JTPV

海南鈞達新能源科技股份有限公司
Hainan Drinda New Energy Technology Co., Ltd.

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

Stock Code : 02865

GLOBAL OFFERING

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

华泰国际 HUATAI INTERNATIONAL

招銀国际 CMB INTERNATIONAL

Deutsche Bank

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CITIC SECURITIES

CICC 中金公司

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain professional independent advice.

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Hainan Drinda New Energy Technology Co., Ltd.
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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**63,432,300 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	:	**6,343,300 H Shares (subject to reallocation)**
Number of International Offer Shares	:	**57,089,000 H Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	:	**HK$28.60 per H Share, plus brokerage of 1.0%, 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**
Stock code	:	**02865**

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

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國證國際 SDICSI　百惠金控 PATRONS

Joint Bookrunners and Joint Lead Managers

廣發証券(香港) GF SECURITIES (HONG KONG)　富途證券　FOSUN INTL SECURITIES　中銀國際 BOCI

建银国际 CCB International　ICBC 工银国际　富強證券 FORTUNE (HK) SECURITIES　TradeGo Markets

Joint Lead Managers

EDDID FINANCIAL　星河證券 STARRIVER SECURITIES　元宇宙(國際)證券有限公司 Yuen Meta (International) Securities Limited

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Appendix VII — Documents Delivered to the Registrar of Companies and Available On Display" in this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or before Tuesday, May 6, 2025 (Hong Kong time) and, in any event, not later than 12:00 noon on Tuesday, May 6, 2025 (Hong Kong time). The Offer Price will not be more than HK$28.60 per Offer Share and is currently expected to be not less than HK$20.40 per Offer Share unless otherwise announced. If, for any reason, the Offer Price is not agreed by 12:00 noon on Tuesday, May 6, 2025 (Hong Kong time) among the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) and our Company, the Global Offering will not proceed and will lapse.

The Sponsor-Overall Coordinators, for themselves and on behalf of the Underwriters and the Overall Coordinators, may, where considered appropriate and with the consent of our Company, reduce the number of Hong Kong Offer Shares and/or the indicative Offer Price range below that is stated in this prospectus (being HK$20.40 per Offer Share to HK$28.60 per Offer Share) at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, notices of the reduction in the number of Hong Kong Offer Shares and/or the indicative Offer Price range will be published on the website of our Company at www.jietaisolar.com and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. For further details, please refer to the sections headed "The Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) if certain events occur prior to 8:00 a.m. on the Listing Date. Please refer to the section headed "Underwriting" in this prospectus.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, in particular, the risk factors set out in the section headed "Risk Factors."

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Offer Shares may be offered and sold outside the United States in offshore transactions in reliance on Regulation S.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering. This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and the website of our Company at www.jietaisolar.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

April 28, 2025

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at www.jietaisolar.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO Service	www.eipo.com.hk	Investors who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	You may submit your application to the **White Form eIPO** Service Provider at www.eipo.com.hk (24 hours daily, except on the last application day) from 9:00 a.m. on Monday, April 28, 2025 until 11:30 a.m. on Friday, May 2, 2025 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Friday, May 2, 2025 (Hong Kong time).

Application Channel	Platform	Target Investors	Application Time
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instruction on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	You are advised to contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus for further details on the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 100 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below. No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application
	HK$		*HK$*		*HK$*		*HK$*
100	2,888.84	2,000	57,776.86	10,000	288,884.31	300,000	8,666,529.30
200	5,777.68	2,500	72,221.08	20,000	577,768.62	400,000	11,555,372.40
300	8,666.52	3,000	86,665.30	30,000	866,652.94	500,000	14,444,215.50
400	11,555.38	3,500	101,109.51	40,000	1,155,537.25	600,000	17,333,058.60
500	14,444.22	4,000	115,553.72	50,000	1,444,421.56	700,000	20,221,901.70
600	17,333.06	4,500	129,997.93	60,000	1,733,305.85	800,000	23,110,744.80
700	20,221.90	5,000	144,442.15	70,000	2,022,190.16	900,000	25,999,587.90
800	23,110.74	6,000	173,330.59	80,000	2,311,074.48	1,000,000	28,888,431.00
900	25,999.58	7,000	202,219.02	90,000	2,599,958.79	1,500,000	43,332,646.50
1,000	28,888.43	8,000	231,107.45	100,000	2,888,843.10	2,000,000	57,776,862.00
1,500	43,332.64	9,000	259,995.88	200,000	5,777,686.20	3,171,600[(1)]	91,622,547.76

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **White Form eIPO** Service Provider (for applications made through the application channel of the **White Form eIPO** Service Provider) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on our Company's website at **www.jietaisolar.com** and the website of the Stock Exchange at **www.hkexnews.hk**.*

Hong Kong Public Offering commences . . . . .9:00 a.m. on Monday, April 28, 2025

Latest time to complete electronic applications under **White Form eIPO** service through the designated website at **www.eipo.com.hk**[2]: . . . . 11:30 a.m. on Friday, May 2, 2025

Application lists open[3] . . . . .11:45 a.m. on Friday, May 2, 2025

Latest time to (a) lodge completing payment of **White Form eIPO** applications by effecting internet banking transfers(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC[4] . . . . .12:00 noon on Friday, May 2, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close[3] . . . . .12:00 noon on Friday, May 2, 2025

Expected Price Determination Date no later than[5] . . . . .Tuesday, May 6, 2025

Announcement of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published and on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.jietaisolar.com**[6] at or before . . . . 11:00 p.m. on Wednesday, May 7, 2025

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be posted on our website and the website of the Stock Exchange at **www.jietaisolar.com** and **www.hkexnews.hk** respectively . . . . at or before 11:00 p.m. on Wednesday, May 7, 2025

- on the designated results of allocation website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function. . . . . from 11:00 p.m. on Wednesday, May 7, 2025 to 12:00 midnight on Tuesday, May 13, 2025

- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from . . . . Thursday, May 8, 2025 to Tuesday, May 13, 2025 (excluding Saturdays, Sundays and public holidays in Hong Kong)

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before[7] . . . . .Wednesday, May 7, 2025

White Form e-Refund payment instructions/ refund checks in respect of wholly or partially successful applications to be dispatched on or before[8][9] . . . . . . Thursday, May 8, 2025

Dealings in the Shares on the Stock Exchange expected to commenced at . . . . .9:00 a.m. on Thursday, May 8, 2025

Notes:

(1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.

(2) You will not be permitted to submit your application under the **White Form eIPO** service or through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, May 2, 2025, the application lists will not open on that day. For further details, please see the section headed "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements."

(4) Applicants who apply for Hong Kong Offer Shares through **HKSCC EIPO** channel by instructing your broker/custodian to give **electronic application instructions** to HKSCC through HKSCC's FINI system should refer to the section headed "How to Apply for Hong Kong Offer Shares — A. Applications for Hong Kong Offer Shares — 2. Application Channels."

(5) The Price Determination Date is expected to be on or before Tuesday, May 6, 2025, and in any event, not later than 12:00 noon on Tuesday, May 6, 2025. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) and our Company on or before 12:00 noon on Tuesday, May 6, 2025, the Global Offering will not proceed and will lapse.

(6) None of the websites or any of the information contained on the websites forms part of this prospectus.

(7) H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade the H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

(8) **White Form** e-Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and in respect of wholly or partially successful applicants in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document number before encashment of the refund check. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund check.

(9) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of **White Form** e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund checks in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

H Share certificates and/or refund checks for applicants who are not eligible for personal collection and any uncollected H Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies."

The above expected timetable is a summary only. For further details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please see the sections headed "The Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, our Company will make an announcement as soon as practicable thereafter.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus must not be relied on by you as having been authorized by the Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering. Information contained on our website ***www.jietaisolar.com*** *does not form part of this prospectus.*

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This summary aims to give you an overview of the information contained in this prospectus. Since it is a summary, it does not contain all the information that may be important to you. You should read the document in its entirety before making your investment decision. There are risks associated with any investment. Some of the particular risks in investing in our H Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in our H Shares. Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this prospectus.

OVERVIEW

We are a leading specialized manufacturer of PV cells. We have been continuously focusing on the R&D, production, and sales of high-efficiency PV cells. Leveraging our R&D innovation and key technologies, we maintained competitive position across different generations of mainstream PV cells, including both N-type TOPCon cells and P-type PERC cells. According to Frost & Sullivan, based on the shipment volume in 2024, among specialized manufacturers, our N-type TOPCon cells' market share reached approximately 24.7% and ranked first globally, and our PV cells' market share reached approximately 17.9% and ranked second globally. In the same year, based on the shipment volume in 2024, among both specialized and integrated manufacturers, our N-type TOPCon cells' market share was approximately 7.5%, and our PV cells' market share was approximately 5.6%.

Our Industry

Industry Background

Given growing public concern on the trend of global climate change and increasing depletion of fossil energy, vigorous development of renewable energy has become a global consensus. Solar power generation, i.e., the conversion of solar radiation into electrical energy using PV cells, has become the fastest-developing renewable energy source because of its environmental friendliness, cost efficiency, widespread distribution, and high safety. Compared with other renewable energy sources, such as wind power and hydropower, solar power is more suitable for different scales, has widely available resources and minimal geographical limitations. Therefore, it is expected to become the largest source of global renewable energy in terms of cumulative installed capacity by 2027.

Technological Evolution

To more effectively harness solar power, different generations of PV cells have been manufactured, popularized and improved, leading to, most recently, the transition of mainstream product from P-type PERC cells to N-type cells (the "**P-N transition**"). Such change of mainstream product can take place every several years, which poses both challenges and opportunities for industry players given the competing technological development routes that exist at the same time.

For example, in the era of polycrystalline PV cells, which lasted until 2017, our subsidiary's predecessor was the first in the industry to launch black silicon PV cells with a conversion efficiency significantly higher than the industry average, enabling it to become one of the world's largest supplier of black silicon PV cells at that time. Subsequently, the era of monocrystalline P-type PERC cells started in 2018. In this era, we kept pace with industry technology upgrades and developed high-efficiency monocrystalline P-type PERC cells. We also led the industry in promoting the industry upgrade from small to large-sized PV cells. In the era of N-type cells that dawned in 2022, we were among the world's first specialized PV cell manufacturers to conduct R&D and achieve large-scale mass production of N-type TOPCon cells.

N-type TOPCon cells: Expected Market Mainstream Until at Least 2030

Among the various types of N-type cells, TOPCon cells lead N-type cell commercialization and are expected to continue being a main beneficiary of the P-N transition. This is because they are relatively mature as they have achieved large-scale mass production, and have lower investment costs than other N-type cells, such as HJT and N-type xBC cells. As the mainstream N-type cell in the industry in terms of shipment volume as of December 31, 2023, N-type TOPCon cells are rapidly supplanting P-type PERC cells and have become the mainstream in the market since 2024, and is expected to continue holding its market mainstream position until at least 2030 due to, among others, the higher investment costs required for other N-type cells. See "Industry Overview — Global PV Cell Market — Global PV Cell Market in the P-N Transition" for detailed explanation on the reasons of N-type TOPCon cells' expected continued mainstream position.

The following table presents a comparison of different PV cells' statistics and commercialization levels in 2024 in the PV industry:

	P-type	N-type		
	PERC	TOPCon	HJT(2)	N-type xBC(2) (including TBC and HBC(3))
Theoretical Conversion Efficiency Cap	24.5%	28.7%	28.5%	29.1%
Mass Production Conversion Efficiency(1)	23.5%	25.5%	25.7%	26.1%
Equipment Investment	Low	Slightly high	High	High
BOM (Bill of Materials) Cost	Low	Slightly high	High	High
Commercialization Level	Mature	Large-scale mass production	Initial mass production	Initial mass production

Source: Frost & Sullivan

Notes:

(1) Mass production conversion efficiency refers to the percentage of the solar energy shining on a PV cell that is converted into usable electricity, and theoretical conversion efficiency can often be positively correlated to mass production conversion efficiency and determines the latter's maximum potential value. The mass production conversion efficiency presented in this table is the average mass production conversion efficiency reported in the industry.

(2) Not yet ready for large-scale mass production in the PV industry in 2024. Compared with PV cells already in large-scale mass production, they have smaller shipment volumes and still face challenges related to production yield and manufacturing costs, which contribute to N-type TOPCon cells' projected mainstream position until at least 2030. See "Industry Overview — Global PV Cell Market — Global PV Cell Market in the P-N Transition" and "Industry Overview — Future Trend of PV Cell Market — N-type TOPCon Cells will Continue Holding the Mainstream Position in the Market in the Near Future" for detailed reasons thereto and future shipment volume trends of PV cells. In 2024, the shipment volume of HJT and N-type xBC cells in aggregate only accounted for approximately 7.4% of the global PV cell shipment volume in the same period, compared with approximately 66.9% for N-type TOPCon cells.

(3) N-type TBC cells refer to N-type xBC cells incorporating TOPCon technology. N-type HBC cells refer to N-type xBC cells incorporating HJT technology. xBC is a platform technology that can integrate with, but not replace, other PV cells to derive various sub-categories and produce superior performance in certain application scenarios, e.g., rooftop installations, as electricity is expected to be generated efficiently on the frontside. However, xBC cells are less advantageous in application scenarios where PV cells are typically expected to efficiently utilize sunlight from both sides, e.g., solar power stations.

Industry Players

Specialized PV cell manufacturers and integrated manufacturers are the two primary types of market players in the PV cell market. Specialized PV cell manufacturers refer to companies that focus on the R&D, production and sales of PV cells. In contrast, integrated manufacturers participate in multiple segments within the PV industry chain, encompassing production of silicon wafer, PV cell, PV module and other products. Driven by their primary focus on PV module production, integrated manufacturers, despite their participation in multiple stages of the PV industry chain, tend to purchase from specialized manufacturers to complement their in-house PV cell production capacities. In 2022 and 2023, shipment volume by specialized manufacturers amounted to 50.4% and 43.0% of the global PV cell shipment volume, respectively, while shipment volume by integrated manufacturers amounted to 49.6% and 57.0% of the global PV cell shipment volume, respectively.

