative regulations, the CSRC and the stock exchange, fully explain the impact, and actively cooperate with the execution after the judgment or ruling becomes effective. Matters involving corrections of prior events shall be handled promptly and corresponding information disclosure obligations shall be performed.

Shareholders of the Company shall assume the following obligations:

(i) To abide by the laws, administrative regulations and the Articles of Association, and to safeguard the interests of the Company;

(ii) To pay up share capital in accordance with the shares subscribed and the method of subscription;

(iii) Not to withdraw their share capital, except under the circumstances as stipulated by laws and regulations;

(iv) Not to abuse Shareholders' rights to prejudice the interests of the Company or other Shareholders; not to abuse the independent legal person status of the Company and the limited liability of Shareholders to prejudice the interests of the Company's creditors;

(v) Other obligations that shall be assumed as stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Where any Shareholder of the Company abuses the Shareholders' rights and causes losses to the Company or other Shareholders, such shareholder shall be liable for compensation in accordance with the law. Where any Shareholder of the Company abuses the independent legal person status of the Company and the limited liability of Shareholders to evade debts and seriously prejudices the interests of the Company's creditors, it/he/she shall bear joint and several liability for the Company's debts.

The Controlling Shareholder and actual controller of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the provisions of the CSRC, and the securities regulatory rules of the listing venue of the Company's shares, and shall safeguard the interests of the Company.

When transferring their shares in the Company, the controlling Shareholder and actual controller shall comply with the restrictive provisions on share transfer under applicable laws, administrative regulations, the CSRC provisions, and the securities regulatory rules of the listing venue of the Company's shares, as well as any commitments they have made regarding share transfer restrictions.

General Provisions on Shareholders' Meeting

The Shareholders' meeting of the Company comprises all Shareholders. The Shareholders' meeting is the organ of power of the Company, which exercises the following powers in accordance with laws:

(i) To elect and replace Directors, and to decide on matters relating to the remuneration of Directors;

(ii) To examine and approve the reports of the Board of Directors;

(iii) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;

(iv) To adopt resolutions on the increase or decrease of the Company's registered capital;

(v) To adopt resolutions on the issuance of corporate bonds;

(vi) To adopt resolutions on matters such as merger, division, change of corporate form, dissolution or liquidation of the Company;

(vii) To amend the Articles of Association;

(viii) To adopt resolutions on the appointment and dismissal of the accounting firm engaged to conduct the Company's audit business, and matters relating to the remuneration of the accounting firm;

(ix) To examine and approve matters relating to guarantees stipulated in the Articles of Association;

(x) To examine matters involving the purchase or sale of major assets by the Company within one year exceeding 30% of the Company's latest audited total assets;

(xi) To examine and approve matters relating to changes in the use of proceeds raised;

(xii) To examine and approve equity incentive plans and employee stock ownership plans;

(xiii) To adopt resolutions on the repurchase of the Company's shares for the two purposes of reducing the Company's registered capital and merging with another company holding shares of the Company;

(xiv) To examine other matters that shall be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, statutory regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The powers of the Shareholders' meeting mentioned above shall not be delegated to the Board of Directors or any other institution or individual for exercise. The content of the Shareholders' meeting resolutions shall not violate laws, regulations, State policies or the Articles of Association.

The following acts of external guarantee of the Company shall be submitted to the Shareholders' meeting for deliberation and approval:

(i) Any guarantee provided after the aggregate amount of external guarantees provided by the Company and its holding subsidiaries has exceeded 50% of the Company's latest audited net assets;

(ii) Any guarantee provided after the aggregate amount of external guarantees provided by the Company has exceeded 30% of the Company's latest audited total assets;

(iii) Any guarantee provided by the Company to any third party within one year, where the amount of such guarantee exceeds 30% of the Company's latest audited total assets;

(iv) Any guarantee provided to a guarantee recipient whose asset-liability ratio exceeds 70%;

(v) Any single guarantee with an amount exceeding 10% of the Company's latest audited net assets;

(vi) Any guarantee provided to the Shareholders, the actual controllers and their connected parties;

(vii) Other external guarantees that are required to be approved by the Shareholders' meeting as stipulated by relevant laws, regulations or the securities regulatory rules of the listing venue of the Company's shares.

Shareholders' meetings shall be divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be held once a year, within six months following the end of the preceding fiscal year.

The Company shall convene an extraordinary Shareholders' meeting within two months from the date on which the following circumstances occurs:

(i) The number of Directors is less than the number stipulated by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;

(ii) The Company's unrecovered losses amount to one-third of its total share capital;

(iii) Upon the requisition of shareholders individually or jointly holding more than10 per cent of the shares of the Company;

(iv) When the Board of Directors consider it necessary;

(v) When the Audit Committee proposes the convening of such meeting;

(vi) Other circumstances as stipulated by laws, regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Convening of Shareholders' Meetings

The Board of Directors shall convene a Shareholders' meeting on time within the stipulated period.

Independent directors have the right to propose the Board of Directors to convene an extraordinary Shareholders' meeting upon approval by a majority of all independent directors. Where independent directors propose to convene an extraordinary Shareholders' meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the listing venue of the Company's shares and the Articles of Association, provide written feedback stating whether it agrees or disagrees to convene such extraordinary Shareholders' meeting within 10 days after receiving the proposal. If the Board of Directors agrees to convene such extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days after making the Board resolution. If the Board of Directors disagrees to convene an extraordinary Shareholders' meeting, it shall state the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors the convening of an extraordinary Shareholders' meeting, and shall submit such proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the listing venue of the Company's shares and the Articles of Association, provide written feedback stating whether it agrees or disagrees to convene such extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene such extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days after making the Board resolution. Any change to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene such extraordinary Shareholders' meeting, or fails to provide feedback within ten days of receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders individually or jointly holding 10% or more of the Company's total issued share capital (excluding the Company's treasury shares) have the right to request in writing the Board of Directors to convene an extraordinary Shareholders' meeting. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the listing venue of the Company's shares and the Articles of Association, provide written feedback stating whether it agrees or disagrees to convene such extraordinary Shareholders' meeting within 10 days after receiving the request. If the Board of Directors agrees to convene such extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days after making the Board resolution. Any change to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board of Directors disagrees to convene such extraordinary Shareholders' meeting, or fails to provide feedback within ten days of receiving the request, such Shareholders individually or jointly holding 10% or more of the Company's total issued share capital (excluding the Company's treasury shares) may submit a written request to the Audit Committee for the convening of an extraordinary Shareholders' meeting.

If the Audit Committee agrees to convene such extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days after receiving the request. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Audit Committee fails to provide written feedback within 10 days after receiving the request, or fails to issue a notice of the Shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the Shareholders' meeting. In such event, Shareholders individually or jointly holding 10% or more of the Company's total issued share capital (excluding the Company's treasury shares) for a consecutive period of 90 days or more may convene and preside over the meeting by themselves.

If the Audit Committee or Shareholders decide to convene a Shareholders' meeting on their own, they shall notify the Board of Directors in writing and file with the stock exchange for recordation. Where the securities regulatory rules of the jurisdiction where the Company's shares are listed have other provisions, such provisions shall prevail, provided that this does not violate the domestic laws, administrative regulations and the Articles of Association. Prior to the announcement of the voting results of the Shareholders' meeting, the individual or aggregate shareholding ratio of the convening Shareholders shall not be less than 10%.

Where the Audit Committee or the Shareholders convene a Shareholders' meeting on their own, the necessary expenses incurred thereof shall be borne by the Company.

Proposals and Notices of Shareholders' Meetings

When the Company convenes a Shareholders' Meeting, the Board of Directors, the Audit Committee and Shareholders who individually or jointly hold 1% or more of the shares of the Company are entitled to put forward proposals to the Company.

Shareholders individually or jointly holding1% or more of the Company's total issued share capital (excluding the Company's treasury shares) may put forward interim proposals in writing to the convener ten days prior to the convening of the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' Meeting within two days upon receiving the proposals, announce the content of such supplementary proposal, and submit such supplementary proposal to the Shareholders' Meeting for consideration. As regards the publication of the supplementary notice of the Shareholders' Meeting, if there are special provisions in the securities regulatory rules of the listing venue of the Company's shares, such provisions shall prevail provided they do not violate the "Company Law" and the "Securities Law." Provided, however, that no such supplementary proposals shall be considered if it violates laws, administrative regulations, the securities regulatory rules of the listing venue of the Company's shares or the Articles of Association, or falls outside the scope of duties of the Shareholders' Meeting. The Company shall not increase the shareholding of Shareholders who submit the supplementary proposal.

If the Shareholders' Meeting must be postponed due to the issuance of a supplementary notice of the Shareholders' Meeting in accordance with the securities regulatory rules of the place where the Shares of the Company are listed, the convening of the Shareholders' Meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the Shares of the Company are listed.

Except for the circumstances provided in the preceding paragraph or under laws, administrative regulations, and the securities regulatory rules of the listing venue of the Company's shares, the convener shall not modify the proposals listed in the notice of the Shareholders' Meeting or add new proposals after issuing such notice.