These players attach different priorities to the various technological development routes. For details, see "Industry Overview — Global PV Cell Market Competitive Landscape — Global PV Cell Manufacturer Ranking." For us, our R&D of N-type HJT cells aims to keep ourselves abreast of the newest developments regarding N-type HJT cells, though we remain in the R&D stage for N-type HJT cells, and we prioritize our ongoing efforts on N-type TBC cells, which we expect to allow us to be in a position to commence large-scale mass production shortly after two years and allow us to capture growth opportunities where N-type TBC cells have comparative advantages. For details, see "Business — Research and Development — Key R&D Programs." As of the Latest Practicable Date, we have conducted pilot-scale experiment (i.e., experimenting on a considerable number of N-type TBC cells) for N-type TBC cells, though they have not entered into large-scale mass production.

Our Major Acquisition and Disposal

Since 2020, our Company had been exploring and intending to enter into emerging industries with promising prospect and strong profitability. Upon conducting an in-depth market research, the management of the Company decided to tap into PV Cells Business and acquired Jietai Technology in September 2021. Considering that the continuing operation of the Discontinued Business would divert the management's attention as well as other resources away from the PV Cells Business, the Company disposed of the Discontinued Business in June 2022.

As both the Discontinued Business and Current Business belong to the manufacturing industry, their marketing programs, internal control and risk management, human resources schemes and financial management systems share many similarities. Leveraging our preexisting expertise in manufacturing industry, we started engaging in the Current Business since the completion of the First Acquisition in September 2021. We retained management talents from Jietai Technology, including Mr. Zhang Manliang, who was appointed to the Board for overall management and daily operation of the Group and overseeing R&D, and Mr. Zheng Hongwei, who was appointed to the Board for overseeing overall strategic planning, investment, merger and acquisition and capital market matters of the Group. We also retained other management talents from Jietai Technology, including Ms. Huang Falian and Ms. Chen Pingxian, to our senior management team, which is responsible for management of the Current Business.

For details, see "History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes of our Group."

Our Products and Services

We are a component supplier within the PV supply chain. Our product, PV cells, serve as the most vital component within PV modules. These modules can then be integrated into PV systems, which are subsequently utilized in various settings, including power plants, factories, buildings and residences and primarily used for solar power electricity generation. Leveraging our innovation capability and strong operational efficiency, we provide N-type TOPCon and P-type PERC cells to many world-leading customers, the majority of which are based in China. During the Track Record Period, we mainly offered the following three key products:

- ***N-type 210-N TOPCon Monocrystalline Cell***. Launched in 2023, this cell features 18 busbars on both sides and a thickness of 130μm ± 13μm. Its dimensions are 210mm * 210mm ± 0.5mm. It has a front side efficiency of ≥26.0% and a bifacial ratio of ≥80%.

- ***N-type 182/183-N TOPCon Monocrystalline Cell***. Launched in 2022, it has 16 busbars on both sides and a thickness of 130μm ± 13μm. Its dimensions are 182mm * 182mm ± 0.5mm. It has a front side efficiency of ≥26.0% and a bifacial ratio of ≥80%. It also has a version with dimensions of 182.2mm * 183.75mm ± 0.5mm with similar performance launched in 2024.

- ***P-type 182-P PERC Monocrystalline Cell***. Launched in 2021, it features 10 busbars on both sides and a thickness of 170μm ± 17μm. Its dimensions are 182mm * 182mm ± 0.5mm. It has a front side efficiency of ≥23.8% and a bifacial ratio of ≥70%.

Based on these key products, we have been able to meet various market demands via customization, e.g., adjusting the number of busbars and size of the PV cells and tweaking other technical specifications to better serve customer needs. During the Track Record Period, we also generated revenue from offering manufacturing services to selected customers primarily for P-type PERC cells from time to time. We manufactured PV cells in accordance with customer needs utilizing the silicon wafers provided by them for a fee. For details, see "Business — Our Business — Others" in this prospectus.

	Year Ended December 31,					
	2022		**2023**		**2024**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue						
N-type TOPCon	2,057,893	18.6	13,494,740	72.5	9,276,609	93.5
P-type PERC	8,872,274	80.0	4,227,624	22.7	380,161	3.8
Others	155,546	1.4	888,430	4.8	267,124	2.7
Total	**11,085,713**	**100.0**	**18,610,794**	**100.0**	**9,923,894**	**100.0**

We have been providing such products and services since our acquisition of Jietai Technology in September 2021. In June 2022, we completed the disposal of our Discontinued Business and have been fully focusing on our PV cell business since then. For details, see "History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes of our Group" and "Business — Our Business — Discontinued Operation".

Our Production

We are the largest specialized manufacturer of N-type TOPCon cells in the world based on the shipment volume in 2024. Based on the shipment volume in 2024, among specialized manufacturers, our PV cells' market share reached approximately 17.9% and ranked second globally, and our N-type TOPCon cells' market share reached approximately 24.7% and ranked first globally. During the Track Record Period, we experienced growth in production capacity. As of December 31, 2024, our annualized production capacity for PV cells was approximately 44.4 GW, all of which was for N-type TOPCon cells. During the Track Record Period, we have production plants in Shangrao, Chuzhou, and Huai'an, respectively.

Our procurement activities are driven by customer orders. We would also choose to procure more silicon wafers in advance when a price increase is anticipated. For details, see "Business — Supply Chain Management" in this prospectus. We maintained stable turnover days for the Current Business during the Track Record Period. For details, see "Business — Warehousing, Logistics and Inventory Management" in this prospectus.

Our Performance

Our revenue grew from RMB11,085.7 million in 2022 to RMB18,610.8 million in 2023, and decreased to RMB9,923.9 million for 2024. Our net profit increased from RMB616.9 million in 2022 to RMB815.6 million in 2023. Primarily due to the industry-wide continued decrease in PV cell price from the fourth quarter of 2023 to the fourth quarter of 2024, we incurred a net loss of RMB591.1 million for 2024.

During the Track Record Period, our PV cell sales volumes also grew from 10.7 GW in 2022 to 30.0 GW in 2023, and further to 33.7 GW in 2024. This increase in sales volume demonstrates our ability to grow as we continue meeting the evolving needs of the market.

The tables below set out details on sales volume and average selling price (net of tax) of our PV cells during the Track Record Period:

	Year Ended December 31,					
	2022		2023		2024	
	GW	*%*	*GW*	*%*	*GW*	*%*
Sales Volume						
N-type TOPCon . .	1.8	16.8	20.4	68.0	30.4	90.2
P-type PERC	8.3	77.7	5.7	19.0	1.2	3.6
Others*	0.6	5.5	3.9	13.0	2.1	6.2
Total	**10.7**	**100.0**	**30.0**	**100.0**	**33.7**	**100.0**

* Others mainly represented manufacturing services during the Track Record Period.

	Year Ended December 31,		
	2022	2023	2024
	RMB/W	*RMB/W*	*RMB/W*
Average Selling Price			
N-type TOPCon	1.14	0.67	0.31
P-type PERC	1.06	0.75	0.32
Others*	0.26	0.22	0.13

* Represents our manufacturing service fee divided by our manufacturing service sales volume.

Certain government grants/incentives and other favorable governmental policies and industry guidelines have benefited or are expected to benefit the growth of the PV industry as a whole and us as well. In 2022, 2023 and 2024, we had RMB13.1 million, RMB336.3 million and RMB816.9 million directly recognized in profit or loss, respectively. For examples thereto, please see "Industry Overview — Global Renewable Energy Power Generation Market — Market Drivers of Global Renewable Energy Market — Supportive Policies to Achieve Carbon

Neutrality and Address Energy Security Concerns" on the *14th Five-Year Plan for Renewable Energy Development*, which seeks to increase the share of non-fossil energy consumption, and "Business — Business Sustainability — Government Regulations and Policy Guidance" on MIIT regulations and CPIA meeting and guideline prices that aims to, among others, assure sustainable development of PV industry in China.

From the fourth quarter of 2023 to the fourth quarter of 2024, the PV cell market fluctuation, primarily the decrease in silicon wafer price and supply-demand imbalance, materially and adversely affected the financial performance of many industry participants, including ours. Such effects were mainly manifested through decrease in N-type TOPCon cell price. While the PV industry has shown slight price recovery after the fourth quarter of 2024, silicon wafer price and PV cell price may decrease in the future, and our performance may be subject to further material adverse changes. For details, see "Business — Business Sustainability" in this prospectus.

Discontinued Operation

Prior to June 2022, we used to engage in the research and development, manufacturing and sales of car plastic accessories ("**Discontinued Business**"). In line with our business development strategy, on March 12, 2022, we entered into a transfer agreement with Yang Family pursuant to which we agreed to sell and Yang Family agreed to acquire 100% equity interest of our principal subsidiaries that engaged in the Discontinued Business, as well as all assets relating to the Discontinued Business. For details, see "History, Development and Corporate Structure" in this prospectus. Since the completion of the disposal in June 2022, we have been fully focusing on our PV cell business.

For the period from January 1, 2022 to the date of the disposal in June 2022, Discontinued Business recorded a loss of RMB10.4 million.

OUR STRENGTHS

- We are a leader in specialized PV cell manufacturing, spearheading the industry's development in N-type TOPCon cells

- We possess R&D capabilities and technologies, continuously driving the industry's transformation and upgrades, as well as optimizing PV cell efficiency and costs

- We possess leading production capacity and supply chain management expertise that can meet the huge market demand

- Our leadership in high-efficiency PV cells accumulated a quality and stable customer base, establishing a solid growth foundation

- Our experienced team, visionary management and ESG commitment foster our sustainable growth

OUR STRATEGIES

- Continuously strengthen technological R&D, enhance product competitiveness, drive cost reduction and efficiency improvement in PV cells, and maintain our lead in both technology and scale

- Catalyze global market development and capitalize on market opportunities through overseas expansion

- Further integrate supply chain resources to enhance manufacturing capabilities

- Strengthen our team and continue to introduce and cultivate talents

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." Some of the major risks that we face include: (1) our business is affected by conditions in the PV cell market and PV industry; in particular, any adverse development of the supply-demand dynamics of PV cells may significantly affect the price and market demand of our product; (2) technological changes in the PV cell industry could render our products in production or under R&D and our production facilities uncompetitive or obsolete, which cannot be accurately predicted nor fully mitigated; (3) because the PV cell market is highly competitive and evolving quickly, many of our competitors may be more established, resourceful or adaptive, and we have a limited track record in PV cell operations, our previous operating history and financial performance may not be reliable indicators of our prospects, and competitions may erode our leading market share in N-type TOPCon cell market; (4) the reduction, modification, delay or elimination of government subsidies and other economic incentives in the solar industry may materially adversely affect our business; (5) we may make additional impairment loss on our assets; and (6) we may not be able to obtain sufficient raw materials in a timely manner and/or on commercially reasonable terms.

SUPPLIERS

In each year of the Track Record Period, purchase from each of the top five suppliers of the continuing operation amounted to RMB5,574.4 million, RMB8,608.1 million and RMB4,915.1 million, accounting for 47.2%, 34.4% and 56.2% of our total purchase for the corresponding years, respectively.

Each of our five largest suppliers of the continuing operation in 2022, 2023 and 2024, respectively, are Independent Third Parties. Jinko was our largest supplier of the continuing operation in 2022 and 2023 at a purchase amount of RMB2,006.1 million and RMB2,555.9 million, accounting for 17.0% and 10.2% of our total purchase for the corresponding years, respectively, due to its position as one of the largest manufacturers of silicon wafers in the world and established business relationship with us. LONGi Group ("**LONGi**") was our largest supplier of the continuing operation in 2024 at a purchase amount of RMB1,262.7 million, accounting for 14.5% of our total purchase for the same year also due to its position as one of the largest manufacturers of silicon wafers in the world and established business relationship with us. None of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) has any interest in each of our five largest suppliers of the continuing operation in 2022, 2023 and 2024, respectively.

CUSTOMERS

In each year of the Track Record Period, a majority of our customers were from the PRC. For each year during the Track Record Period, we generated revenue of RMB5,981.3 million, RMB9,784.9 million and RMB4,110.5 million from each of the five largest customers of the continuing operation, accounting for 53.9%, 52.6% and 41.5% of our total revenue for the corresponding years, respectively. Our customers include integrated manufacturers that may compete with us to some extent given that integrated manufacturers' PV modules utilize PV cells from both themselves and specialized manufacturers like us. For the details related thereto, see "Risk Factors — Risks Relating to Our Business and Industries — Because the PV cell market is highly competitive and evolving quickly, many of our competitors may be more established, resourceful or adaptive, and we have a limited track record in PV cell operations, our previous operating history and financial performance may not be reliable indicators of our prospects, and competitions may erode our leading market share in N-type TOPCon cell market" in this prospectus.

Each of our five largest customers of the continuing operation in 2022, 2023 and 2024, respectively, are Independent Third Parties. Jinko was our largest customer of the continuing operation in 2022 and 2023 due to its position as one of the largest manufacturers of PV modules in the world and established business relationship with us. LONGi was our largest customer of the continuing operation in 2024 also due to its position as one of the largest manufacturers of PV modules in the world and established business relationship with us. As of the Latest Practicable Date, none of our Directors or any of our shareholders (who to the knowledge of our Directors had owned more than 5% of our issued share capital) nor any of their respectively associates had any interest in each of our five largest customers of the continuing operation in 2022, 2023 and 2024, respectively.

For details on the overlap of suppliers and customers, see "Business — Customers, Sales and Pricing — Supplier-Customer Overlap" in this prospectus.

BUSINESS SUSTAINABILITY

In the past several years, propelled by global carbon neutrality initiatives, continuous technological advancements, and its various inherent advantages, including adaptability and cost, the PV industry in China significantly lowered solar power generation cost, bolstering overall solar power demand and fueling the rapid growth in production capacity in various segments of the PV industry. In this process, industry players underwent sustained and substantial growth both in terms of technical sophistication and production capacity. As a result, the PV industry has been experiencing continuous and dynamic optimization of supply and demand across its up-, mid- and downstream segments. As of the Latest Practicable Date, solar power generation is still globally recognized as a main renewable energy source.