The Shareholders' Meeting shall not vote or resolve on proposals not contained in the notice of the Shareholders' Meeting or not in compliance with the Articles of Association.

The convener shall notify all Shareholders at least 21 days prior to the convening of the annual Shareholders' Meeting, at least 15 days prior to the convening of the extraordinary Shareholders' Meeting.

Notice of the Shareholders' meeting shall be given in writing (including by way of announcement) and shall include the following:

(i) the date, venue and duration of the meeting;

(ii) matters and proposals submitted for consideration at the meeting;

(iii) a clear written statement that: each Shareholder is entitled to attend the Shareholders' meeting in person, or appoint proxies who need not be Shareholders of the Company, to attend and vote on such Shareholder's behalf;

(iv) the date of record for the determination of Shareholders who are entitled to attend the Shareholders' meeting;

(v) name and telephone number of permanent contact person;

(vi) time and procedures for voting online or by other means.

(vii) other requirements set forth in laws, regulations, departmental rules, securities regulatory rules of the jurisdiction where the Company's shares are listed, and these Articles of Association.

Convening of Shareholders' Meetings

All Shareholders registered on the equity registration date, or their proxies, shall have the right to attend the Shareholders' meeting, speak at the meeting and exercise voting rights in accordance with the applicable laws, regulations, the securities regulatory rules of the listing venue of the Company's shares and the provisions of the Articles of Association. Shareholders may attend the Shareholders' meeting in person, or appoint a proxy to attend and speak at the meeting and to vote within the scope of authorization.

Individual Shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents. Proxies attending the meeting shall present their personal identity cards and the power of attorney issued by the Shareholder.

Corporate Shareholders or other institutional Shareholder shall be represented by its legal representative or proxies authorized by its legal representative or executive partner. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the power of attorney issued by the legal representative or executive partner.

If the Shareholder is a recognized clearing house (or their proxies), the Shareholder may authorize one or more persons as it deems appropriate to act as its representative at any Shareholders' meeting or creditors' meeting; However, if more than one person is authorized, the power of attorney shall specify the number and class of shares to which each such person's authority relates, and the power of attorney shall be signed by an authorized representative of the recognized clearing house. The person so authorized may exercise rights on behalf of the recognized clearing house (or its proxies) (without presenting a share certificate, notarized power of attorney, and/or further evidence of formal authorization) and shall be entitled to the same statutory rights as other Shareholders, including the right to speak and vote, as if such person were an individual Shareholder of the company.

A proxy form issued by a Shareholder to authorize another person to attend the Shareholders' meeting shall specify the following:

(i) The name of the principal, the class and number of shares held by the principal;

(ii) The name of the proxy;

(iii) Specific instructions of the Shareholder, including instructions to cast an affirmative, negative or abstention vote on each matter under consideration included in the agenda of the Shareholders' meeting; for overseas corporate Shareholders that do not have a company seal, the proxy form may be signed by a duly authorized person;

(iv) The date of issue and the validity period of the proxy form;

(v) The signature (or seal) of the appointing Shareholder; if the appointing Shareholder is a corporate Shareholder, the corporate seal shall be affixed.

(vi) A statement in the proxy form indicating whether, in the absence of specific instructions from the Shareholder, the proxy may vote at his/her discretion;

(vii) Other requirements stipulated by laws, regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Voting and Resolutions of the Shareholders' Meeting

Resolutions of the Shareholders' meeting include ordinary resolutions and special resolutions. An ordinary resolution at a Shareholders' meeting shall be passed by one-half or above of the voting rights held by Shareholders (including their proxies) attending and entitled to vote at the Shareholders' meeting. A special resolution at a Shareholders' meeting shall be passed by two-thirds or above of the voting rights held by Shareholders (including their proxies) attending and entitled to vote at the Shareholders' meeting.

The following matters shall be passed by an ordinary resolution at a Shareholders' meeting:

(i) The work report of the Board of Directors;

(ii) The profit distribution plan and the plan for making up losses proposed by the Board of Directors;

(iii) The appointment and removal of members of the Board of Directors (including the removal of a Director before the expiry of his/her term, provided that such removal shall not affect any claim for damages such Director may have under any contract), as well as their remuneration and the method of payment thereof;

(iv) Resolutions on the appointment, removal or non-renewal of the appointment of an accounting firm, or the remuneration of an accounting firm;

(v) Other matters other than those that shall be passed by a special resolution as stipulated by laws, administrative regulations, the securities regulatory rules of the listing venue of the Company's shares, or the Articles of Association.

The following matters shall be passed by a special resolution at a Shareholders' meeting:

(i) An increase or decrease in the Company's registered capital;

(ii) The demerger, division, merger, dissolution and liquidation (including the voluntary winding up) of the Company;

(iii) Amendments to the Articles of Association;

(iv) The purchase or sale of material assets by the Company, or the provision of guarantees to others, within one year where the amount involved exceeds 30% of the Company's latest audited total assets;

(v) Equity incentive plans;

(vi) The repurchase by the Company of its shares for the purposes of reducing the Company's registered capital, or merging with another company holding shares of the Company;

(vii) Other matters as stipulated by laws, administrative regulations, the securities regulatory rules of the listing venue of the Company's shares, or the Articles of Association, as well as other matters which are determined by an ordinary resolution of the Shareholders' meeting to have a material impact on the Company and therefore require approval by a special resolution.

Shareholders (including their proxies) shall exercise their voting rights based on the number of voting shares represent, with each share carrying one vote.

Pursuant to applicable laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and the securities regulatory rules of the listing venue of the Company's shares, if any Shareholder is required to abstain from voting or is restricted to voting only in favor or only against on any particular resolution, any vote cast by such Shareholder (or its proxy) in violation of such provisions or restrictions shall be excluded from the voting results.

Where material issues affecting the interests of minority Shareholders are considered at the Shareholders' Meeting, the votes of minority Shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

Shares of the Company held by the Company itself shall have no voting rights, and such shares shall not be counted in the total number of voting shares present at a Shareholders' meeting. Where the securities regulatory rules of the place where the Company's shares otherwise provided, such provisions shall prevail.

If a Shareholder purchases voting shares of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law of the People's Republic of China, the voting rights of such shares in excess of the prescribed proportion shall not be exercised for a period of thirty-six months after the purchase and shall not be counted as part of the total number of voting shares present at the Shareholders' meeting.

The Board of the Company, independent directors, Shareholders holding more than 1% of the shares carrying voting rights or investor protection agencies established in accordance with laws, administrative regulations or requirements of the CSRC may publicly solicit Shareholders' voting rights. The specific voting intentions and other information shall be fully disclosed to the persons whose voting rights are being solicited when soliciting Shareholders' voting rights. It is prohibited to solicit Shareholders' voting rights for consideration or in any disguised form of consideration. The Company shall not impose a minimum shareholding proportion limit on the solicitation of voting rights except as required by law.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. No one shall serve as a director of the Company if any of the following circumstances exists:

(i) Having no capacity for civil conduct or having limited capacity for civil conduct;

(ii) Having been sentenced to criminal penalties for corruption, bribery, embezzlement, misappropriation of property or undermining the socialist market economic order, or having been deprived of political rights due to a crime, and less than 5 years have elapsed since the expiration of the execution of the sentence; or if on probation, less than 2 years have elapsed since the expiration of the probation period;

(iii) Having served as a director, factory manager or president of a company or enterprise that has been bankrupt and liquidated, and having been personally liable for the bankruptcy of that company or enterprise, and less than 3 years have elapsed since the completion of the bankruptcy liquidation of that company or enterprise;

(iv) Having served as the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close down due to violations of law, and being personally liable, and less than 3 years have elapsed since the revocation of the business license or the order to close down of that company or enterprise;

(v) Being listed by the People's Court as a dishonest judgement debtor due to failure to repay a large-amount debt when due;

(vi) Being subjected by the CSRC to measures prohibiting entry into the securities market, where the term of such prohibition has not yet expired;

(vii) Being publicly identified by a securities regulatory authority as unsuitable to act as a director or senior management of a listed company, where the term of such unsuitability has not yet expired;

(viii) Other circumstances stipulated by laws, administrative regulations, departmental rules or the securities regulatory rules of the listing venue of the Company's shares.

Any election or appointment of a director in violation of the provisions above shall be invalid. If a Director becomes subject to any of the circumstances listed in the provisions above during their term of office, the Company shall terminate their position.

Directors other than representatives of employees shall be elected or replaced by the Shareholders' meeting, and may be removed from their position before the expiry of their term. The term of office of each Board of Directors is three years. Directors may be re-elected for consecutive terms upon expiry of their term.

The term of a Director shall commence on from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the listing venue of the Company's shares, and the Articles of Association until the newly elected Directors assume office.

A director may concurrently hold a senior management position; provided that the total number of directors who concurrently serve as senior management personnel and employee representative directors shall not exceed one-half of the total number of directors of the Company.