Similar to other industries undergoing rapid development, the PV industry also experienced headwinds arising from intensified market competition. From the fourth quarter of 2023 to the fourth quarter of 2024, silicon wafer and PV cell prices were in a general downward trajectory with fluctuation, causing industry-wide adverse effects to market participants, including us. For the adverse effects on our financial performance, see "Financial Information — Period to Period Comparison of Results of Operations — Year Ended December 31, 2024 Compared with Year Ended December 31, 2023" in this prospectus. This price trend is primarily attributable to (i) reduction in market demand of N-type TOPCon cells in the fourth quarter of 2023 due to competition with P-type PERC cells that were sold at low prices for inventory clearance caused by impact from the P-N transition, and (ii) adverse development of supply-demand balance, which became the primary factor affecting the price trend starting in the first quarter of 2024.

Given the adverse price trend, notwithstanding the aforementioned overall industry growth and development drivers, industry participants, including those with established competitive advantages like us, need to take proactive measures to mitigate related effects and achieve growth in the long term. Such measures include (i) improving their products' competitiveness and production efficiency, and (ii) seeking opportunities in emerging markets to improve their competitive position.

Subsequently, we have also noticed market-driven supply-demand adjustment of silicon wafers and PV cells, including the sustainable growth in demand for PV products globally, in particular, the robust growth in the overseas market despite challenges associated with various trade restrictions. Measured by overseas solar power cumulative installed capacity, the overseas market is expected to increase from 1,090.2 GW in 2024 to 3,499.6 GW in 2030 at a CAGR of 21.5%. In addition, we believe favorable regulatory and industry proposals, as well as guidelines in China, may bring stabilization effect to the market in the long run.

As a result, after a price decline phase from early 2024 to the third quarter of 2024, we believe a price stabilization phase was present in the fourth quarter of 2024, which further advanced into slight price recovery in the first quarter of 2025 and continued in April 2025. Riding this favorable market trend, we are well positioned to capitalize on our leading technological capabilities, sufficient working capital, and established industry position to weather industry fluctuation and achieve sustainable development. As such, our Directors are of the view that our business remains sustainable.

Industry-Wide Supply-Demand Improvement

The ongoing restoration of the supply-demand balance in the PV industry has been primarily driven by sustainable growth in demand, and supply-side issues that primarily contributed to the supply-demand imbalance have been ameliorating, the combined effect of which is reflected in recovery in PV industry price trend.

Sustainable Demand-side Growth Potential

In 2024, global solar power installed capacity addition continued its robust increase, having grown by 21.5% from 420.0 GW 2023 to 510.2 GW in 2024, and is expected to further increase by 13.7% to 580.0 GW in 2025, according to Frost & Sullivan. Such a 580 GW solar power installed capacity addition would typically translate to 727 GW of production demand for PV cells in the same year. Additionally, according to Frost & Sullivan, compared with 2023, China's solar power installed capacity addition increased by 27.8% to 277.2 GW in 2024. In terms of export, in 2024, China's cumulative PV module exports reached 238.8 GW, a year-on-year increase of 12.8%, and cumulative PV cell exports reached 57.5 GW, a year-on-year increase of 46.3%. Such an increase in demand may bring industry-wide benefits to industry players, including us.

Against the backdrop of growing demand of PV products, N-type PV cells are poised to capture an increasing market share, and their competitive advantages are expected to continue through ongoing technological advancements. Since 2024, N-type PV cell technology has made significant progress, which further improves the outlook of their future demands. Most industry participants have adopted N-type TOPCon technology as their primary technological route, on which they continuously conduct R&D and enhance their engineering and manufacturing capabilities. Their main efforts include reducing bill of materials costs, enhancing production efficiency and stability, and improving conversion efficiency, all aimed at further expanding the competitive advantage of N-type TOPCon cells. By September 2024, many leading PV cell manufacturers have improved their N-type TOPCon cell conversion efficiency to around 26%, further solidifying the competitive advantage of N-type TOPCon cells against other technological routes. In the meantime, the shipment volume and market share of N-type TOPCon cells have significantly increased. The market share of N-type TOPCon cells has risen from 23.5% in 2023 to nearly 60% in the first half of 2024 and 66.9% for the full year of 2024, and is expected to continue to increase to around 70-80% until 2030, maintaining its position as a mainstream market technology. Looking ahead, consistent with the forecast trend in "Industry Overview — Global PV Cell Market — Global PV Cell Market in the P-N Transition", N-type TOPCon cell shipment volume is expected to grow at a CAGR of 14.6% from 2024 to 2030, and such a long-term trend provides N-type TOPCon cell manufacturers with ample room to grow.

Ameliorating Supply-side Conditions

Concurrently, oversupply is gradually being mitigated. This is firstly attributable to intense competition for over one year, which has led to the elimination of outdated production capacities and the exit of many second- and third-tier PV enterprises from the market. For example, according to Frost & Sullivan, in 2024, approximately 170 GW of P-type PERC cell production capacity has been shut down globally, and around 140 GW of N-type TOPCon cell and module production capacity expansion plans have been terminated or delayed globally, and as of the Latest Practicable Date, among the 70 primary PV cell manufacturers in the PV cell industry, 23 have gone bankrupt, ceased production, or experienced project cancellation or delays since the fourth quarter of 2023. For details, see "— Industry Capacity Clearance and Consolidation" in this section. In addition, government regulations and policy guidance that supports high-quality development of the PV industry. For details, see "— Government Regulations and Policy Guidance" in this section.

As a result, according to Frost & Sullivan, the PV industry is in the mid-to-late stage of capacity clearance and consolidation, the consolidation process has been substantial, and the PV cell industry's capacity clearance is expected to be completed around the second half of 2025.

Government Regulations and Policy Guidance

From the regulatory perspective, favorable government regulations and industry guidelines in China have been introduced to alleviate temporary supply-demand imbalance and curb continued price decreases through limiting production capacity expansion and encouraging high quality development.

Primary government regulations include:

- *Standard Conditions for the Photovoltaic Manufacturing Industry (2024 Edition)* (《光伏製造行業規範條件(2024年本)》); and

- *Measures for the Administration of Photovoltaic Manufacturing Industry Standard Announcements (2024 Version)* (《光伏製造行業規範公告管理辦法(2024年本)》).

These regulations were promulgated by MIIT on November 15, 2024, and they imposed more stringent requirements on the minimum capital contribution for the expansion or conversion of PV product production capacities and also required minimum conversion efficiency for PV project development, which is expected to benefit established high-efficiency PV cell manufacturers. For specifics on the key requirements, see "Business — Business Sustainability — Industry-Wide Supply-Demand Improvement — Government Regulations and Policy Guidance" in this prospectus.

Additionally, the State Council's executive meeting in February 2025 proposed measures to rationalize industrial structure to phase out backward capacities, promote the exit of outdated and inefficient capacities, and prioritize competitive production capacity. For specifics on primary industry guidelines, see "Business — Business Sustainability — Industry-Wide Supply-Demand Improvement — Government Regulations and Policy Guidance" in this prospectus.

As shown in the price trend graphs in "— Recovery in PV Industry Price Trend Reflecting Supply-demand Adjustment" in this section, subsequent to the introduction of the favorable government regulations and industry guidelines, price decline occurred at a slower pace compared to the first half of 2024, indicating gradual stabilization, marking the price stabilization phase in the PV industry price trends in the fourth quarter of 2024. It also set the stage for slight price recovery, which took place after the fourth quarter of 2024 and has now last for a relatively long period of around four months. Such price trends provide support to the positive effects arising from the favorable government regulations and industry guidelines given that they were promulgated with a view to adjust supply-demand, and that their effectiveness could be assessed by the price trends. Given that the price trends reflected their intentions, their positive effects are validated.

Such efforts at re-balancing supply-demand, if successful, may benefit industry participants across segments to some extent. However, while regulations are already in effect as of the date of this prospectus, we cannot guarantee that they will be executed without compromise or fully implemented in their intended form. In addition, the industry guidelines by CPIA are industry self-regulating measures, which are not legally binding by nature, and may not be effective in improving the market trend. See "Risk Factors — Government policies and industry association guidelines may not be effective in improving market trends."

Industry Capacity Clearance and Consolidation

Primarily driven by market competition and given the changing landscape on governmental regulations and industry guidelines mentioned above, production capacity additions of PV cells have decelerated in China after the second quarter of 2024, the effects of which have been reflected in pricing. In this process, high efficiency N-type TOPCon cells are expected to lead the process of profitability recovery.

According to Frost & Sullivan, the PV industry is in the mid-to-late stage of capacity clearance and consolidation, and the consolidation process has been substantial based on the following industry developments:

- ***Termination or delay in production capacity addition projects.*** In 2024, approximately 170 GW of P-type PERC cell production capacity has been shut down globally, and around 140 GW of N-type TOPCon cell and module production capacity expansion plans have been terminated or delayed globally. This indicates that the growth of PV cell production capacity has significantly slowed due to changes in the competitive environment of the PV industry.

- ***Elimination of less competitive players.*** In the meantime, unlike leading companies with ample working capital sufficiency, many second- and third-tier companies face difficulties related to business sustainability beyond several quarters, potentially leading to bankruptcy or restructuring after this period.

- ***Stagnation in production capacity.*** In 2023, global PV cell production capacity was 1,100 GW, compared with PV cell shipments of 544.9 GW. By the end of 2024, global PV cell production capacity had stagnated at around 1,100 GW, while PV cell shipments had already exceeded 605.4 GW. In 2025, global PV cell production capacity is expected to decrease by 10% due to multiple factors, including (i) the losses that PV industry participants generally experienced in 2024, (ii) the continuous decline in capital expenditure in the PV industry, (iii) tightened capital markets financing, and (iv) national policies raising the standards for production capacity expansion.

- ***Recovery in utilization rate***. According to Frost & Sullivan, the average utilization rate under normal market conditions should be between 70% and 80%. In comparison, in 2024, the average utilization rate for top 10 PV cell enterprises was 65.7%, compared with 54.4% for the rest of the market. Given the demand- and supply-side factors elaborated above, the overall utilization rate of the PV industry in 2025 is expected to gradually return to normal levels at above 70%.

Based on the above, we are of the view that the PV cell industry's capacity clearance is expected to be completed around the second half of 2025.

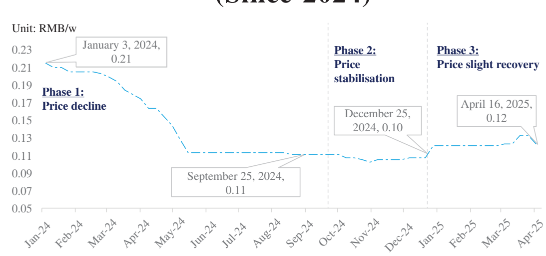
Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors which casts reasonable doubt on the view of the Company that the PV cell industry's capacity clearance is expected to be completed around the second half of 2025.

In summary, as solar power installed capacity further increases and the supply-demand balance improves, leading PV enterprises with technology and production capacity advantages are expected to be the first to regain profitability.

Recovery in PV Industry Price Trend Reflecting Supply-demand Adjustment

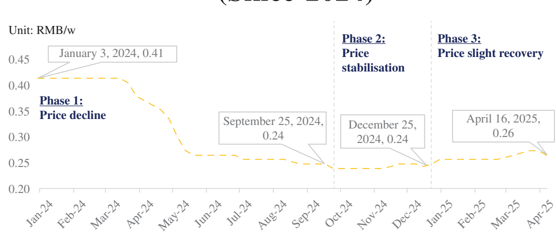
After the fourth quarter of 2024, core segments of the PV industry chain, including silicon wafers and PV cells, have entered a phase of slight price recovery. Such a recovery indicates that the supply-demand balance has improved. For us, this recovery is expected to improve our performance and foster our growth. The following graphs demonstrate the trends of silicon wafer price and the average selling price of N-type TOPCon cells in the industry since 2024, both net of tax. Given the strong similarity among the price trends of different types of silicon wafers and PV cells, the price trend of N-type M10 182mm silicon wafers and PV cells, which are mainstream in the industry, are presented for illustration. Our sale of N-type M10 182mm cells contributed 18.6%, 69.4% and 78.7% of our total revenue in 2022, 2023 and 2024, respectively, and 100.0%, 95.8% and 84.2% of our revenue from N-type TOPCon cells in 2022, 2023 and 2024, respectively. For the first quarter of 2025, M10 N-type TOPCon cells contributed 76.7% of our total revenue in the same period.

M10 N-type Silicon Wafer Price* Trend (Since 2024)



M10 N-type Silicon Wafer Price* Trend (Since December 2024)

M10 TOPCon PV Cell Price Trend (Since 2024)



M10 TOPCon PV Cell Price Trend (Since December 2024)

* As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, Frost & Sullivan has converted silicon wafer unit price from RMB/pc to RMB/W based on conversion coefficients that were calculated based on the area of M10 silicon wafers and the industry average conversion efficiency in March 2025.

As shown in the graphs above, PV industry price trends since 2024 can be divided into three phases. For details, see "Business — Business Sustainability — Industry-Wide Supply-Demand Improvement — Recovery in PV Industry Price Trend Reflecting Supply-demand Adjustment" in this prospectus.

This price recovery is expected to improve the financial performance of PV industry participants. It also reflects the positive outcomes brought about by market competition, capacity clearance and the exit of second- and third-tier PV enterprises. After the fourth quarter of 2024, with further policy guidance, the PV industry is expected to continue its recovery and gradually return to normal levels.

Our Improvement in Financial and Operating Performance

The PV industry's entrance into the price stabilization phase in the fourth quarter of 2024 and slight price recovery from the first quarter of 2025 onwards was also reflected in our improvement in financial and operating performance.

Monthly Average Prices of N-type TOPCon cells and N-type silicon wafers

The table below shows the monthly average prices of our N-type TOPCon cells and N-type silicon wafers and the price differences thereto, both net of tax, from January 2025.

	N-type TOPCon cell	N-type Silicon Wafer	
	Average selling price	Average price	Silicon Wafer – PV Cell Price Difference
	RMB/W	*RMB/W*(1)	*RMB/W*(1)
2024			
October	0.24	0.12	0.125
November	0.24	0.11	0.128
December	0.24	0.11	0.131
2025			
January	0.25	0.12	0.133
February	0.26	0.12	0.136
March	0.27	0.12	0.148
April(2)	0.27	0.12	0.153

Notes:

(1) As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, we have converted silicon wafer unit price from RMB/pc to RMB/W based on conversion coefficients that were calculated based on a weighted average of the wattage that a piece of silicon wafer would generate after being manufactured into PV cells that were sold in a respective period.

(2) Only including the weeks of April 2, April 9 and April 16.

The average selling price of N-type TOPCon cells has shown an increasing trend, consistent with the recovery in PV industry price trend. In addition, silicon wafer — PV cell price difference has also shown an increasing trend in the first quarter of 2025, which supports the improvement in our financial performance.

Our Financial Performance in 2024 and the First Quarter of 2025

Together with the industry-wide recovery, our gross profit, net profit, and the proportion of overseas sales have increased since the fourth quarter of 2024. The table below presents our performance in 2024 and the first quarter of 2025:

		2024				2025
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
		(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
Revenue	*(RMB in millions)*	3,708.1	2,647.4	1,823.9	1,744.6	1,872.2
Gross profit/(loss)	*(RMB in millions)*	208.6	(232.4)	(63.4)	2.2	74.2
Gross profit/(loss) margin	%	5.6	(8.8)	(3.5)	0.1	4.0
Gross Profit Margin from sales in Mainland China	%	5.4	(10.9)	(8.6)	(4.7)	3.6
Gross Profit Margin from sales outside Mainland China	%	7.1	1.9	6.1	5.1	4.2
Net profit/(loss)	*(RMB in millions)*	19.8	(186.1)	(250.5)	(174.3)	(105.9)
Proportion of revenue from sales outside China	%	11.6	16.9	34.8	49.3	58.1
Utilization rate	%	95.7	86.4	73.2	70.5	66.0

From the first to the fourth quarter of 2024, our quarterly decrease in revenue was primarily attributable to the decrease in the average selling price and sales volume of our N-type TOPCon cells, and also the decrease in revenue from P-type PERC cells given that we ceased their production as of June 30, 2024 in response to the P-N transition. For gross profit and gross profit margin, given that since June 30, 2024, our gross profit from the sale of P-type

PERC cells has become immaterial compared with that from N-type TOPCon cells, P-type PERC cells did not materially contribute to our overall gross profit margin. For an analysis on the reasons of our change in gross profit and gross profit margin, see "— N-type TOPCon cells" in this section and "Business — Business Sustainability — Our Improvement in Financial and Operating Performance — Our Financial Performance in 2024 and the First Quarter of 2025 — P-type PERC cells" in this prospectus.

Specifically, in the fourth quarter of 2024, we achieved improvement in gross profit, net profit, and the proportion of overseas sales compared to the second and third quarters of 2024. Specifically, we returned to a gross profit position in the fourth quarter of 2024 at a gross profit margin of 0.1%, compared with negative gross margins of 8.8% and 3.5% in the second and third quarters of 2024, respectively. In addition, while we incurred a net loss of RMB174.3 million, such a loss narrowed by RMB11.8 million and RMB76.2 million compared to the second and third quarter, when we incurred net losses of RMB186.1 million and RMB250.5 million, respectively. Furthermore, the proportion of our revenue from our sales outside of Mainland China increased from 4.7% in 2023 to 23.9% in 2024, which is expected to further increase in 2025. In the first quarter of 2025, such proportion has reached 58.1%.

Stepping into 2025, we increased our gross profit and gross profit margin in the first quarter of 2025 compared with the fourth quarter of 2024. In the first quarter of 2025, the average selling price for our orders in and outside of China also increased to RMB0.26/W and RMB0.27/W compared with RMB0.23/W and RMB0.25/W in the fourth quarter of 2024, respectively. According to the latest orders on hand as of April 1, 2025, the average selling price for our orders in and outside of China is RMB0.28/W and RMB0.29/W, respectively, which shows further increases compared to the first quarter of 2025.

Furthermore, as of April 1, 2025, our signed long-term framework agreements had a total indicative order quantity for 2025 of approximately 39.2 GW, among which 25.1 GW and 14.1 GW is in- and outside Mainland China, respectively. These long-term orders validate our customer demand and sustain our shipment volume. These long-term orders are not minimum purchase requirements, and their pricing is base on the market price. The type of customers that entered into these agreements with us remain substantially the same as the customers we had during the Track Record Period. As we further refine our technology, cost, and business strategy in conjunction with positive developments in the PV industry, we expect our overall financial performance in 2025 to improve from our 2024 level.

Our utilization rate decreased from 95.7% in the first quarter of 2024 to 86.4%, 73.2% and 70.5% in the second, third and fourth quarters of 2024 primarily due to the decrease in the average selling price of N-type TOPCon cells, in response to which we strategically prioritized orders with higher profitability and optimized our production volume. It subsequently decreased to 66.0% in the first quarter of 2025, as we deemed it financially prudent to not book overtime shifts in January and February 2025 in view of the average selling price of PV cells, and as such the holiday season and cold weather's effects on our production volume became more pronounced and consequently reduced our utilization rate, though after holiday season, it increased to 78.8% in March 2025 given the increase in the average selling price.

N-type TOPCon cells

The prices and price differences below are presented on a net of tax basis.

		Year Ended December 31,		Three Months Ended				Year Ended December 31,	Three Months Ended
		2022	2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	2024	March 31, 2025
				(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*		*(unaudited)*
Silicon Wafer price . . .	*RMB/W**	0.79	0.39	0.22	0.16	0.12	0.11	0.15	0.12
Average Selling Price . .	*RMB/W*	1.14	0.67	0.40	0.31	0.25	0.24	0.31	0.26
Silicon Wafer – PV Cell Price Difference	*RMB/W**	0.35	0.28	0.18	0.15	0.13	0.13	0.16	0.14
Gross Profit Margin . . .	%	9.4	13.7	6.6	(9.3)	(3.5)	0.1	(0.6)	4.0
Gross Profit Margin from sales in Mainland China	%	9.4	13.5	6.3	(11.7)	(8.6)	(4.8)	(2.6)	3.6
Gross Profit Margin from sales outside Mainland China	%	19.5	20.7	9.5	5.3	6.2	5.1	6.1	4.2

* As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, we have converted silicon wafer unit price from RMB/pc to RMB/W based on conversion coefficients that were calculated based on a weighted average of the wattage that a piece of silicon wafer would generate after being manufactured into PV cells that were sold in a respective period.

For N-type silicon wafers and the gross profit margin of N-type TOPCon cells, the above table shows that the gross profit margin initially increased from 9.4% in 2022 to 13.7% in 2023. As disclosed in "Financial Information — Description of Major Components of Our Results of Operations — Gross Profit/(Loss) and Gross Profit Margin — N-type TOPCon Cells", we recorded a lower gross profit margin in 2022 mainly because our N-type TOPCon cells, after being firstly introduced to the market in August 2022, were at an early stage of commercialization leading to a higher cost of sales, which partially offset the effects of high price difference at that time. The increase in the gross profit margin in 2023 compared with 2022 despite the decrease in silicon wafer and PV cell price difference was also attributable to our increase in revenue brought about by our ability to charge customers a higher premium for N-type TOPCon cells due to the recognition of our industry-leading product quality and advanced technology specifications, and decrease in non-silicon costs, including our direct labor costs per watt of N-type TOPCon cells as we achieved economies of scale and improved our production efficiency.

The gross profit margin then decreased to 6.6% in the first quarter of 2024 and further to -9.3% and -3.5% in the second and third quarter of 2024, respectively. The decrease in the gross profit margin of our N-type TOPCon cells in these periods was mainly due to the decrease in the average selling price of our N-type TOPCon cells, which reduced the price difference between silicon wafers and N-type TOPCon cells, and non-silicon costs did not decrease proportionally with the average selling price of our N-type TOPCon cells. According to Frost & Sullivan, the decrease in our average selling price was in line with the drop in the prevailing market price in the PV cells industry. In the fourth quarter of 2024 and the first quarter of 2025, we returned to and maintained a gross profit position due to the recovery in the average selling price of PV cells attributable to supply-demand adjustment in the industry, our improvement in production efficiency and factoring in government grant.

In 2024, the gross profit/(loss) margin for sales of N-type TOPCon cells outside Mainland China also experienced fluctuation for similar reasons as the overall gross profit/(loss) margin. It decreased from 20.7% in 2023 to 9.5%, 5.3% and 6.2% in the first, second and third quarters of 2024, respectively, primarily because of the decrease in the average selling price of our N-type TOPCon cells, which reduced the price difference between silicon wafers and N-type TOPCon cells, and non-silicon costs did not decrease proportionally with the average selling price of our N-type TOPCon cells. Subsequently in the fourth quarter of 2024 and the first quarter of 2025, while the average selling price relatively stabilized compared with the previous quarter and the silicon wafer-PV cell price difference increased, the gross profit margin decreased from 6.2% to 5.1% and further to 4.2% for the first quarter of 2025 primarily because export tax rebate for PV products was reduced from 13% to 9% on December 1, 2024, which negatively affected the gross profit of overseas orders in execution. We correspondingly adjusted our price to factor in such a reduction in export tax rebate and gradually completed such price adjustment in the first quarter of 2025.

In 2024, the gross profit/(loss) margin for sales of N-type TOPCon cells in Mainland China also experienced fluctuation for similar reasons as the overall gross profit/(loss) margin in the corresponding periods. In the first quarter of 2025, our gross profit margin for sales of N-type TOPCon cells in Mainland China increased primarily due to the increase in the prevailing market price of N-type TOPCon cells attributable to improving supply-demand balance.

In addition, we exhibited financial robustness, as we maintained strong working capital sufficiency to weather temporary industry fluctuation. Taking into account our available financial resources including our unutilized bank facilities, our cash and cash equivalents, our financial assets at FVTPL, our receivables at FVTOCI, we recorded net cash inflow from operating activities in 2023, 2024 and the three months ended March 31, 2025, and we had no breach of covenant and no material default in the repayment of bank borrowing and we have not experienced any withdrawal of facilities nor request for early repayment of bank borrowings during the Track Record Period, we have sufficient financial resources to operate in the next 12 months from the date of this prospectus. In addition, as our production lines in Chuzhou and Huai'an have been in a stage of stable operation in 2024 and are expected to continue their stable operation in 2025, we expect to incur less fixed asset investment in these two production plants, which would further improve our financial robustness going forward. Furthermore, since the fourth quarter of 2024, we have maintained excellent cooperative relationships with financial institutions. For details on our financial robustness, see "Business — Business Sustainability — Our Improvement in Financial and Operating Performance — Our Financial Performance in 2024 and the First Quarter of 2025 — N-type TOPCon cells" in this prospectus.

We perform impairment testing on a quarterly basis. Despite that our inventory turnover days were 23.0 days for 2024, our impairment loss may still be material primarily because (i) both silicon wafer and PV cell price experienced significant decrease since the fourth quarter of 2023, during which time significant price decrease may occur in a timespan of only one or two weeks; (ii) we need to keep substantial inventory for, among others, safety stock purpose; (iii) we need to procure sufficient raw materials, such as silicon wafers, to meet the need for manufacturing into PV cells; and (iv) certain PV cells that we have been manufacturing are expected to be sold at a gross loss based on the agreed selling price of sales orders on hand given their low price attributable to low conversion efficiency, and impairment loss is incurred during the period of transportation before such revenue was recognized. In the first quarter of 2025, we recorded reversal in impairment loss primarily due to increase in PV cell price.

Our Proactive Mitigation and Growth Strategy

Our improvement in financial and operating performance is attributable to the implementation of our proactive mitigation and growth strategy. Pursuant to this strategy, we have leveraged our proven competitive advantages and taken a series of measures that aim to mitigate such effects and achieve growth in the long term. Such measures include (i) internal optimization and (ii) overseas expansion, which, together with the evolving trend of the PV cell market, may continue to help us improve our profitability and achieve turnaround in the future.

Internal Optimization

We have been improving our products' competitiveness through continuously upgrading our N-type TOPCon cell process technology. In addition, we have implemented a streamlining program to simplify our organizational structure and optimize our staffing, which reduced our operating expenses. Furthermore, despite the market condition, we have been able to maintain high utilization rates of our production plants compared with our peers due to the amount of orders that we have received. For 2024, our Chuzhou Plant and Huai'an Plant recorded utilization rates of 86.2% and 75.7%, respectively, and in the first quarter of 2025, such utilization rates were 60.9% and 71.2%, respectively. Leveraging our products' competitiveness and our established industry position, we strategically prioritized orders with higher profitability given the robust amount of orders that we have received and ceased manufacturing P-type PERC cells to completely focus on N-type TOPCon cell manufacturing. Such internal optimization measures were supported and enabled by our established competitive advantages.

Details of our internal optimization measures include:

- ***Technological advancement***. We have continued making technological advancements in N-type PV cells. Through a combination of in-house R&D and cooperating with leading research institutions, we have been able to focus on cutting-edge PV technologies and also increase our production efficiency and our PV cells' conversion efficiency.

- ***Streamlined staff structure***. To improve organizational efficiency and reduce operational costs, we have decided to simplify our organizational hierarchy. In addition, our internal optimization measures reduced our total employee number by 5,104 from December 31, 2023 to December 31, 2024. However, we believe our product development and expansion plans will not be materially adversely affected by such streamlining measures.