Board of Directors

The Board of Directors shall exercise the following functions and powers:

(i) To convene Shareholders' meetings and to report on its work at the Shareholders' meetings;

(ii) To implement resolutions of the Shareholders' meetings;

(iii) To decide on the Company's business plans and investment proposals;

(iv) To formulate the Company's profit distribution plans and loss recovery plans;

(v) To formulate plans for the Company's increase or reduct of registered capital, issuance of bonds or other securities, and listing;

(vi) To draft plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;

(vii) To decide on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, financial assistance, entrusted wealth management, connected transactions, derivative transactions, securities investments, and external donations, within the scope authorized by the Shareholders' meeting;

(viii) To decide on the establishment of the Company's internal management structure;

(ix) To appoint or dismiss the President of the Company and the Secretary to the Board of Directors; based on the President's nomination, to appoint or dismiss other senior management officers such as the Vice Presidents and Chief Financial Officer, and to decide on matters relating to their remuneration, rewards and penalties;

(x) To formulate the Company's basic management systems;

(xi) To draft amendments to the Articles of Association;

(xii) To manage the Company's information disclosure matters;

(xiii) To propose to the Shareholders' meeting the appointment or replacement of the accounting firm engaged to audit the Company;

(xiv) To receive work reports from the President of the Company and to review the President's work;

(xv) Other functions and powers as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the listing venue of the Company's shares, or as granted by the Shareholders' meeting.

The Board of Directors shall have a Chairman. The Chairman of the Board of Directors shall be elected by a majority of all Directors of the Board of Directors.

The Chairman of the Board of Directors shall exercise the following functions and powers:

(i) To preside over Shareholders' meetings and to convene and preside over meetings of the Board of Directors;

(ii) To supervise and inspect the implementation of resolutions of the Board of Directors;

(iii) To sign material documents of the Board of Directors and other documents that shall be signed by the Chairman of the Company;

(iv) Other functions and powers granted by the Board of Directors.

The Board of Directors shall hold at least four meetings each year, convened by the chairman, with written notice provided to all Directors at least 14 days before the meeting.

Shareholders representing more than one-tenth of the voting rights, one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary Board meeting. The chairman shall convene and preside over the Board meeting within 10 days of receiving such a proposal.

If a Director has a connected relationship with an enterprise or individual involved in a matter under consideration by the Board of Directors, such Director shall promptly report in writing to the Board of Directors. The Director with such a connected relationship shall not vote on such resolution or act as a proxy for another Director to vote. The Board meeting may be held with the attendance of more than half of the non-related Directors, and resolutions shall require the approval of more than half of the non-related Directors. If the number of non-related Directors attending the Board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for consideration. Where laws, regulations or the securities regulatory rules of the listing venue of the Company's shares have other provisions regarding Directors' attendance at Board meetings and voting rights, such provisions shall prevail.

SENIOR MANAGEMENT

The Company shall have one President and two to nine Vice Presidents, who shall be appointed or dismissed by the Board of Directors. The President, Vice Presidents, Chief Financial Officer and the Secretary to the Board of Directors constitute the senior management of the Company.

The President shall be accountable to the Board of Directors and shall exercise the following powers and duties:

(i) To preside over the Company's production, operation and management, to organise the implementation of resolutions of the Board of Directors, and to report to the Board of Directors;

(ii) To organize the implementation of the Company's annual business plans and investment proposals;

(iii) To draft proposals for the establishment of the Company's internal management structure;

(iv) To draft the Company's basic management systems;

(v) To formulate the Company's specific rules and regulations;

(vi) To propose to the Board of Directors the appointment or dismissal of the Vice Presidents and the Chief Financial Officer of the Company;

(vii) To decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be decided by the Board of Directors;

(viii) Other functions and powers granted by the securities regulatory rules of the listing venue of the Company's shares, the Articles of Association, and the Board of Directors.

The president shall attend meetings of the Board of Directors.

The Company has a Secretary to the Board of Directors, who is responsible for the preparation of the meetings of the Shareholders' meeting and the Board of the Company, the custody of documents, the management of the Company's Shareholder information, and handling matters related to information disclosure, etc.

The Secretary to the Board of Directors shall comply with laws, administrative regulations, departmental rules, securities regulatory rules of the jurisdiction where the Company's shares are listed, and the relevant provisions of these Articles of Association.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION, AND AUDIT

Financial and Accounting Systems

The Company formulates the financial and accounting systems in accordance with laws, administrative regulations, the securities regulatory rules of the listing venue of the Company's shares, and the provisions of relevant authorities.

The Company shall submit and disclose its annual reports to the local offices of the CSRC and the Stock Exchange within 4 months from the ending date of each financial year, and its interim reports to the local office of the CSRC and the Stock Exchange within 2 months from the ending date of the first half of each financial year.

The above mentioned annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations, rules issued by the China Securities Regulatory Commission, and the securities regulatory rules of the listing venue of the Company's shares.

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's funds shall not be deposited in accounts opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, further allocation may be waived.

When the Company's statutory reserve is not sufficient to make up for the Company's losses for the previous years, the profits of the current year shall first be used to cover the losses before any allocation is set aside for the statutory reserve pursuant to the preceding provision.

After making allocations to the statutory reserve from its profits after taxation, the Company may, upon passing a resolution at a Shareholders' meeting, make further allocations from its profits after taxation to the discretionary reserve.

After the Company covers its losses and makes allocations to its reserve funds, the remaining profits after-taxation shall be distributed in proportion to the number of shares held by the Shareholders, except as otherwise provided by the Articles of Association for non-proportionate distribution.

If the Shareholders' meeting resolves to distribute any profits to the Shareholders in violation of the Company Law, the Shareholders shall return such profits distributed to the Company, and if any losses are caused thereby to the Company, the Shareholders, as well as any directors, and senior management officers responsible for the violation, shall be liable for compensation.

The Company's own shares held by the Company shall not participate in the distribution of profits.

The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operation, or convert into additional capital.

When using the reserve funds to cover the Company's losses, the discretionary reserve funds and the statutory reserve funds shall be used first; if the losses cannot be fully covered, the capital reserve funds may be used in accordance with regulations.

When converting the statutory reserve funds into additional registered capital, the remaining statutory reserve funds shall not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company implements an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The Company's internal audit system shall be implemented upon approval by the Board of Directors and disclosed to the public.

Appointment of Accounting Firms

The Company shall appoint an accounting firm that complies with the provisions of laws and regulations and the regulatory rules of the place where the shares of the Company are listed to conduct accounting statement audits, net asset verification, and other related consulting services, with a term of one year, which may be renewed.

The appointment or dismissal of the Company's accounting firm shall be decided by the Shareholders' meeting. The Board of Directors shall not appoint the accounting firm prior to a decision by the Shareholders' meeting.

The Company shall undertake to provide its accounting firm with true and complete accounting vouchers, accounting books, financial reports and other accounting information, and shall not refuse, conceal or misstate any information.

The audit fee payable to the accounting firm shall be determined by the Shareholders' meeting.

When the Company intends to dismiss or not to renew the appointment of an accounting firm, it shall give 30 days' prior notice to the accounting firm. When a Shareholders' meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to represent its opinions.

Where the accounting firm resigns, it shall state to the Shareholders' meeting whether the Company has improper circumstances.

NOTICES AND ANNOUNCEMENTS

Notices

Notices of the Company shall be given in the following forms:

(i) By hand;

(ii) By mail;

(iii) By announcement;

(iv) By other forms as stipulated by the regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Announcements

The Company designates the websites of the Shanghai Stock Exchange and the Stock Exchange of Hong Kong, as well as at least one newspaper that meets the conditions stipulated by the CSRC, as the media for publishing company announcements and other information requiring disclosure.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION, AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

The Company's merger may be in the form of an absorption merger or a consolidation merger. When one company absorbs other companies, it is an absorption merger, and the absorbed companies shall be dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies shall be dissolved.

In the event of a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and inventory of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution and make a public announcement in accordance with regulations within 30 days.

The creditors may, within 30 days from the date of receipt of the notification, or within 45 days from the date of the public announcement provided that they have not received the notification, request the Company to settle its debts or provide corresponding guarantees.

At the time of the merger, claims and debts of the merger parties shall be succeeded by the company which subsists after the merger or the newly-established company.

In the event of a company division, the Company's assets shall be divided accordingly. The Company shall prepare a balance sheet and inventory of assets in the event of division. The Company shall notify its creditors within 10 days from the date of the division resolution and make a public announcement in accordance with regulations within 30 days.

When the Company reduces its registered capital, it shall prepare a balance sheet and inventory of assets. The Company shall notify its creditors within 10 days from the date on which the resolution to reduce the registered capital is adopted at the Shareholders' meeting, and make a public announcement in accordance with regulations within 30 days. Creditors have the right, within 30 days from the date of receipt of the notification, or within 45 days from the date of the public announcement provided that they have not received the notification, to request the Company to settle its debts or provide corresponding guarantees.

In the event of a company merger or division, where changes occur to the registered items, the Company shall complete the modification registration with the company registration authority in accordance with the law; in the event of dissolution, the Company shall complete company deregistration in accordance with the law; in the event of the establishment of a new company, the Company shall complete company establishment registration in accordance with the law.