Overseas Expansion

Overseas Expansion Rationale

In furtherance of our development strategy, we have taken efforts to expand our overseas presence with a particular focus on regions and opportunities representing improved margin compared with the domestic market. We believe this endeavor may help to improve our overall margin. Owing to such efforts, the proportion of our revenue from sales outside China, which primarily include India and Turkey, increased from 4.7% in 2023 to 23.9% for 2024, and further to 58.1% in the first quarter of 2025. By continuously developing and serving customers in emerging markets, we have been expanding our international sales network and strengthening our global customer service capabilities. As we continue to expand our presence in overseas markets, the proportion of our revenue from sales outside China is expected to continue its growth.

Overseas Expansion Measures

In June 2024, we entered into a non-legally binding letter of intent (the "**Omani LOI**") with an Omani government entity, pursuant to which both parties indicated their mutual interest in further negotiating and potentially entering into a definitive agreement regarding the establishment of a N-type TOPCon cell production plant with a total annualized production capacity of around 10 GW separated into two phases in total. We estimate the total investment amount for this project might be around US$560 million, subject to future adjustments, and we currently expect Phase I of the project, which is expected to have an annualized production capacity of 5 GW, to commence commercial production in 2026. We will prudently advance the construction of Phase II of the project based on the progress of Phase I. For details on our overseas expansion measures, please see "Business Sustainability — Our Proactive Mitigation and Growth Strategy — Overseas Expansion — Overseas Expansion Measures" in this prospectus.

Furthermore, attributable to our endeavors in leveraging our overseas production capacity to serve our global customers, we have entered into a non-binding Memorandum of Understanding with a leading North American PV module enterprise (the "**North American MOU**"). Pursuant to the North American MOU, both parties will actively discuss and explore potential cooperation opportunities, and regarding our production capacity in Oman, the leading North American PV module enterprise intends to purchase 1 GW to 2 GW of PV cells from us in 2025.

As we estimate that the total investment amount of the Overseas Plant will exceed 75.0% of the proceeds (approximately HK$1,075.5 million), we have adopted a suite of measures to lower upfront cash flow pressure. For details, see "Business — Business Sustainability — Our Proactive Mitigation and Growth Strategy — Overseas Expansion — Overseas Expansion Measures" in this prospectus.

Overseas Expansion Opportunities

Solar power generation has become one of the primary energy production methods in many countries around the world. Driven by considerations of energy security, economic development, and local employment, various countries are gradually establishing PV industry chains as well through measures including favorable regulations. Therefore, the global PV industry is becoming more decentralized, where various regional markets emerge and take on increasing shares. Measured by overseas solar power cumulative installed capacity, the overseas market is expected to increase from 1,090.2 GW in 2024 to 3,499.6 GW in 2030 at a CAGR of 21.5%, representing a high-growth market that attracts participation from established players. Against this backdrop of immense growth opportunities, according to Frost & Sullivan, by the end of 2024, the overseas production capacity for PV modules was approximately 220 GW, while the capacity for PV cells only reached approximately 100 GW, showing a significant gap of around 120 GW that needs to be fulfilled by cross-border PV cell trade. Therefore, Chinese PV cell manufacturers, leveraging their advanced technologies, are well-positioned to harness this opportunity for expanding overseas sales network and production capacities, which provides additional and sustained growth potential for their business operations.

In the meantime, evolving global regulations may also affect the competitive landscape of the global PV cell industry, such as through government incentives and trade restrictions. For example, the EU's adoption of its EU Solar Energy Strategy, which aims to achieve a solar power cumulative installed capacity of 320 GW by 2025 and 600 GW by 2030, is expected to almost exclusively rely on PV cells manufactured by Chinese enterprises given the current competition landscape of the global PV industry. With the continuous growth in demand for PV products in emerging markets such as the Middle East and Latin America, and the introduction of favorable policies in these regions, such as Saudi Arabia's "Vision 2030" plan and Brazil's tax reduction policy for distributed PV projects, presenting significant opportunities to Chinese PV companies seeking to expand overseas.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, pursuant to the Acting-in-Concert Agreement, the Yang Family and their controlled entities (Yang Family Investment and Hainan Jindi), collectively being the Single Largest Group of Shareholders, were able to exercise an aggregate of approximately 22.61% voting rights in our Company. Immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes), the Yang Family and their controlled entities (Yang Family Investment and Hainan Jindi) are expected to be entitled to exercise an aggregate of approximately 17.71% voting rights in our Company. Yang Family together with Yang Family Investment and Hainan Jindi will remain as our Single Largest Group of Shareholders upon the Listing.

ACTING IN CONCERT

As of the Latest Practicable Date, Yang Family Investment was owned as to 20.00%, 20.00%, 20.00%, 20.00%, 11.62% and 8.38% by Ms. Lu, Mr. Xu Yong (徐勇), Ms. Lu Huifen (陸惠芬), Mr. Lu Xuyang (陸徐楊), Mr. Xu Weidong (徐衛東) and Ms. Lu Yuhong (陸玉紅), respectively.

On November 30, 2013, all the members of Yang Family (including Ms. Lu (directly holding 2.31% voting rights of our Company as of the Latest Practicable Date), Mr. Xu, Mr. Lu Xuyang (陸徐楊), Mr. Yang Renyuan (楊仁元), Ms. Lu Huifen (陸惠芬), Mr. Xu Weidong (徐衛東), Ms. Lu Yuhong (陸玉紅), Mr. Xu Yong (徐勇), and Ms. Lu Xiaowen (陸小文)) entered into an Acting-in-Concert Agreement which was supplemented by agreements dated April 23, 2020 and April 23, 2023, pursuant to which the members of Yang Family agreed and would continue to act in concert by aligning their votes via controlling the decisions and actions of Hainan Jindi when exercising an aggregate of approximately 20.30% voting rights at the shareholders' meetings in our Company as of the Latest Practicable Date. Ms. Lu shall also act in concert with the Yang Family when she exercise the 2.31% voting right attached to Shares directly held by her as of the Latest Practicable Date. The Acting-in-Concert Agreement shall remain effective until April 24, 2026 and Yang Family intends to renew the Acting-in-Concert Agreement upon its expiration.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Our Consolidated Statements of Comprehensive Income

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Revenue	11,085,713	100.0	18,610,794	100.0	9,923,894	100.0
Cost of sales	(9,870,370)	(89.0)	(16,914,686)	(90.9)	(10,008,952)	(100.9)
Gross profit/(loss)	1,215,343	11.0	1,696,108	9.1	(85,058)	(0.9)
Other income	24,111	0.2	106,799	0.6	172,909	1.7
Other gains and losses	(3,481)	(0.0)	4,226	0.0	24,123	0.2
Selling and marketing expenses	(16,449)	(0.1)	(73,599)	(0.4)	(63,006)	(0.6)
Administrative expenses	(146,043)	(1.3)	(416,305)	(2.2)	(337,562)	(3.4)
Listing expenses	–	–	–	–	(5,236)	(0.1)
Research and development expenses	(235,207)	(2.1)	(303,758)	(1.6)	(206,953)	(2.1)
Net impairment losses under expected credit loss model	(11,761)	(0.1)	(10,332)	(0.1)	(6,748)	(0.1)
Other expenses	(535)	(0.0)	(13,056)	(0.1)	(3,331)	(0.0)
Finance costs	(146,042)	(1.3)	(245,594)	(1.3)	(220,557)	(2.2)
Profit/(loss) before tax	679,936	6.1	744,489	4.0	(731,419)	(7.4)
Income tax (expense)/credit	(63,036)	(0.6)	71,153	0.4	140,306	1.4
Profit/(loss) for the year from continuing operation	616,900	5.6	815,642	4.4	(591,113)	(6.0)
Discontinued operation						
Profit for the year from discontinued operation	204,087	1.8	–	–	–	–
Profit/loss for the year	**820,987**	**7.4**	**815,642**	**4.4**	**(591,113)**	**(6.0)**
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences arising on translation of foreign operations	–	–	–	–	23	0.0
Total comprehensive income (expenses) for the year	820,987	7.4	815,642	4.4	(591,090)	(6.0)

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Profit/loss for the year attributable to owners of the Company:						
– from continuing operation	512,858	4.6	815,642	4.4	(591,113)	(6.0)
– from discontinued operation	204,087	1.8	–	–	–	–
	716,945	**6.5**	**815,642**	**4.4**	**(591,113)**	**(6.0)**
Profit for the year attributable to non-controlling interests:						
– from continuing operation	104,042	0.9	–	–	–	–
– from discontinued operation	–	–	–	–	–	–
	104,042	**0.9**	**–**	**–**	**–**	**–**
Total comprehensive income/ (expenses) for the year attributable to:						
– Owners of the Company	716,945	6.5	815,642	4.4	(591,090)	(6.0)
– Non-controlling interest	104,042	0.9	–	–	–	–
	820,987	**7.4**	**815,642**	**4.4**	**(591,090)**	**(6.0)**
Total comprehensive income/ (expenses) attributable to owners of the Company:						
– from continuing operation	616,900	5.6	815,642	4.4	(591,090)	(6.0)
– from discontinued operation	204,087	1.8	–	–	–	–
	820,987	**7.4**	**815,642**	**4.4**	**(591,090)**	**(6.0)**

Note: For the avoidance of doubt, unless otherwise indicated, the information presented in this prospectus related to profit or loss items only represents those of the continuing operation, i.e., the R&D, manufacturing and sales of PV cells.

Our net profit from continuing operation increased by 32.2% from RMB616.9 million in 2022 to RMB815.6 million in 2023, mainly due to the growth of our business scale. We incurred a net loss of RMB591.1 million for 2024, mainly due to the decreased market price of PV cells.

We recognized a one-off impairment loss on property, plant and equipment of RMB894.2 million in 2023 on certain P-type PERC cell production lines and production facilities in our Shangrao Plant, as a result of the unexpected accelerated shift in market demand from P-type PERC cells to N-type TOPCon cells during the fourth quarter of 2023. For details, see "Financial Information — Description of Major Components of Our Results of Operations — Cost of Sales" in this prospectus.

Certain Selected Items from the Consolidated Statements of Financial Position

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

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	4,073,434	9,351,973	8,483,140
Right-of-use assets	68,156	168,264	167,256
Intangible assets	96,242	75,332	160,818
Goodwill	860,510	856,679	854,842
Deferred tax assets	2,685	274,997	368,112
Deposits paid for acquisition of property, plant and equipment	98,816	191,509	78,380
Other receivables	80,506	6,488	–
Total non-current assets	**5,280,349**	**10,925,242**	**10,112,548**
Current assets			
Inventories	338,924	727,285	552,077
Trade, bills and other receivables	169,048	434,365	824,799
Receivables at fair value through other comprehensive income ("**FVTOCI**")	1,014,656	1,739,083	187,790
Value-added tax recoverable	163,624	450,829	752,116
Income tax recoverable	–	41,221	49,064
Financial assets at fair value through profit or loss ("**FVTPL**")	–	–	430,183
Restricted bank deposits	629,122	958,078	919,356
Cash and cash equivalents	1,243,953	2,649,852	2,616,276
Total current assets	**3,559,327**	**7,000,713**	**6,331,661**

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
LIABILITIES			
Current liabilities			
Trade, bills and other payables	2,851,690	4,696,825	3,800,785
Contract liabilities	317,134	474,622	82,549
Tax payable	2,787	–	–
Bank and other borrowings	1,204,167	1,285,621	2,491,935
Lease liabilities	1,694	3,618	2,170
Total current liabilities	**4,377,472**	**6,460,686**	**6,377,439**
Net current (liabilities)/assets	**(818,145)**	**540,027**	**(45,778)**
Total assets less current liabilities	**4,462,204**	**11,465,269**	**10,066,770**
Non-current liabilities			
Other payables	663,422	3,262,694	3,148,068
Bank and other borrowings	2,503,682	3,045,480	2,886,001
Lease liabilities	2,497	666	5,136
Deferred income	220,328	270,151	28,385
Deferred tax liabilities	21,445	177,038	112,183
Total non-current liabilities	**3,411,374**	**6,756,029**	**6,179,773**
Capital and reserves			
Share capital	141,524	227,395	229,152
Treasury shares	–	–	(100,956)
Share premium	9,351	2,822,336	2,941,889
Reserves	899,955	1,659,509	816,912
Total equity	**1,050,830**	**4,709,240**	**3,886,997**

Our net assets increased significantly from RMB1,050.8 million as of December 31, 2022 to RMB4,709.2 million as of December 31, 2023, mainly due to the issuance of ordinary shares of RMB2,738.2 million and the profit and total comprehensive income for the year of RMB815.6 million, partially offset by dividends recognized as distribution of RMB84.9 million. Our net assets decreased to RMB3,887.0 million as of December 31, 2024 primarily due to our buyback of treasury shares of RMB101.0 million, total comprehensive loss for the year of RMB591.1 million, and cash dividend of RMB170.0 million.

Cash Flows

The following table sets forth our consolidated statements of cash flows for the years indicated.

	Year Ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) before tax from continuing and discontinued operations	891,709	744,489	(731,419)
Operating cash flows before movements in working capital	1,346,937	2,594,371	220,092
(Increase)/decrease in inventories	(271,574)	(484,190)	45,114
Increase in trade, bills and other receivables	(934,246)	(285,518)	(441,353)
(Increase) decrease in receivables at FVTOCI	(795,397)	(2,254,615)	1,106,361
Increase in value-added tax recoverable	(65,757)	(287,205)	(301,287)
Increase in trade, bills and other payables	375,388	1,121,963	577,029
Increase (decrease) in contract liabilities	255,627	157,488	(392,073)
Cash (used in)/generated from operations	(89,022)	562,294	813,883
PRC Enterprise Income Tax paid	(10,344)	(86,982)	(33,338)
Net cash flows (used in) from operating activities	(99,366)	475,312	780,545
Net cash flows used in investing activities	(521,646)	(1,516,729)	(1,428,375)
Net cash flows from financing activities	1,650,886	2,446,492	611,930
Net increase/(decrease) in cash and cash equivalents	1,029,874	1,405,075	(35,900)
Effect of exchange rate changes	–	824	2,324
Cash and cash equivalents at beginning of the year	214,079	1,243,953	2,649,852
Cash and cash equivalents at end of the year	**1,243,953**	**2,649,852**	**2,616,276**

For the year ended December 31, 2022, our net cash used in operating activities was RMB99.4 million. This net cash outflow was primarily attributable to our profit before income tax from continuing and discontinued operations of RMB891.7 million, as adjusted by changes in working capital, which primarily resulted from the increase in trade, bill and other receivables of RMB934.2 million, the increase in receivables at FVTOCI of RMB795.4 million, and the increase in inventories of RMB271.6 million, all of which were generally in line with our business expansion and revenue growth.