Where the Company increases or reduces its registered capital, it shall apply to the company registration authority for modification registration in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for any of the following reasons:

(i) The term of operation stipulated in the Articles of Association has expired or circumstances for dissolution specified in the Articles of Association arise;

(ii) The Shareholders' meeting resolves to dissolve the Company;

(iii) The Company needs to be dissolved due to a merger or division;

(iv) The business license is revoked or the Company is ordered to close down or be deregistered according to the law;

(v) Where the Company faces serious difficulties in operation and management and its continued existence would cause significant losses to shareholders' interests, and no other solutions can be found, Shareholders holding 10% or more of the Company's total voting rights may request the people's court to dissolve the Company.

The Company shall, within 10 days of the occurrence of the reason(s) for dissolution stipulated in the preceding paragraph, publicize the reason(s) for dissolution through the National Enterprise Credit Information Publicity System.

If the Company is in the situation described in items (i) and (ii) of the preceding paragraph and has not yet distributed property to its Shareholders, it may continue to exist by amending the Articles of Association or by adopting a resolution at a Shareholders' meeting.

Any amendment to the Articles of Association or resolution of the Shareholders' meeting made in accordance with the provisions of the preceding paragraph shall be passed by two-thirds or more of the voting rights held by Shareholders present at the Shareholders' meeting.

If the Company is dissolved due to the circumstances specified in items (i), (ii), (iv) or (v) of the preceding paragraph, it shall be liquidated. The Directors are the persons with liquidation obligations for the Company and shall form a liquidation committee within fifteen days from the date of occurrence of the dissolution event to conduct the liquidation. The liquidation committee shall be composed of Directors, unless the Shareholders' meeting resolves to appoint other persons. If the persons with liquidation obligations fail to perform their liquidation duties in a timely manner, causing losses to the Company or its creditors, they shall be liable for compensation.

During the liquidation period, the liquidation committee shall exercise the following functions and powers:

(i) Liquidate the Company's assets, and prepare a balance sheet and inventory of assets respectively;

(ii) Notify and announce to creditors;

(iii) Handle the Company's outstanding business related to liquidation;

(iv) Settle outstanding taxes and taxes incurred during the liquidation process;

(v) Clear up the creditor's rights and debts;

(vi) Dispose of the Company's residual assets after debt repayment;

(vii) Represent the Company in civil litigation activities.

The liquidation committee shall notify creditors within 10 days from the date of its establishment and make a public announcement in accordance with regulations within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the notification, or within 45 days from the date of the public announcement provided that they have not received the notification.

After liquidating of the Company's assets and preparing the balance sheet and inventory of assets, if the liquidation committee finds that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation affairs to the bankruptcy administrator appointed by the people's court.

Where the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under one of the following circumstances:

(i) Subsequent to amendments to the Company Law, relevant laws, administrative regulations, the Hong Kong Listing Rules and the securities regulatory rules of the listing venue of the Company's shares, the provisions of the Articles of Association conflict with the provisions of the amended laws, administrative regulations, the Hong Kong Listing Rules and the securities regulatory rules of the listing venue of the Company's shares;

(ii) The Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association;

(iii) The Shareholders' meeting resolves to amend the Articles of Association.

If any amendment to the Articles of Association adopted by a resolution of the Shareholders' meeting requires approval from the competent authority, such amendment shall be submitted to the competent authority for approval; if any amendment involves the Company's registration particulars, the Company shall complete the formalities for alteration of registration in accordance with the law.

FURTHER INFORMATION ABOUT OUR GROUP

Incorporation of Our Company

Our Company was established as a joint stock company with limited liability under the laws of the PRC on August 5, 1997. We were registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on May 8, 2026 and have established a place of business in Hong Kong at Room 1928, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Ms. Yip Hoi Lam has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company is incorporated in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of our Articles of Association and relevant aspects of PRC law is set out in "Taxation and Foreign Exchange," "Summary of Principal Legal and Regulatory Provisions" and "Summary of the Articles of Association" in Appendices III, IV and V to this document, respectively.

Changes in the Share Capital of Our Company

There has been no alteration in our total issued share capital within the two years immediately preceding the date of this document.

Changes in the Share Capital of Our Major Subsidiaries

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in relation to the disclosure of information relating to the changes in the share capital of any member of our Group within two years immediately preceding the date of this document. For details, see "Waivers and Exemptions–Particulars Of Information Of Our Subsidiaries".

The following sets out the changes in the share capital of our Major Subsidiaries within the two years immediately preceding the date of this document:

Chint Power

- On January 2, 2025, the registered capital of Chint Power increased from RMB361,857,053 to RMB363,234,553.

- On January 12, 2026, the registered capital of Chint Power decreased from RMB363,234,553 to RMB360,868,803.

Wenzhou Chint Electrics

- On March 27, 2025, the registered capital of Wenzhou Chint Electrics increased from RMB400,000,000 to RMB430,000,000.

Chint Instrument & Meter

- On September 29, 2025, the registered capital of Chint Instrument & Meter increased from RMB586,130,000 to RMB637,656,600.

Zhejiang Chint Solar

- On August 6, 2025, the registered capital of Zhejiang Chint Solar increased from RMB3,483,556,336 to RMB3,575,176,336.

Xinqi Energy Equipment

- On April 30, 2025, Xinqi Energy Equipment was established as a limited liability company in the PRC with a registered capital of RMB20,000,000.

Save as disclosed in this section, there has been no alteration in the registered capital of our Major Subsidiaries within two years preceding the date of this document.

Resolutions of Our Shareholders

On April 21, 2026, resolutions of our Shareholders were passed pursuant to which, among other things:

a) the Articles was approved and adopted;

b) the **[REDACTED]** (including the **[REDACTED]**, **[REDACTED]** and **[REDACTED]**) and the **[REDACTED]** were approved and our Directors were authorized to **[REDACTED]** and **[REDACTED]** the **[REDACTED]** pursuant to the **[REDACTED]**; and

c) the number of H Shares to be **[REDACTED]** shall be up to **[REDACTED]**% of the total share capital of our Company upon completion of the **[REDACTED]** and before any exercise of the **[REDACTED]**, and the grant of the **[REDACTED]** shall be no more than **[REDACTED]**% of the number of H Shares initially **[REDACTED]** pursuant to the **[REDACTED]**.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of the business carried on or intended to be carried on by our Company) were entered into by any member of our Group within the two years preceding the date of this document and are or may be material:

(a) [•]; and

(b) the **[REDACTED]**.

Our Intellectual Property Rights

Trademarks

Registered Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material in relation to our business:

No.	Trademark	Class	Registered Owner	Jurisdiction of Registration	Registration Number	Expiry Date
1	正泰	9	Our Company	PRC	84873545	December 13, 2035
2	正泰	9	Our Company	PRC	65384252	December 20, 2032
3	CHNT	9	Our Company	PRC	67137183	September 6, 2033
4	CHNT	9	Our Company	PRC	54478031	October 27, 2031
5	CHNT	9	Our Company	PRC	4059260	June 6, 2036
6	正泰精灵	9	Our Company	PRC	85387227	December 6, 2035
7	泰极智	9	Our Company	PRC	80067786	April 20, 2035
8	泰极	9	Our Company	PRC	76955739	July 20, 2035
9	EnergiX	9	Our Company	PRC	76860365	October 20, 2034
10	泰智选	9	Our Company	PRC	71898562	November 27, 2033
11	正泰安能商城	9	Our Company	PRC	69481179	August 20, 2033
12	正泰智维	37	Our Company	PRC	68110176	June 13, 2033
13	正泰安心购	9	Our Company	PRC	67960538	July 13, 2033
14	CHNT POWER	9	Our Company	PRC	67641000	September 6, 2033
15	CHINT ANNENG	9	Our Company	PRC	66794443	February 20, 2033
16	正泰智维 CHNT ON	9	Our Company	PRC	65599266	April 6, 2033
17	正泰智维	9	Our Company	PRC	55130631	June 13, 2033
18	正泰安能	9	Our Company	PRC	50791673	June 20, 2031
19		9	Our Company	PRC	50351468	July 27, 2031
20	CHNT CLOUD	9	Our Company	PRC	48558626	June 6, 2032
21	Chint Global	9	Our Company	PRC	47301358	December 6, 2031
22	正泰云	9	Our Company	PRC	40220222	November 6, 2030
23	正泰居家	9	Our Company	PRC	35907822	September 13, 2029
24	CHNT	9	Our Company	PRC	29120378	March 6, 2029
25	正泰昆仑	9	Our Company	PRC	19054085	June 27, 2028
26	正泰安能	9	Our Company	PRC	17472183	September 13, 2026
27	CHNT POWER	9	Our Company	PRC	8212988	April 27, 2031
28	雀羽	9	Chint New Energy Development	PRC	59062234	February 20, 2033
29		37	Chint New Energy Development	PRC	52140252	August 27, 2031
30	泰集安能	9	Chint New Energy Development	PRC	50194525	June 13, 2031
31	TELOGY	9	Chint New Energy Development	PRC	44270364	March 13, 2031
32	NOARK 诺雅克	9	Shanghai Noark Electrics	PRC	6896051	January 6, 2033