Net Current Assets/Liabilities

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)
Current assets				
Inventories	338,924	727,285	552,077	743,384
Trade, bills and other receivables	169,048	434,365	824,799	907,488
Receivables at FVTOCI	1,014,656	1,739,083	187,790	177,546
Value-added tax recoverable	163,624	450,829	752,116	753,300
Income tax recoverable	–	41,221	49,064	49,064
Financial assets at FVTPL	–	–	430,183	1,620,000
Restricted bank deposits	629,122	958,078	919,356	1,288,317
Cash and cash equivalents	1,243,953	2,649,852	2,616,276	2,545,847
Total current assets	**3,559,327**	**7,000,713**	**6,331,661**	**8,084,946**
Current liabilities				
Trade, bills and other payables	2,851,690	4,696,825	3,800,785	4,008,135
Contract liabilities	317,134	474,622	82,549	57,177
Tax payable	2,787	–	–	–
Bank and other borrowings	1,204,167	1,285,621	2,491,935	3,131,436
Lease liabilities	1,694	3,618	2,170	1,735
Total current liabilities	**4,377,472**	**6,460,686**	**6,377,439**	**7,198,483**
Net current (liabilities)/assets	**(818,145)**	**540,027**	**(45,778)**	**886,463**

We turned from a net current liabilities position of RMB818.1 million as of December 31, 2022 to a net current assets position of RMB540.0 million as of December 31, 2023, mainly due to (i) the increases in our cash and cash equivalent, (ii) the increase in receivables at FVTOCI, as we expanded our business scale, and (iii) the increase in inventories resulted from our expanded production capacity in 2023, partially offset by the increase in our trade, bills and other payables.

We turned from a net current assets position of RMB540.0 million as of December 31, 2023 to a net current liabilities position of RMB45.8 million as of December 31, 2024, mainly due to (i) the decrease in receivables at FVTOCI, (ii) the decrease in inventories, and (iii) the decrease in restricted bank deposits, partially offset by the decrease in trade, bills and other payables.

We recorded net current assets position of RMB886.5 million as of March 31, 2025, compared to a net current liabilities position of RMB45.8 million as of December 31, 2024, mainly due to increase in our current asset from RMB6,331.7 million as of December 31, 2024 to RMB8,084.9 million as of March 31, 2025. The increase in our current assets was mainly attributable to (i) the increase in our financial assets at FVTPL, and (ii) the increase in our restricted bank deposits.

Key Financial Ratio

The table below sets forth our key financial ratio for the years or as of the dates indicated.

	Year Ended/ As of December 31,		
	2022	2023	2024
Gross Margin[(1)]	11.0%	9.1%	(0.9)%
Profit Margin[(2)]	5.6%	4.4%	(6.0)%
Debt to Asset Ratio[(3)]	88.1%	73.7%	76.4%
Current Ratio[(4)]	0.8	1.1	1.0
Return on Equity[(5)]	46.5%	28.3%	(13.8)%
Gearing Ratio[(6)]	353.2%	92.1%	138.5%

Notes:

(1) Gross margin is calculated using gross profit from continuing operation divided by revenue from continuing operation for the year and multiplied by 100%. We recorded a negative gross margin in 2024 mainly due to the decrease in the average selling price of our PV cells. For details, see "Financial Information — Period to Period Comparison of Results of Operations — Year Ended December 31, 2024 Compared with Year Ended December 31, 2023 — Gross Profit/(loss) and Gross Profit Margin" in this prospectus.

(2) Profit margin is calculated using profit for the year from continuing operation divided by revenue from continuing operation for the year and multiplied by 100%. We recorded a negative profit margin in 2024 mainly due to the decrease in the average selling price of our PV cells. For details, see "Financial Information — Period to Period Comparison of Results of Operations — Year Ended December 31, 2024 Compared with Year Ended December 31, 2023" in this prospectus.

(3) Debt to asset ratio is calculated using total liabilities divided by total assets as of the end of the year and multiplied by 100%.

(4) Current ratio is calculated using current assets divided by current liabilities as of the end of the year.

(5) Return on equity is calculated using net profit/(loss) from continuing operation for the year divided by the average of total equity as of the beginning and ending of the year and multiplied by 100%. We recorded a negative return on equity in 2024 because of our net loss, which was primarily due to the decrease in the average selling price of our PV cells. For details, see "Financial Information — Period to Period Comparison of Results of Operations — Year Ended December 31, 2024 Compared with Year Ended December 31, 2023 — Gross Profit/(loss) and Gross Profit Margin" in this prospectus.

(6) Gearing ratio is calculated using total debt (including bank and other borrowings, and lease liabilities) divided by shareholders' equity as of the end of the year. Our gearing ratio decreased from 353.2% as of December 31, 2022 to 92.1% as of December 31, 2023, mainly due to the increase in our equity, as we issued additional ordinary shares in 2023. Our gearing ratio increased from 92.1% as of December 31, 2023 to 138.5% as of December 31, 2024, mainly due to the increase in our bank and other borrowings and our decrease in reserves.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to: (a) our revenue for the year ended December 31, 2024 exceeds HK$500 million, and (b) our expected market capitalization at the time of Listing exceeds HK$4 billion.

OFFERING STATISTICS

The numbers in the following table are based on the assumptions that (i) the Global Offering had been completed on December 31, 2024 and 63,432,300 H Shares were issued and sold in the Global Offering, (ii) the Over-allotment Option is not exercised, and (iii) 290,847,876 Shares (excluding treasury shares) are issued and outstanding following the completion of the Global Offering.

	Based on the Offer Price of HK$20.40	**Based on the Offer Price of HK$28.60**
Market capitalization of our Shares upon the completion of the Global Offering(1)	HK$11,046.6 million	HK$11,566.7 million
Market capitalization of our H shares(2)	HK$1,294.0 million	HK$1,814.2 million
Unaudited pro forma adjusted consolidated net tangible assets per Share(3)	HK$14.73	HK$16.44

Notes:

(1) The calculation of market capitalization of our Shares is based on 63,432,300 H shares will be in issue immediately after the completion of the Global Offering and 290,847,876 A shares (excluding treasury shares) as of April 20, 2025 will be in issue immediately following the completion of the Global Offering with an average closing price of RMB39.81 during the five trading days of A Shares immediately preceding April 20, 2025 (assuming the Over-allotment Option is not exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes). For details, see "Share Capital — Upon Completion of the Global Offering" in this prospectus.

(2) The calculation of market capitalization is based on 63,432,300 H shares expected to be in issue immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(3) The unaudited pro forma adjusted net tangible asset per Share as at December 31, 2024 is calculated after making the adjustments referred to in "Appendix II — Unaudited Pro Forma Financial Information." The number of shares used to calculate the market capitalisation and pro forma net tangible assets per Share is 290,847,876 (excluding treasury shares) as of December 31, 2024.

(4) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group as of December 31, 2024 to reflect any trading result or other transaction of our Group entered into subsequent to December 31, 2024.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission, and other fees incurred in connection with the Global Offering. As of December 31, 2024, we incurred RMB36.5 million (HK$39.7 million) in listing expenses, in which amount of RMB5.2 million (HK$5.6 million) were recognized in the profit or loss and amount of RMB31.3 million (HK$34.0 million) will be deducted from equity upon Listing.

We estimate that additional listing expenses of approximately RMB74.6 million (HK$80.4 million), including (1) underwriting-related expenses, which consist of sponsor fee and underwriting commissions, of approximately RMB60.2 million (HK$64.8 million), and (2) non-underwriting related expenses of approximately RMB14.4 million (HK$15.6 million), which consist of (i) fees and expenses of legal advisors of approximately RMB5.8 million (HK$6.2 million), (ii) fees and expenses of our Reporting Accountant of approximately RMB3.7 million (HK$4.0 million), and (iii) other fees and expenses of approximately RMB4.9 million (HK$5.4 million), assuming the Over-allotment Option is not exercised and based on the Offer Price of HK$24.5 per Offer Share (being the mid-point of the Offer Price range stated in the prospectus), will be incurred by our Company, approximately RMB1.2 million (HK$1.3 million) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB73.4 million (HK$79.1 million) of which is attributable to the issue of shares and will be deducted from equity upon Listing. Our listing expenses as a percentage of gross proceeds is 7.7%, at an Offer Price of HK$24.50 per Share, assuming the Over-allotment Option is not exercised. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

FUTURE PLANS AND USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK$24.50 per H Share (being the mid-point of the Offer Price range stated in the prospectus), will be approximately HK$1,434.0 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised. For details, see "Future Plans and Use of Proceeds" in this prospectus.

In accordance with our strategy, we plan to use the proceeds for the following intended purposes in the amounts set forth below:

- approximately 75.0% of the proceeds (approximately HK$1,075.5 million) will be used for our construction of an overseas PV cell production plant with an annualized production capacity of approximately 5 GW, which is expected to commence commercial production in 2026 (the "**Overseas Plant**").

- approximately 8.0% of the proceeds (approximately HK$114.7 million) will be used for R&D of advanced technologies to maintain our technological leadership in PV cells and its production process.

- approximately 7.0% of the proceeds (approximately HK$100.4 million) will be used for establishing and enhancing our overseas sales operations and distribution channels. By expanding our global footprint and cementing our presence in key international markets, we would be able to maximize the potential of our existing production capacity and the Overseas Plant.

- approximately 10.0% of the proceeds (approximately HK$143.4 million) will be used for working capital and general corporate purposes.

LISTING ON THE SHENZHEN STOCK EXCHANGE

With the approval of the CSRC, we completed our initial public offering of 30,000,000 A Shares, and our A Shares became listed on the Shenzhen Stock Exchange (stock code: 002865.SZ) on April 25, 2017.

RECENT DEVELOPMENTS

Recent Operating and Financial Performance

For details, see "— Business Sustainability — Our Improvement in Financial and Operating Performance — Our Financial Performance in 2024 and the First Quarter of 2025" in this section for our financial performance in the first quarter of 2025. Please also see "— Business Sustainability — Our Improvement in Financial and Operating Performance — Monthly Average Prices of N-type TOPCon Cells and N-type Silicon Wafers" in this section for the increase in the average selling price of our N-type TOPCon cells in the first quarter of 2025. As of April 1, 2024, our signed long-term framework agreements had a total indicative order quantity for 2025 of approximately 39.2 GW, among which 25.1 GW and 14.1 GW is in- and outside Mainland China, respectively.

Recent Market Information

Subsequent to the Track Record Period, industry price trend has continued its recovery. See the price graphics in "— Industry-Wide Supply-Demand Improvement — Recovery in PV Industry Price Trend Reflecting Supply-demand Adjustment" in this section. As advised by Frost & Sullivan, while trade restrictions significantly escalated since the U.S. announced substantial tariff increases on April 2, 2025, material pressure or material adverse effects on the price trends of N-type TOPCon PV cells and silicon wafers attributable to such escalation had not been observed as of the Latest Practicable Date. For example, in the weeks of April 2, 9 and 16,

- For the industry, N-type TOPCon cells' industry average selling price was RMB0.27/W, RMB0.27/W and RMB0.27/W, whereas N-type M10 silicon wafers' average price was RMB0.13/W, RMB0.13/W and RMB0.12/W, respectively.

- For ourselves, N-type TOPCon cells' average selling price was RMB0.28/W, RMB0.28/W and RMB0.27/W, whereas N-type M10 silicon wafers' average price was RMB0.12/W, RMB0.13/W and RMB0.12/W, respectively.

See "— Recent Policy and Regulatory Information — International Regulatory Changes" in this section for details on such restrictions and "Business — Business Sustainability — Our Improvement in Financial and Operating Performance — Weekly Average Prices of N-type TOPCon Cells and N-type Silicon Wafers" in this prospectus for our weekly prices.

Recent Policy and Regulatory Information

Domestic Policy Information

Since the end of 2024, various material policies and industry guidelines have been introduced in China.

For example, in February 2025, the State Council's executive meeting proposed measures to optimize industrial layout, promote the exit of outdated and inefficient capacities, and increase the supply of high-end capacities. The executive meeting pointed out that efforts should be made from both the supply and demand sides to address and resolve structural imbalance in key industries, promoting healthy industrial development and quality upgrading. The executive meeting stressed on the necessity to optimize industrial layout, strengthen standard guidance, promote integration and restructuring, and facilitate the exit of backward and inefficient production capacities while increasing the supply of high-end production capacities. In addition, market regulation should be optimized, industry self-discipline should be strengthened, and joint efforts should be made to maintain a market order of fair competition and survival of the fittest.

Subsequently, on March 5, 2025, the National People's Congress meeting's *Government Work Report* mentioned for the first time content such as "comprehensive management of 'involution' competition, accelerating the construction of the 'Desert, Gobi and Wasteland' new energy base, and coordinating the construction of local consumption and external transmission channels." This is expected to be beneficial for the healthy development of the PV industry and promote growth on the demand side.