No.	Trademark	Class	Registered Owner	Jurisdiction of Registration	Registration Number	Expiry Date
33	NOARK	9	Shanghai Noark Electrics	PRC	6896050	October 27, 2030
34	诺雅克	9	Shanghai Noark Electrics	PRC	6527949	April 13, 2030
35		9	Chint Anneng	PRC	62448284	August 20, 2033
36	小安到家	9	Chint Anneng	PRC	54140874	December 20, 2031
37	PVSTAR	9	Chint Anneng	PRC	70558079	December 13, 2033
38	PVSTAR 光伏星	9	Chint Anneng	PRC	74527251	December 6, 2034
39	安能智电	37	Chint Anneng	PRC	76820278	October 27, 2034
40	绿光宝	9	Chint Anneng	PRC	79140279	February 6, 2035
41	CloudFly	37	Chint Anneng	PRC	87434655	March 13, 2036

Patents

Registered Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to our business:

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Date of Application
1	A method, apparatus, and system for generating a digital twin simulation model of a photovoltaic power plant (一種光伏電站的數字孿生仿真模型生成方法、裝置和設備)	Invention	Chint New Energy Development	PRC	ZL202411931129.4	December 25, 2024
2	A floating photovoltaic system and method for its installation (一種水上光伏系統及其施工方法)	Invention	Chint New Energy Development	PRC	ZL202310735526.3	June 20, 2023
3	A single-axis dual-axis photovoltaic tracker (一種單軸雙維光伏跟蹤器)	Invention	Chint New Energy Development	PRC	ZL201910528807.5	June 18, 2019
4	Photovoltaic tracker rotating folding beam and method of installation (光伏跟蹤器旋轉折疊梁及其安裝方法)	Invention	Chint New Energy Development	PRC	ZL201910528283.X	June 18, 2019
5	A photovoltaic module assembly device, a photovoltaic system, and a method for installing photovoltaic modules (一種光伏組件裝配裝置、光伏系統及光伏組件安裝方法)	Invention	Chint Anneng	PRC	ZL202310079720.0	February 8, 2023
6	A photovoltaic building roof and method of installation (一種光電建築屋面及安裝方法)	Invention	Chint Anneng	PRC	ZL202211577004.7	December 9, 2022
7	A roof-integrated photovoltaic system and quick-installation clamps (一種屋頂光伏建築一體化系統及快裝夾具)	Invention	Chint Anneng	PRC	ZL202010558830.1	June 18, 2020
8	Residual current circuit breaker (剩餘電流動作斷路器)	Invention	Our Company	PRC	ZL202210435816.1	April 24, 2022
9	Molded-case circuit breaker (塑殼斷路器)	Invention	Our Company	PRC	ZL202010549685.0	June 16, 2020
10	Cold-formed shaft structure of a circuit breaker's electromagnetic trip unit (斷路器電磁脫扣器的冷彎轉軸結構)	Invention	Our Company	PRC	ZL201711359937.8	December 15, 2017
11	Magnetic trip unit (磁通脫扣器)	Invention	Our Company	PRC	ZL201711323414.8	December 12, 2017
12	Contactor (接觸器)	Invention	Our Company, Chint Global PTE	PRC	ZL201710038437.8	January 18, 2017

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Date of Application
13	Earth leakage test circuit with dual breakpoints (具有雙斷點的漏電試驗回路)	Invention	Our Company	PRC	ZL201611033337.8	November 18, 2016
14	Anti-jamming device for the energy storage handle of a universal circuit breaker (萬能式斷路器儲能手柄防卡滯裝置)	Invention	Our Company	PRC	ZL201610919514.6	October 21, 2016
15	Contactor (接觸器)	Invention	Our Company	PRC	ZL201610537744.6	July 8, 2016
16	Wiring configuration of a contactor coil (接觸器線圈的接線結構)	Invention	Our Company	PRC	ZL201610537742.7	July 8, 2016
17	Delay-type power supply circuit (遲滯型電源電路)	Invention	Shanghai Noark Electrics, Our Company	PRC	ZL201610536928.0	July 8, 2016
18	Miniature circuit breaker (小型斷路器)	Invention	Our Company	PRC	ZL201610192404.4	March 30, 2016
19	Electronic ground fault circuit interrupter (電子式漏電斷路器)	Invention	Our Company	PRC	ZL201610114784.X	March 1, 2016
20	Circuit breaker and its baffle plate (斷路器及其擋板)	Invention	Our Company	PRC	ZL201510728363.1	October 30, 2015
21	Screwless wiring devices and electrical equipment (免螺釘接線裝置及電氣設備)	Invention	Our Company	PRC	ZL201510660392.9	October 14, 2015
22	Circuit breaker (斷路器)	Invention	Our Company	PRC	ZL201510606697.1	September 22, 2015
23	Operating mechanism of a residual current circuit breaker (剩餘電流動作斷路器的動作機構)	Invention	Our Company	PRC	ZL201510577892.6	September 11, 2015
24	Circuit breaker energy storage operating mechanism (斷路器儲能操作機構)	Invention	Our Company	PRC	ZL201510471641.X	August 4, 2015
25	Circuit breaker interlock device (斷路器聯鎖裝置)	Invention	Our Company	PRC	ZL201510471387.3	August 4, 2015
26	Circuit breaker energy storage operating mechanism (斷路器儲能操作機構)	Invention	Our Company	PRC	ZL201510471225.X	August 4, 2015
27	Circuit breaker energy storage operating mechanism (斷路器儲能操作機構)	Invention	Our Company	PRC	ZL201510471096.4	August 4, 2015
28	Installation structure of the circuit breaker energy storage assembly (斷路器能量存儲組件的安裝結構)	Invention	Our Company	PRC	ZL201510471070.X	August 4, 2015
29	Circuit breaker interlock device (斷路器聯鎖裝置)	Invention	Our Company	PRC	ZL201510471053.6	August 4, 2015
30	Circuit breaker trip mechanism (斷路器脫扣機構)	Invention	Our Company	PRC	ZL201510470855.5	August 4, 2015
31	Circuit breaker interlock assembly (斷路器聯鎖組件)	Invention	Our Company	PRC	ZL201510470679.5	August 4, 2015
32	Secondary latching mechanism of the circuit breaker's operating mechanism (斷路器的操作機構的二級鎖扣機構)	Invention	Our Company	PRC	ZL201510210615.1	April 28, 2015
33	Circuit breaker operating mechanism (斷路器的操作機構)	Invention	Our Company	PRC	ZL201510210584.X	April 28, 2015
34	Magnetic protection assembly of a thermal-magnetic protection device (熱磁保護裝置的磁保護組件)	Invention	Our Company	PRC	ZL201510209923.2	April 28, 2015
35	Circuit breaker contact module (斷路器的觸頭模塊)	Invention	Our Company	PRC	ZL201310438970.5	September 24, 2013
36	Adjustable electromagnetic release (可調式電磁脫扣器)	Invention	Our Company	PRC	ZL201310438966.9	September 24, 2013
37	Undervoltage trip device (欠壓脫扣器)	Invention	Our Company	PRC	ZL201310213485.8	June 2, 2013
38	Conductor systems for switching devices, low-voltage molded-case circuit breakers, and thermal overload relays (開關器件的導電系統、低壓塑殼斷路器和熱過載繼電器)	Invention	Shanghai Noark Electrics	PRC	ZL201210117563.X	April 19, 2012
39	Multi-pole circuit breaker with auxiliary support components (帶輔助支撐件的多極斷路器)	Invention	Shanghai Noark Electrics	PRC	ZL200910143585.1	June 5, 2009
40	A mountain photovoltaic power station and its double-post photovoltaic mounting structure (一種山地光伏電站及其光伏雙立柱支架)	Utility Model	Chint New Energy Development	PRC	ZL202423068386.8	December 11, 2024
41	A type of photovoltaic module mounting system; photovoltaic greenhouse (一種光伏組件支架、光伏大棚)	Utility Model	Chint New Energy Development	PRC	ZL202423060350.5	December 10, 2024
42	An installation structure for photovoltaic pipe pile bridge supports and photovoltaic pipe piles (一種光伏管樁橋架支架安裝結構和光伏管樁)	Utility Model	Chint New Energy Development	PRC	ZL202422879078.7	November 25, 2024
43	A photovoltaic mounting system (一種光伏支架系統)	Utility Model	Chint New Energy Development	PRC	ZL202422047578.4	August 22, 2024

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Date of Application
44	A type of photovoltaic agricultural greenhouse (一種光伏農業大棚)	Utility Model	Chint New Energy Development	PRC	ZL202421306353.X	June 7, 2024
45	A pre-embedded foundation for wind turbine civil engineering (一種風電土建預埋式基座)	Utility Model	Chint New Energy Development	PRC	ZL202420710257.5	April 8, 2024
46	A type of cast-in-place helical pile and photovoltaic mounting system (一種灌注螺旋樁及光伏支架)	Utility Model	Chint New Energy Development	PRC	ZL202420156472.5	January 23, 2024
47	Mountainous terrain solar mounting systems and their pile foundations (山地光伏支架和山地光伏支架的樁基)	Utility Model	Chint New Energy Development	PRC	ZL202420102538.2	January 15, 2024
48	A photovoltaic project protection unit and its protection device (一種光伏項目保護單元及其保護裝置)	Utility Model	Chint New Energy Development	PRC	ZL202322787392.8	October 17, 2023
49	A floating photovoltaic power plant and its pile foundation protection system against ice and waves (一種水上光伏發電站及其樁基抗浮冰波浪防護裝置)	Utility Model	Chint New Energy Development	PRC	ZL202322534911.X	September 18, 2023
50	A bird-resting bracket and photovoltaic system for offshore photovoltaic power plants (一種用於海上光伏電站的鳥類停靠支架及光伏系統)	Utility Model	Chint New Energy Development	PRC	ZL202321925311.X	July 20, 2023
51	A photovoltaic pile and an offshore photovoltaic power plant (一種光伏管樁及海上光伏電站)	Utility Model	Chint New Energy Development	PRC	ZL202321484286.6	June 12, 2023
52	Fish-Solar hybrid photovoltaic power plant system (漁光互補光伏電站系統)	Utility Model	Chint New Energy Development	PRC	ZL202223320841.X	December 8, 2022
53	A virtually expanded-diameter helical-bladed steel pipe pile for enhancing horizontal bearing capacity (一種提高水平承載力的虛擬擴徑螺旋葉片鋼管樁)	Utility Model	Chint New Energy Development	PRC	ZL202222786100.4	October 21, 2022
54	A bifacial photovoltaic module and its mounting system (一種雙面光伏組件及其支架)	Utility Model	Chint New Energy Development	PRC	ZL202222095975.X	August 10, 2022
55	Wall-mounted bracket assembly for photovoltaic inverters (用於光伏逆變器的女兒牆壁掛支架組件)	Utility Model	Chint New Energy Development	PRC	ZL202120019284.4	January 6, 2021
56	Photovoltaic frame mounting structure (光伏邊框固定結構)	Utility Model	Chint New Energy Development	PRC	ZL202020784681.6	May 12, 2020
57	Adjustable-tilt solar panel mounting system (傾角可調節光伏設備支架)	Utility Model	Chint New Energy Development	PRC	ZL202020463742.9	April 1, 2020
58	A mounting clamp for photovoltaic racks (一種光伏支架固定夾具)	Utility Model	Chint New Energy Development	PRC	ZL202020375036.9	March 23, 2020
59	A photovoltaic tracker and its main shaft system (一種光伏跟蹤器及其主軸系統)	Utility Model	Chint New Energy Development	PRC	ZL201921438553.X	August 30, 2019
60	A single-axis photovoltaic tracker (一種單軸光伏跟蹤器)	Utility Model	Chint New Energy Development	PRC	ZL201920919718.9	June 18, 2019
61	A rotating folding Beam for a photovoltaic tracker (一種光伏跟蹤器旋轉折疊梁)	Utility Model	Chint New Energy Development	PRC	ZL201920919575.1	June 18, 2019

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Date of Application
62	A reel-type photovoltaic tracker (一種卷軸式光伏跟蹤器)	Utility Model	Chint New Energy Development	PRC	ZL201920921594.8	June 18, 2019
63	A wind protection device for photovoltaic power plants and a photovoltaic power plant system (一種光伏電站抗風保護裝置及光伏電站系統)	Utility Model	Chint New Energy Development	PRC	ZL201920544189.9	April 19, 2019
64	Photovoltaic tracking mount with an automatic locking mechanism (具有自動鎖止裝置的光伏跟蹤支架)	Utility Model	Chint New Energy Development	PRC	ZL201920537565.1	April 19, 2019
65	Photovoltaic tracking mount with travel-limiting posts (具有行程保護立柱的光伏跟蹤支架)	Utility Model	Chint New Energy Development	PRC	ZL201920315170.7	March 13, 2019
66	Support structure for solar trackers (光伏跟蹤器支撐機構)	Utility Model	Chint New Energy Development	PRC	ZL201920125329.9	January 24, 2019
67	A photovoltaic mounting system installed on a flat roof that extends into the courtyard (一種安裝於平屋面下探院內的光伏支架)	Utility Model	Chint Anneng	PRC	ZL202421538293.4	July 1, 2024
68	A flat-roof photovoltaic mounting structure (一種平屋頂光伏安裝結構)	Utility Model	Chint Anneng	PRC	ZL202322297675.4	August 24, 2023
69	A photovoltaic system installed on a gable roof (一種安裝於雙坡斜屋面的光伏系統)	Utility Model	Chint Anneng	PRC	ZL202322809501.1	October 18, 2023
70	Roof ridge nesting waterproofing clamp system for double-slope roof components (斜屋面雙坡組件屋脊嵌套防水壓塊系統)	Utility Model	Chint Anneng	PRC	ZL202323292718.6	December 4, 2023
71	A support device for four-sloped roofs (一種適用於四坡斜屋面的支撐裝置)	Utility Model	Chint Anneng	PRC	ZL202520114057.8	January 17, 2025
72	A double-sloped photovoltaic power station with an inclined roof and its mounting structure (一種斜屋頂雙坡光伏電站及其安裝結構)	Utility Model	Chint Anneng	PRC	ZL202422954146.1	December 2, 2024
73	A roof-mounted photovoltaic system (一種屋頂光伏架設系統)	Utility Model	Chint Anneng	PRC	ZL202322513057.9	September 14, 2023
74	An installation structure for a multi-story photovoltaic sunroom (一種加層光伏陽光房安裝結構)	Utility Model	Chint Anneng	PRC	ZL202421697853.0	July 17, 2024
75	A photovoltage system and a waterproof structure for a photovoltaic sunroom (一種光伏系統及其光伏陽光房防水結構)	Utility Model	Chint Anneng	PRC	ZL202420422833.6	March 5, 2024
76	A solar-powered sunroom (一種陽光房電站)	Utility Model	Chint Anneng	PRC	ZL202323541388.X	December 25, 2023
77	A waterproof structure and a photovoltaic sunroom roof structure (一種防水結構及光伏陽光房屋頂結構)	Utility Model	Chint Anneng	PRC	ZL202322505028.8	September 14, 2023
78	A solar panel mounting system for sunrooms (一種陽光房光伏組件安裝組件)	Utility Model	Chint Anneng	PRC	ZL202322303064.6	August 25, 2023
79	A four-slope photovoltaic system for converting a flat roof to a sloped roof (一種平屋頂光伏平改坡四坡安裝光伏系統)	Utility Model	Chint Anneng	PRC	ZL202322989130.X	November 7, 2023
80	A roof-top photovoltaic mounting structure (一種屋頂光伏安裝結構)	Utility Model	Chint Anneng	PRC	ZL202322422212.6	September 6, 2023
81	A residential prefabricated truss-style courtyard solar mounting system (一種戶用裝配式桁架庭院光伏支架)	Utility Model	Chint Anneng	PRC	ZL202323160165.9	November 22, 2023
82	A photovoltaic power generation system installed on a balcony (一種安裝於陽台的光伏發電系統)	Utility Model	Chint Anneng	PRC	ZL202422477419.8	October 14, 2024
83	A photovoltaic tile mounting structure and photovoltaic system that allows for easy adjustment of the installation position (一種方便調整安裝位置的光伏瓦安裝結構及光伏系統)	Utility Model	Chint Anneng	PRC	ZL202422281075.3	September 19, 2024
84	A photovoltaic tile frame assembly and photovoltaic system (一種光伏瓦邊框組合結構及光伏系統)	Utility Model	Chint Anneng	PRC	ZL202422281090.8	September 19, 2024