International Regulatory Changes

Globally, only several countries and regions have restrictive policies on exported Chinese PV cells, such as tariffs and AD/CVD measures in the United States. The United States, while expected to account for only approximately 7% of the global new solar power installed capacity addition from 2024 to 2030, has announced a series of tariffs against its trading partners on April 2, 2025 and promulgated a series of rules and regulations on the trade of PV products. Pursuant to the United States' announcement on April 2, a new 34% tariff on goods from China (including but not limited to PV products), on top of existing tariffs, is being introduced, and the United States' tariff rate on Chinese imports effectively reached 145% as of April 11, 2025 after several rounds of tariff hikes. Also on April 2, 2025, the U.S. imposed 46%, 24%, 36% and 49% tariff on Vietnam, Malaysia, Thailand, and Cambodia, respectively, where some of our major customers have operation, and 10% for Oman. Subsequently, on April 9, 2025, the U.S. announced a 90-day pause on its reciprocal tariffs with exception of China and updated the applicable tariff rate to 10%.

On PV products specifically, starting from January 1, 2025, the United States increased the tariff on silicon wafers and polysilicon imported from China from 25% to 50%. Previously, in November 2024, the United States initiated an anti-dumping investigation on PV products from four Southeast Asian countries (Vietnam, Malaysia, Thailand, and Cambodia) and made a preliminary ruling to impose anti-dumping duties on PV cells from these countries. Subsequently, on April 21, 2025, the U.S. Department of Commerce's final affirmative determination called for final anti-dumping duty ranging from 81.24% to 271.28% and countervailing duties ranging from 168.80% to 3,403.96%. If the U.S. International Trade Commission on June 2 announces an affirmative final determination, the final tariff rates will subsequently go into effect. Such restrictive policies may, among others, pose significant challenges to Chinese PV cell manufacturers who endeavor to establish and broaden their access to international markets. For details, see "Risk Factors — The uncertainty surrounding potential changes in U.S. trade policies, particularly regarding tariffs on Chinese imports, could adversely affect our business operations and financial performance" in this prospectus.

For us specifically, we do not expect to be directly affected by U.S. tariffs. Firstly, for our domestic production capacity, apart from a single one-off export of samples to the U.S. in the amount of approximately RMB60 thousand in 2022, we did not, are not currently, and do not intend to export from China to the U.S., rendering the U.S. market immaterial to us. As such, U.S. trade barrier's adverse effect on our financial and operating performance is insignificant. Therefore, we expect that potential trade restrictions between China and the U.S. will not have a significant impact on our export and overall performance for our production capacity in China. For our planned production capacity in Oman, we intend to primarily supply and sell N-type TOPCon cells to a broad base of overseas customers around the globe in the future. Even if some of our future overseas customers require exporting to the U.S., the risks related thereto can be effectively mitigated. This is because the U.S. and Oman have a long-term free trade agreement in force, and although the U.S. announced a baseline tariff on April 2, 2025 against Oman of 10%, it was one of the lowest levels among the targeted countries and does not specifically target PV products manufactured in Oman. In terms of indirect effects, we do not expect new U.S. tariff policies to pose material adverse impact on us either because (i) in terms of our existing domestic customers, all of our five largest customers during the Track Record Period are PV module manufacturers in China, and we derived a major portion of our revenue from PV module manufacturers in China. Given that according to Frost & Sullivan, the U.S.'s restrictive measures apply not just to PV cells, but to other PV products as well, PV module manufacturers in China seldomly sell to the U.S. from China using PV cells manufactured in China, and as such the new tariffs are not expected to further reduce the amount of PV product export from China to the U.S. Therefore, we do not expect new U.S. tariff policies to materially adversely affect our PV module manufacturer customers in China; (ii) in terms of our existing overseas customers, during the Track Record Period, our primary overseas markets were India and Turkey, both of which have significant and rapidly increasing domestic solar power installed capacity additions, giving rise to substantial local demand for PV cells that need to be fulfilled by imports, according to Frost & Sullivan. As of the end of 2024, the solar power cumulative installed capacity of India was 97.9 GW, with solar power installed capacity addition reaching 24.5 GW, increasing by 91.4% compared with 2023. As of the end of 2024, solar power cumulative installed capacity of Turkey was 19.6 GW, increasing by approximately 70% compared with 2023, and the Turkish government announced its plan to increase the Turkish solar power cumulative installed capacity to 77 GW by 2035. In addition, to our knowledge, none of our top five overseas customers during the Track Record Period was a U.S. company. As such, we do not expect new U.S. tariff policies to materially adversely affect our PV module manufacturer customers outside mainland China; (iii) in terms of our future customers, in conducting overseas expansion, we intend to continue prioritizing countries with strong and growing local demand and significant market size. For example, In 2024, solar power cumulative installed capacity in Oman reached around 2 GW and is expected to rise to 13 GW by 2030. Given the small size of the PV market of the United States, which is expected to account for only approximately 7% of the global new solar power installed capacity addition from 2024 to 2030, the trade restrictions applicable to this market is not expected to materially adversely affect the global PV market. In addition, considering our plan to reach a diverse base of international customers through our existing production capacity and the planned production plant in Oman, we do not expect new U.S. tariff policies to materially adversely affect our future customers. For details, see "Business — Business Sustainability — Our Proactive Mitigation and Growth Strategy — Overseas Expansion — Navigating Overseas Expansion Uncertainties with Our Customers."

Summary of Financial Performance and Financial Position for the Three Months ended March 31, 2025

As required by the Shenzhen Stock Exchange listing rules, we published our quarterly report on April 14, 2025, containing our unaudited interim financial information as of and for the three months ended March 31, 2025, prepared under the PRC GAAP. We have included our unaudited interim financial information prepared in accordance with IAS 34 as of and for the three months ended March 31, 2025 below and in Appendix IB to this prospectus for reference. Our unaudited condensed consolidated financial statements have been reviewed by the Reporting Accountants in accordance with Hong Kong Standard on Review Engagements 2410.

Our Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The table below sets forth our condensed consolidated statement of profit or loss and other comprehensive income for the periods indicated:

	Three Months Ended March 31,	
	2024	2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Revenue	3,708,062	1,872,185
Cost of Sales	(3,499,502)	(1,797,999)
Gross profits	208,560	74,186
Other income	22,546	14,207
Other gains and losses	8,586	14,901
Selling and marketing expenses	(19,681)	(10,914)
Administrative expenses	(85,122)	(87,058)
Listing expense	–	(164)
Research and development expenses	(64,846)	(50,080)
Net impairment losses under expected credit loss ("ECL") model	(2,003)	(5,568)
Other expenses	(53)	(19)
Finance costs	(56,242)	(72,473)
Profit (loss) before tax	11,745	(122,982)
Income tax credit	8,008	17,092
Profit (loss) for the period	19,753	(105,890)
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	–	9
Total comprehensive income (expense) for the period	19,753	(105,881)

Our revenue decreased from RMB3,708.1 million for the three months ended March 31, 2024 to RMB1,872.2 million for the same period in 2025, mainly due to (i) the decreases in the average selling price and sales volume of our N-type TOPCon cells and (ii) the decrease in the revenue generated from the sale of P-type PERC cells, as we completely phased out the sales and production of P-type PERC cells and pivoted our focus on N-type TOPCon cells. The average selling price for N-type TOPCon cells decreased from RMB0.40 per watt for the three months ended March 31, 2024 to RMB0.26 per watt for the same period in 2025. The sales volume of our N-type TOPCon cells decreased from 8.5 GW for the three months ended March 31, 2024 to 7.2 GW for the same period in 2025.

Our cost of sales decreased from RMB3,499.5 million for the three months ended March 31, 2024 to RMB1,798.0 million for the same period in 2025, mainly due to decreased market price of silicon wafers and decreased sales volume. Our total sales volume decreased from 10.1 GW for the three months ended March 31, 2024 to 7.2 GW for the same period in 2025.

Our gross profit decreased from RMB208.6 million for the three months ended March 31, 2024 to RMB74.2 million for the same period in 2025. Our gross profit margin decreased from 5.6% for the three months ended March 31, 2024 to 4.0% for the same period in 2025, mainly due to the decrease in the average selling price of our N-type TOPCon Cells. The average selling price of our N-type TOPCon cells decreased from RMB0.40 per watt for the three months ended March 31, 2024 to RMB0.26 per watt for the same period in 2025. According to Frost & Sullivan, the decrease in our average selling price was in line with the drop in the prevailing market price in the PV cells industry.

Our other income decreased from RMB22.5 million for the three months ended March 31, 2024 to RMB14.2 million for the same period in 2025, mainly due to the decreases in our bank interest income and government grants.

Our selling and marketing expenses decreased from RMB19.7 million for the three months ended March 31, 2024 to RMB10.9 million for the same period in 2025, mainly due to the decrease in share-based payment expenses.

Our administrative expenses stayed relatively stable at RMB85.1 million for the three months ended March 31, 2024 and RMB87.1 million for the same period in 2025.

Our finance costs increased from RMB56.2 million for the three months ended March 31, 2024 to RMB72.5 million for the same period in 2025, mainly due to the increase in our interest on bank and other borrowings.

As a result of the foregoing, we recorded net loss of RMB105.9 million for the three months ended March 31, 2025, as compared to a net profit of RMB19.8 million for the same period in 2024.

Our Condensed Consolidated Statement of Financial Position

The table below sets forth our condensed consolidated statement of financial position as of the dates indicated:

	As of December 31, 2024	As of March 31, 2025
	RMB'000 *(Audited)*	*RMB'000* *(Unaudited)*
NON-CURRENT ASSETS		
Property, plant and equipment	8,483,140	8,283,668
Right-of-use assets	167,256	165,945
Intangible assets	160,818	151,690
Goodwill	854,842	854,382
Deferred tax assets	368,112	384,751
Deposits paid for acquisition of property, plant and equipment	78,380	52,212
	10,112,548	9,892,648
CURRENT ASSETS		
Inventories	552,077	743,384
Trade, bills and other receivables	824,799	907,488
Receivables at fair value through other comprehensive income ("FVTOCI")	187,790	177,546
Value-added tax ("VAT") recoverable	752,116	753,300
Income tax recoverable	49,064	49,064
Financial assets at fair value through profit or loss ("FVTPL")	430,183	1,620,000
Restricted bank deposits	919,356	1,288,317
Cash and cash equivalents	2,616,276	2,545,847
	6,331,661	8,084,946
CURRENT LIABILITIES		
Trade, bills and other payables	3,800,785	4,008,135
Contract liabilities	82,549	57,177
Bank and other borrowings	2,491,935	3,131,436
Lease liabilities	2,170	1,735
	6,377,439	7,198,483
NET CURRENT (LIABILITIES) ASSETS	(45,778)	886,463
TOTAL ASSETS LESS CURRENT LIABILITIES	10,066,770	10,779,111
CAPITAL AND RESERVES		
Share capital	229,152	229,152
Treasury shares	(100,956)	(100,956)
Share premium	2,941,889	2,941,889
Reserves	816,912	713,708
TOTAL EQUITY	3,886,997	3,783,793

	As of December 31,	As of March 31,
	2024	2025
	RMB'000 *(Audited)*	*RMB'000* *(Unaudited)*
NON-CURRENT LIABILITIES		
Other payables	3,148,068	3,087,801
Bank and other borrowings	2,886,001	3,773,666
Lease liabilities	5,136	5,189
Deferred income	28,385	22,762
Deferred tax liabilities	112,183	105,900
	6,179,773	6,995,318
	10,066,770	10,779,111

We recorded net current liabilities of RMB45.8 million as of December 31, 2024 and recorded net current assets of RMB886.5 million as of March 31, 2025, mainly due to increase in our current asset from RMB6,331.7 million as of December 31, 2024 to RMB8,084.9 million as of March 31, 2025. The increase in our current assets was mainly attributable to (i) the increase in our financial assets at FVTPL, and (ii) the increase in our restricted bank deposits.

Our Condensed Consolidated Statement of Cash Flows

The table below sets forth selected information from our condensed consolidated statements of cash flows for the periods indicated:

	For the three months ended March 31,	
	2024	2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Net cash (used in) from operating activities	(44,855)	423,349
Net cash used in investing activities	(48,730)	(1,972,238)
Net cash (used in) from financing activities	(474,898)	1,476,905
Net decrease in cash and cash equivalents	**(568,483)**	**(71,984)**
Effect of changes in exchange rate	1,527	1,555
Cash and cash equivalents at beginning of the period	**2,649,852**	**2,616,276**
Cash and cash equivalents at end of the period	**2,082,896**	**2,545,847**

We recorded net cash used in investing activities of RMB1,972.2 million for the three months ended March 31, 2025, mainly due to purchase of financial assets at FVTPL, and placement of restricted bank deposits.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that as of the date of this document, there has been no material adverse change in our financial, operational or prospects since December 31, 2024, being the latest balance sheet date of our consolidated financial statements as set out in Appendix IA to this prospectus.

DIVIDENDS

On February 6, 2023, the Board of Directors approved our "Shareholder Return Plan for the Next Three Years (2023-2025)" (the "**Shareholder Return Plan**"). According to our Shareholder Return Plan, and subject to relevant PRC laws and applicable regulations, and our Articles of Association, after making up for any losses (if any), allocating statutory reserve funds, and allocating discretionary reserve funds (if necessary), from the year of 2023 to 2025, except for special circumstances, we target to distribute cash dividends to our Shareholders no less than 10% of our distributable profit for the year if our Company is profitable for the year and has a positive cumulative undistributed profit. The aforementioned special circumstances include: (i) the occurrence of significant investments or capital expenditure events (excluding fundraising projects), including but not limit to, any investment or future investment within the next twelve months, fixed assets investments, asset acquisitions, or procurement of equipment and service, with cumulative expenditures reaching or exceeding 50% of our net assets based on the audited financial statements from the latest financial year; (ii) our audited debt-to-asset ratio exceeds 70% at the end of the year; or (iii) the cumulative distributable profit per share for the year is less than RMB0.1. As of December 31, 2024, our debt-to-asset ratio was 76.4%, and the cumulative distributable profit per share for 2024 is RMB3.14. As of December 31, 2024, our estimated percentage of our forecast cumulative capital expenditures on purchase of and deposits paid for property, plant and equipment within the year of 2025 to our net assets as of December 31, 2024 is expected to be 42.1%. The percentage is highly speculative based on estimation and subject to further changes of our investment plan. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that we have entered into or may enter into in the future.