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Date of Application
85	A structure for installing photovoltaic flashings and a photovoltaic system on an asphalt shingle roof (一種瀝青瓦屋面安裝光伏泛水結構及光伏系統)	Utility Model	Chint Anneng	PRC	ZL202420444777.6	March 7, 2024
86	A metal roof photovoltaic system (一種金屬屋面光伏裝置)	Utility Model	Chint Anneng	PRC	ZL202420391655.5	February 29, 2024
87	A type of photovoltaic sloped roof and photovoltaic building (一種光伏斜屋面及光電建築)	Utility Model	Chint Anneng	PRC	ZL202320909267.7	April 21, 2023
88	A waterproof side frame for photovoltaic buildings (一種用於光電建築的防水側邊框)	Utility Model	Chint Anneng	PRC	ZL202223306247.5	December 9, 2022
89	A type of photovoltaic module frame (一種光伏組件邊框)	Utility Model	Chint Anneng	PRC	ZL202223305092.3	December 9, 2022
90	A cleaning device for photovoltaic modules (一種用於光伏組件的清洗裝置)	Utility Model	Chint Anneng	PRC	ZL202322038914.4	July 31, 2023
91	A cleaning device for photovoltaic modules (一種光伏組件的清洗裝置)	Utility Model	Chint Anneng	PRC	ZL202321971846.0	July 25, 2023
92	A snow guard clamp with dust-guiding functionality (一種具有導塵功能的擋雪夾具)	Utility Model	Chint Anneng	PRC	ZL202422393384.X	September 29, 2024
93	A snow guard device and a photovoltaic power plant on a sloped roof (一種擋雪板裝置及斜屋面光伏電站)	Utility Model	Chint Anneng	PRC	ZL202422397816.4	September 29, 2024
94	An installation structure for a reinforced snow guard clamp and a photovoltaic power plant (一種加強固定的擋雪夾具安裝結構及光伏電站)	Utility Model	Chint Anneng	PRC	ZL202422394994.1	September 29, 2024
95	A snow guard device mounted on a photovoltaic mounting structure (一種安裝於光伏支架的擋雪裝置)	Utility Model	Chint Anneng	PRC	ZL202421235829.5	May 31, 2024
96	A snow guard clamp for photovoltaic modules (一種用於光伏組件的擋雪夾具)	Utility Model	Chint Anneng	PRC	ZL202421142431.7	May 23, 2024
97	A snow-cutting device for photovoltaic modules (一種光伏組件切割滑雪裝置)	Utility Model	Chint Anneng	PRC	ZL202420690265.8	April 7, 2024
98	A snow guard device for photovoltaic modules (一種用於光伏組件的擋雪裝置)	Utility Model	Chint Anneng	PRC	ZL202222406439.7	September 9, 2022
99	A snow-sliding prevention device for rooftop photovoltaic module arrays (一種屋頂光伏組件陣列的防積雪滑落裝置組件)	Utility Model	Chint Anneng	PRC	ZL201821120316.4	July 12, 2018
100	A transport device for photovoltaic modules used in solar canopies (一種光伏陽光棚用光伏組件運輸裝置)	Utility Model	Chint Anneng	PRC	ZL202320648051.X	March 24, 2023
101	A welding positioning fixture for butt welding square tubes in photovoltaic mounting systems (一種光伏支架方管對接焊接限位工裝)	Utility Model	Chint Anneng	PRC	ZL202420974652.4	May 6, 2024
102	A flipping assist fixture for photovoltaic components (一種光伏構件翻轉輔助工裝)	Utility Model	Chint Anneng	PRC	ZL202322898179.4	October 26, 2023
103	An easy-to-install truss system for high-altitude construction (一種便於安裝的桁架高處施工裝置)	Utility Model	Chint Anneng	PRC	ZL202420176162.X	January 24, 2024
104	Solar tracking mount (光伏跟蹤支架)	外觀設計	Chint New Energy Development	PRC	ZL201930209280.0	April 30, 2019
105	Anti-snow-slide hook (防積雪滑落掛鉤)	外觀設計	Chint Anneng	PRC	ZL201930412714.7	July 31, 2019

Software Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be material to our business:

No.	Software Name	Registrant	Registration Number	Date of Registration
1	Chint NA1-MH smart controller embedded software (正泰NA1-MH智能控制器嵌入式軟件)	Our Company	2025SR0416066	March 10, 2025
2	Chint NXA undervoltage trip unit embedded software (正泰NXA欠壓脱扣器嵌入式軟件)	Our Company	2025SR0416528	March 10, 2025
3	Chint 63YH one-to-many testing software (正泰63YH一拖多測試軟件)	Our Company	2025SR0410931	March 7, 2025
4	Chint NM5S plastic-enclosed integrated breaker controller embedded software (正泰NM5S塑框一體斷路器控制器嵌入式軟件)	Our Company	2025SR2484513	December 25, 2025
5	Chint NBP-100NGVT anti-islanding protection PV miniature breaker software (正泰NBP-100NGVT防孤島保護光伏小型斷路器軟件)	Our Company	2025SR2055687	October 23, 2025
6	NM3N high-precision testing host computer software (NM3N高精度測試上位機軟件)	Our Company	2025SR1922422	September 30, 2025
7	NM3LFC-MODBUS recloser breaker software (NM3LFC-MODBUS重合閘斷路器軟件)	Our Company	2025SR1822606	September 19, 2025
8	CB-63TE (125TE) smart DC breaker software (CB-63TE(125TE)智能直流斷路器軟件)	Our Company	2025SR1810565	September 18, 2025
9	NM3N trip test host computer software (NM3N脱扣測試上位機軟件)	Our Company	2025SR1803317	September 17, 2025
10	NM3N basic function test host computer software (NM3N基礎功能測試上位機軟件)	Our Company	2025SR1803300	September 17, 2025
11	Embedded software for Chint NXZMN and NXZHMN series D-type controllers for changeover switches (正泰NXZMN、NXZHMN 系列轉換開關電器D型控制器嵌入式軟件)	Our Company	2025SR1402608	July 30, 2025
12	Chint NKD6-PH smart controller software (正泰NKD6-PH智能控制器軟件)	Our Company	2025SR0876337	May 27, 2025
13	Chint NKD5-H smart controller software (正泰NKD5-H智能控制器軟件)	Our Company	2025SR0876327	May 27, 2025
14	Under-voltage shunt trip testing software on a low-voltage smart switch testing platform (低壓智能開關檢測試驗平台欠壓分勵脱扣測試軟件)	Our Company	2025SR1275623	July 16, 2025
15	Chint NKD6-MA smart controller embedded software (正泰NKD6-MA智能控制器嵌入式軟件)	Our Company	2025SR0415367	March 10, 2025
16	NXR-200/630 electronic thermal relay software (NXR-200/630電子式熱繼電器軟件)	Our Company	2025SR0394434	March 6, 2025
17	Actuator standard operating procedure software (操作機構標準操作試驗軟件)	Our Company	2025SR0874656	May 27, 2025
18	Low-voltage electrical product online coding software (低壓電器產品在線式噴碼軟件)	Our Company	2025SR0876235	May 27, 2025
19	NB8-63MD JC software (NB8–63MD JC軟件)	Our Company	2025SR0363155	March 3, 2025
20	EX9C09-1000F electronic AC contactor software (EX9C09-1000F電子式交流接觸器軟件)	Our Company	2025SR0364150	March 3, 2025

No.	Software Name	Registrant	Registration Number	Date of Registration
21	EX9C09–38F electronic AC contactor software (EX9C09–38F 電子式交流接觸器軟件)	Our Company	2025SR0363031	March 3, 2025
22	Automated production system of Chint instruments, power meters and single-phase meters for China Southern Power Grid (正泰儀表電能表國南網單相表自動化生產系統)	Chint Instrument & Meter	2025SR2396091	December 11, 2025
23	Chint terminal automation test system (正泰終端自動化測試系統)	Chint Instrument & Meter	2025SR2396044	December 11, 2025
24	Chint instruments LoRaWAN & wM-Bus dual-mode module software (正泰儀表LoRaWAN&wM-Bus雙模模塊軟件)	Chint Instrument & Meter	2025SR2153812	November 5, 2025
25	Test report management software (測試報告管理軟件)	Chint Anneng	2025SR1298430	July 18, 2025
26	125GVS project software of external breaker for power meters (電能表外置斷路器125GVS項目軟件)	Shanghai Noark Electrics	2025SR1799342	September 17, 2025

Domain Name

As of the Latest Practicable Date, we had registered the following domain name which we consider to be material in relation to our business:

No	Domain Name
1	www.chint.net

Save as aforesaid, as of the Latest Practicable Date, there were no other trademarks, patents or other intellectual property rights which we consider to be material in relation to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Disclosure of Interests

Interests of our Directors and chief executive

Immediately following the completion of the **[REDACTED]**, (assuming the **[REDACTED]** is not exercised), the interests or short positions of our Directors and chief executive in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the H Shares are **[REDACTED]**, are set out below:

(a) Interest in our Company

Name of Director or chief executive	**Nature of interest[1]**	**Number and class of Shares or underlying Shares held**	**Shareholding in relevant class of Shares upon completion of the [REDACTED][2]**	**Shareholding in total issued share capital upon completion of the [REDACTED][2]**
Mr. Nan Cunhui	Beneficial owner[3]	74,228,331 A Shares	3.45%	**[REDACTED]**%
	Interest in controlled corporation[4][5][6]	1,086,102,018 A Shares	50.54%	**[REDACTED]**%
Mr. Nan Er	Beneficial owner[7]	470,083 A Shares	0.02%	**[REDACTED]**%
Mr. Lin Yiming	Beneficial owner[7]	350,000 A Shares	0.02%	**[REDACTED]**%
Mr. Zhu Xinmin	Beneficial owner[7]	17,866,179 A Shares	0.83%	**[REDACTED]**%
Mr. Lu Chuan	Beneficial owner[7]	1,483,887 A Shares	0.07%	**[REDACTED]**%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of **[REDACTED]** Shares including the 20,839,551 A Shares held by our Company as treasury Shares in **[REDACTED]** immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(3) As of the Latest Practicable Date, Mr. Nan Cunhui, our executive Director and chairman of the Board, directly held 74,228,331 A Shares. For further details, see "History and Corporate Structure–Corporate Structure" in this document.

(4) As of the Latest Practicable Date, CHINT Group was owned as to approximately 31.23% by Mr. Nan Cunhui and 12.14% by Huitai Limited. Huitai Limited was owned as to 1% by Mr. Nan Cunhui and 99% by Huitai Partnership, which was owned as to 99% by Mr. Nan Cunhui as the sole general partner. By virtue of the SFO, Mr. Nan Cunhui is deemed to be interested in the total 884,950,971 A Shares held by CHINT Group.

(5) As of the Latest Practicable Date, New Energy Investment was owned as to approximately 96.32% by CHINT Group and 3.68% by Shanghai Taiyi, which was owned as to 80% by Mr. Nan Cunhui. By virtue of the SFO, Mr. Nan Cunhui and CHINT Group were deemed to be interested in the 180,311,496 A Shares held by New Energy Investment.

(6) As of the Latest Practicable Date, Mr. Nan Cunhui and CHINT Group controlled one third or more of the voting power at general meetings of our Company. By virtue of the SFO, Mr. Nan Cunhui was deemed to be interested in the 20,839,551 treasury Shares held by our Company.

(7) As of the Latest Practicable Date, Mr. Nan Er and Mr. Lin Yiming, our executive Directors, and Mr. Zhu Xinmin and Mr. Lu Chuan, our non-executive Directors, directly held 470,083, 350,000, 17,866,179 and 1,483,887 A Shares, respectively.

(b) Interest in our associated corporations

Name	Name of associated corporation	Capacity/nature of interest	Approximate percentage of interest in the associated corporation
Mr. Nan Cunhui[2]	Chint Anneng	Interest in controlled corporation[3]	1.79%
Mr. Zhu Xinmin[4]	Chint Gas Equipment	Interest in controlled corporation[5]	30.00%
	Chint Measurement	Interest in controlled corporation[6]	2.61%
Mr. Lu Chuan[7]	Hubei Shentai	Interest in controlled corporation[8]	16.00%
	Chint Anneng	Interest in controlled corporation[9]	3.11%
	Chint Power	Beneficial owner[10]	0.05%

Notes:

(1) All interests stated are long positions.

(2) As of the Latest Practicable Date, Mr. Nan Cunhui is our executive Director and chairman of the Board.

(3) As of the Latest Practicable Date, our Company directly and indirectly held approximately 69.71% equity interests in Chint Anneng. Mr. Nan Cunhui directly held approximately 82.38% of Yueqing Taizhou Enterprise Management Partnership (Limited Partnership) (樂清泰舟企業管理合夥企業(有限合夥)) ("**Yueqing Taizhou**"), which in turn held approximately 1.79% equity interests in Chint Anneng. As a result, Mr. Nan Cunhui is deemed to be interested in the shares held by Yueqing Taizhou in Chint Anneng under the SFO.

(4) As of the Latest Practicable Date, Mr. Zhu Xinmin is our non-executive Director.

(5) As of the Latest Practicable Date, our Company held approximately 70.71% equity interests in Chint Instrument & Meter, which in turn held approximately 70.00% equity interests in Zhejiang Chint Gas Equipment Co., Ltd. (浙江正泰燃氣裝備有限公司) ("**Chint Gas Equipment**"). Mr. Zhu Xinmin directly held approximately 99% of Yueqing Taizhong Enterprise Management Partnership (Limited Partnership) (樂清泰眾企業管理合夥企業(有限合夥)) ("**Yueqing Taizhong**"), which held approximately 30.00% equity interests in Chint Gas Equipment. As a result, Mr. Zhu Xinmin is deemed to be interested in the shares held by Yueqing Taizhong in Chint Gas Equipment under the SFO.

(6) As of the Latest Practicable Date, Chint Instrument & Meter held approximately 97.39% equity interests in Chint Measurement Technology Co., Ltd. (正泰量測技術股份有限公司) ("**Chint Measurement**"). Mr. Zhu Xinmin directly held approximately 2.61% equity interests in Chint Measurement. As a result, Mr. Zhu Xinmin is deemed to be interested in his direct shareholding in Chint Measurement under the SFO.

(7) As of the Latest Practicable Date, Mr. Lu Chuan is our non-executive Director.

(8) As of the Latest Practicable Date, our Company indirectly held 59% equity interests in Hubei Shentai Nonggu Biomass Energy Development Co., Ltd. (湖北深泰農谷生物質能源開發有限公司) ("**Hubei Shentai**"). Mr. Lu Chuan directly held approximately 93.75% of Hangzhou Xintai Investment Partnership (Limited Partnership) (杭州歆泰投資合夥企業(有限合夥)) ("**Hangzhou Xintai**"), which held approximately 16% equity interests in Hubei Shentai. As a result, Mr. Lu Chuan is deemed to be interested in the shares held by Hangzhou Xintai in Hubei Shentai under the SFO.

(9) As of the Latest Practicable Date, Mr. Lu Chuan directly held approximately 48.80% of Yueqing Tianyue Enterprise Management Partnership (Limited Partnership) (樂清天躍企業管理合夥企業（有限合夥）) ("**Yueqing Tianyue**") as a limited partner, which held approximately 3.11% equity interests in Chint Anneng. As a result, Mr. Lu Chuan is deemed to be interested in the shares held by Yueqing Tianyue in Chint Anneng under the SFO.

(10) As of the Latest Practicable Date, Mr. Lu Chuan directly held approximately 0.05% of Chint Power.

Save as disclosed in this section, so far as our Directors are aware, immediately following the completion of the **[REDACTED]**, no Directors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of the associated corporations of our Company.

(c) Interests of our substantial Shareholders

Save as disclosed in "Substantial Shareholders" in this document and "–Further Information about Our Directors and Substantial Shareholders–Disclosure of Interests–Interests of our Directors and chief executive–(b) Interest in our associated corporations" in this section, our Directors are not aware of any person (other than a Director or chief executive of our Company) who will have an interest or a short position in the shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

Directors' Service Contracts and Letters of Appointment

We [have entered] into a service contract or appointment letter with each of our Directors. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed in this section, none of our Directors have entered, or have proposed to enter, a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Directors' Remuneration

For details of the remuneration of Directors, see "Directors and Senior Management–Remuneration of Directors and Senior Management" and Note 10 to the Accountants' Report as set out in Appendix I to this document.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty would be likely to fall upon any member of our Group.

Litigation

So far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

Joint Sponsors

The Joint Sponsors have made an **[REDACTED]** on our behalf to the **[REDACTED]** for the **[REDACTED]** of, and permission to **[REDACTED]** in, the H Shares in **[REDACTED]** and to be **[REDACTED]** pursuant to the **[REDACTED]** (including any additional H Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**).

The Joint Sponsors will receive an aggregate fee of USD$1,200,000 for acting as sponsors for the **[REDACTED]**.

No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since June 30, 2026, which would materially affect the information presented in our consolidated financial statements included in the Accountants' Report in Appendix I and the Review Report in Appendix IA to this document.

Qualification and Consent of Experts

This document contains statements made by the following experts:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities as defined under the SFO
Guotai Junan Capital Limited	A licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity under the SFO
King & Wood	Qualified PRC lawyers
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditor
Frost & Sullivan	Industry consultant

To the best knowledge of our Directors, as of the Latest Practicable Date, none of the experts named in this section had any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

The experts named in this section have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports and/or letters and/or opinions or summaries of opinions (as the case may be) and/or references to their names included in the form and context in which they are respectively included.

Promoter

The promoters of our Company are all of the 26 then shareholders of our Company. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to the these promoters in connection with the **[REDACTED]** and the related transactions described in this document.

Preliminary Expenses

We have not incurred any material preliminary expenses.

Binding Effect

This document shall have the effect, where an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

a) Save as disclosed in this document, within the two years immediately preceding the date of this document:

   i) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group, and no Directors, promoters or experts named in "–Other Information–Qualification and Consent of Experts" in this section have received any such payment or benefit;

   ii) no capital of any member of our Group has been issued or is proposed to be issued for cash or issued as fully or partly paid up otherwise than in cash;

   iii) none of our Directors or the experts named in "–Other Information–Qualification and Consent of Experts" in this section have any interest, direct or indirect, in the promotion of, or in any assets which have been, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group; and

   iv) no commissions (but not including commissions to **[REDACTED]**) have been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or debentures of our Company.

b) There is no arrangement under which future dividends are waived or agreed to be waived;

c) Our Company has no outstanding convertible debt securities or debentures;

d) There are no founder, management or deferred shares in our Company or any of our subsidiaries;

e) No capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option;

f) There has not been any interruption in the business of our Group which may have or have had a significant effect on our financial position in the 12 months immediately preceding the date of this document; and

g) None of our Directors are materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group.

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in "Statutory and General Information–Further Information about Our Business–Summary of Material Contracts" in Appendix VI to this document; and

(b) the written consents referred to in "Statutory and General Information–Other Information–Qualification and Consent of Experts" in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.chint.net** for a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the audited consolidated financial statements of our Group for the Track Record Period;

(c) the Accountants' Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document;

(d) the report on unaudited **[REDACTED]** financial information of our Group from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this document;

(e) the legal opinions issued by King & Wood, our PRC Legal Advisor, in respect of certain aspects and the property interests of our Group in the PRC;

(f) **[REDACTED]**

(g) the industry report issued by Frost & Sullivan;

(h) each of the material contracts referred to in "Statutory and General Information–Further Information about Our Business–Summary of Material Contracts" in Appendix VI to this document;

(i) the service contracts and letters of appointment referred to in "Statutory and General Information–Further Information about Our Directors and Substantial Shareholders–Directors' Service Contracts and Letters of Appointment" in Appendix VI to this document;

(j) the written consents referred to in "Statutory and General Information–Other Information–Qualification and Consent of Experts" in Appendix VI to this document; and

(k) the PRC Company Law, Securities Law, and the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.