In April 2023, we declared cash dividend of RMB84.9 million and stock dividend of 56.6 million A Shares for the year ended December 31, 2022, which has been fully distributed in June 2023. In April 2024, we declared cash dividend of RMB170.0 million for the year ended December 31, 2023, which has been fully distributed in April 2024. We believe that the distribution of the dividends will not have a material impact on the sufficiency of our working capital after the Listing and we will be able to maintain sufficient funds to meet our working capital requirements and debt obligations.

COVID-19

Our past performance has proven ourselves capable of managing the risks related to global pandemics, such as COVID-19. Throughout the COVID-19 pandemic, we have maintained continuous production without any production halts, managed a stable raw material supply chain without any substantial disruption, adapted sales strategies to meet strong market demand, and maintained progressive R&D activities, demonstrating the resilience and robustness of our operational capabilities. Our success in minimizing the effects of COVID-19 is attributable to various reasons, including our location, measure taken, and overseas growth. For details, see "Business — COVID-19" in this prospectus.

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below.

"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and is/are listed for trading on the Shenzhen Stock Exchange
"A Shareholder(s)"	holder(s) of the A Share(s)
"Accountants' Report"	the accountants' report prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix IA to this prospectus
"Acting-in-Concert Agreement"	the acting-in-concert agreement entered into among the Yang Family (namely, Mr. Lu Xuyang (陸徐楊), Mr. Yang Renyuan (楊仁元), Ms. Lu Huifen (陸惠芬), Mr. Xu Xiaoping (徐曉平), Ms. Lu Xiaohong (陸小紅), Mr. Xu Weidong (徐衛東), Ms. Lu Yuhong (陸玉紅), Mr. Xu Yong (徐勇), and Ms. Lu Xiaowen (陸小文)) on November 30, 2013, as supplemented on April 23, 2020 and April 23, 2023, pursuant to which the members of Yang Family agreed and would continue to act in concert by aligning their votes when exercising their voting rights at the shareholders' meetings in our Group
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the articles of association to be adopted by our Company with effect upon Listing and as amended from time to time, a summary of which is set out in Appendix V to this prospectus
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors

"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"CAGR"	compound annual growth rate
"Capital Market Intermediary(ies)" or "CMI(s)"	the capital market intermediary(ies) participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China" or "the PRC"	the People's Republic of China, unless the context requires otherwise, excluding, for the purposes of this document only, the regions of Hong Kong, Macau and Taiwan of the People's Republic of China
"Chint New Energy"	Chint New Energy Technology Co., Ltd., a company founded in 2006 and located in Jiaxing, Zhejiang Province, primarily involves manufacturing of PV cells and modules
"Chuzhou Jietai"	Chuzhou Jietai New Energy Technology Co., Ltd. (滁州捷泰新能源科技有限公司), a limited liability company established in the PRC on December 14, 2021 and a wholly-owned subsidiary of our Company
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Company", "our Company" or "the Company"	Hainan Drinda New Energy Technology Co., Ltd. (海南鈞達新能源科技股份有限公司) (formerly known as Hainan Drinda Automotive Trim Co., Ltd. (海南鈞達汽車飾件股份有限公司)), a limited liability company incorporated in the PRC on April 3, 2003, which was converted into a joint stock company with limited liability on August 21, 2012, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 002865.SZ)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CSDC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Current Business"	the R&D, manufacturing and sales of PV cells
"Designated Bank"	HKSCC Participant's EIPO Designated Bank under FINI
"Director(s)"	the director(s) of our Company
"Discontinued Business"	the R&D, manufacturing and sales of car plastic accessories
"Dividends Distributions"	including: (i) on April 17, 2023, our Company distributed dividends of 0.398 Share and RMB0.5971 per ordinary Share to then existing Shareholders. As a result, our Company issued an aggregate 56,609,710 A Shares for satisfying such dividends distribution in specie to all then Shareholders; and (ii) on April 26, 2024, our Company distributed dividends of RMB0.7462 per ordinary Share to then existing Shareholders
"EIT"	enterprise income tax

"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
"electronic application instruction(s)"	instruction(s) given by a HKSCC Participant electronically via HKSCC's FINI system to HKSCC, being one of the methods to apply for the Offer Shares
"Employee Incentive Schemes"	the share option schemes adopted by our Company during the years from 2021 to 2023, the principal terms of which are set out in "Statutory and General Information — Employee Incentive Schemes" in Appendix VI to this prospectus
"Exchange Participant(s)"	a person: (a) who, in accordance with the Hong Kong Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
"Extreme Conditions"	means 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
"FINI"	Fast Interface for New Issuance, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
"First Acquisition"	the acquisition of 51% equity interest of Jietai Technology by our Company in 2021
"Frost & Sullivan" or "Industry Consultant"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant
"Frost & Sullivan Report"	the industry report commissioned by us and independently prepared by Frost & Sullivan, summary of which is set forth in the section headed "Industry Overview" in this prospectus

"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require
"Guide"	The Guide for New Listing Applicants, as published by the Stock Exchange on November 29, 2023 and effective on January 1, 2024, as amended or supplemented or otherwise modified from time to time
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Hong Kong Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hainan Jindi"	Hainan Jindi Technology Investment Co., Ltd. (海南錦迪科技投資有限公司), a limited liability company established in the PRC on December 3, 2010 whose equity interest was owned as to 80% by Yang Family Investment as of the Latest Practicable Date and is a member of our Single Largest Group of Shareholders
"Hainan Zhanhong"	Hainan Zhanhong New Energy Technology Center (Limited Partnership) (海南展宏新能源科技中心(有限合夥)) (formerly known as Shangrao Zhanhong New Energy Technology Center (Limited Partnership) (上饒展宏新能源科技中心(有限合夥))), the former employee shareholding platform of Jietai Technology with Mr. Zheng Hongwei (鄭洪偉), our Director, acting as the executive partner
"HKSCC"	the Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

"HKSCC EIPO channel"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to the investor designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on the investor's behalf, including by instructing the investor's broker or custodian who is a HKSCC Participant to submit an EIPO application on investor's behalf through FINI in accordance with your instruction
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly owned subsidiary of the HKSCC
"HKSCC Operational Procedures"	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of the systems established, operated and/or otherwise provided by or through HKSCC (including FINI and CCASS) as from time to time in force
"HKSCC Participant"	means a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 6,343,300 H Shares being initially offered by us for subscription pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed "The Structure of the Global Offering" in this prospectus)
"Hong Kong Public Offering"	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong, at the Offer Price (plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), on and subject to the terms and conditions described in the section headed "The Structure of the Global Offering" in this prospectus

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in the section headed "Underwriting — Hong Kong Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated April 25, 2025 relating to the Hong Kong Public Offering entered into by, among others, our Company, Yang Family Investment, Hainan Jindi, the Sponsor-Overall Coordinators and the Hong Kong Underwriters
"Hongye New Energy"	Shangrao Hongye New Energy Co., Ltd. (上饒市弘業新能源有限公司), a limited liability established in the PRC on August 24, 2020 and a wholly-owned subsidiary of our Company
"Huai'an Jietai"	Huai'an Jietai New Energy Technology Co., Ltd. (淮安捷泰新能源科技有限公司), a limited liability established in the PRC on October 13, 2022 and a wholly-owned subsidiary of our Company
"IAS"	International Accounting Standards
"IFRS"	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board (IASB) and the IAS and interpretations issued by the International Accounting Standards Committee (IASC)
"Independent Third Party(ies)"	any person(s) or entity(ies) who, to the best of our Directors' knowledge, information and belief having made all reasonable enquiries, is/are not a connected person of our Company within the meaning of the Listing Rules
"International Offer Shares"	the 57,089,000 H Shares being initially offered by our Company for subscription under the International Offering (subject to reallocation as described in the section headed "The Structure of the Global Offering" in this prospectus) together with any additional H Shares that may be allotted and issued pursuant to the exercise of the Over-allotment Option

"International Offering"	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S, on and subject to the terms and conditions described in the section headed "The Structure of the Global Offering" in this prospectus
"International Underwriters"	the group of underwriters, led by the Sponsor-Overall Coordinators, that expects to enter into the International Underwriting Agreement to underwrite the International Offering
"International Underwriting Agreement"	the underwriting agreement relating to the International Offering which is expected to be entered into on or around the Price Determination Date by, among others, our Company, Yang Family Investment, Hainan Jindi, the Sponsor-Overall Coordinators and the International Underwriters
"Jiangxi Uniex"	Jiangxi Uniex New Energy Co., Ltd. (江西展宇新能源股份有限公司), a limited liability company incorporated in the PRC on March 13, 2008
"Jietai Technology"	Shangrao Jietai New Energy Technology Co., Ltd. (上饒捷泰新能源科技有限公司), a limited liability company established in the PRC on December 6, 2019 and a wholly-owned subsidiary of our Company
"JingAo Solar"	JingAo Solar Co., Ltd. (晶澳太陽能有限公司), a company established in 2005 and headquartered in Beijing, specializes in PV auxiliary materials and equipment and PV application scenario solutions
"Jinko"	Jinko Solar Co., Ltd. (晶科能源股份有限公司), a STAR-listed company established in 2006 and headquartered in Shanghai. It focuses on integrated R&D and manufacturing of PV products
"Joint Bookrunners"	the joint bookrunners as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus

"Joint Global Coordinators"	the joint global coordinators as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Joint Lead Managers"	the joint lead managers as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Joint Sponsors"	Huatai Financial Holdings (Hong Kong) Limited, CMB International Capital Limited and Deutsche Securities Asia Limited
"Latest Practicable Date"	April 20, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Committee"	the listing committee of the Hong Kong Stock Exchange
"Listing Date"	the date, expected to be on Thursday, May 8, 2025, on which the H Shares are listed and on which dealings in the H Shares are first permitted to commence on the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"LONGi"	LONGi Group, a Chinese PV company, a major manufacturer of PV modules and a developer of solar power projects
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"Minghong New Energy"	Shangrao Minghong New Energy Technology Co., Ltd. (上饒市明弘新能源科技有限公司), a limited liability company established in the PRC on August 24, 2020 and a wholly-owned subsidiary of our Company

"MOF" or "Ministry of Finance"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Xu"	Mr. Xu Xiaoping (徐曉平), spouse of Ms. Lu, our executive Director and a member of our Single Largest Group of Shareholders
"Ms. Lu"	Ms. Lu Xiaohong (陸小紅), spouse of Mr. Xu, our executive Director, chairman of the Board and a member of our Single Largest Group of Shareholders
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NEEQ"	the National Equities Exchange and Quotations Co., Ltd.
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Offer Price"	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed "The Structure of the Global Offering" in this prospectus
"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Overall Coordinators" or "Sponsor-Overall Coordinators"	the joint overall coordinators as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus

"Over-allotment Option"	the option to be granted by us to the International Underwriters exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters and the Overall Coordinators) under the International Underwriting Agreement, to require our Company to allot and issue up to an aggregate of 9,514,800 additional H Shares at the Offer Price, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering to, among others, cover over-allocations in the International Offering, if any, further details of which are described in the section headed "The Structure of the Global Offering" in this prospectus
"Overseas Listing Trial Measures"	The Trial Measures for the Administration 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》) promulgated by the CSRC on February 17, 2023, which became effective on March 31, 2023, as amended, supplemented or otherwise modified from time to time
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
"PRC Legal Advisor"	Tian Yuan Law Firm, our legal advisor as to PRC laws
"Price Determination Date"	the date, expected to be on or before Tuesday, May 6, 2025 (Hong Kong time) on which the Offer Price is determined, or such later time as our Company, and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) may agree, but in any event not later than 12:00 noon on Tuesday, May 6, 2025
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of the Board

"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"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
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shangrao Development Zone"	Shangrao Economic and Technological Development Zone Industrial Development Investment Co., Ltd. (上饒經濟技術開發區產業發展投資有限公司), an existing Shareholder of the Company
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and CSDC for the establishment of mutual market access between Hong Kong and Shenzhen
"Single Largest Group of Shareholders"	Yang Family, Yang Family Investment and Hainan Jindi
"Southbound Trading Link"	the entrustment of China securities houses by China investors to trade shares listed on the Stock Exchange within a stipulated range via filing by the securities trading service companies established by the Shanghai Stock Exchange and Shenzhen Stock Exchange with the Stock Exchange

"Stabilizing Manager"	Huatai Financial Holdings (Hong Kong) Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of our Supervisory Committee
"Supervisory Committee"	the supervisory committee of our Company
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buybacks published by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the financial years ended December 31, 2022, 2023 and 2024
"Trina Solar"	Trina Solar Co., Ltd., a Chinese PV company founded in 1997 that manufactures, sells and performs R&D on PV products, EPC and O&M
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Person"	has the meaning given to such term in Rule 902(k) of Regulation S
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"VAT"	value-added tax

"White Form eIPO"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of the **White Form eIPO** Service Provider at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Yang Family"	Ms. Lu, Mr. Xu and their family members including: Mr. Lu Xuyang (陸徐楊), Mr. Yang Renyuan (楊仁元), Ms. Lu Huifen (陸惠芬), Mr. Xu Weidong (徐衛東), Ms. Lu Yuhong (陸玉紅), Mr. Xu Yong (徐勇), and Ms. Lu Xiaowen (陸小文), each of them is a member of our Single Largest Group of Shareholders and together, as of the Latest Practicable Date, pursuant to an Acting-in-Concert Agreement entered into by and among each of them on November 30, 2013, they are able to exercise approximately 22.61% voting rights in our Company
"Yang Family Investment"	Hainan Yang Family Technology Investment Co., Ltd. (海南楊氏家族科技投資有限公司), a limited liability company established in the PRC on November 4, 2010 whose equity interest was wholly owned by Yang Family as of the Latest Practicable Date and is a member of our Single Largest Group of Shareholders
"%"	percent

Certain amounts and percentage figures included in this prospectus have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, nature persons or other entities (including our subsidiaries) have been included in this prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

This glossary of technical terms contains explanations of certain technical terms used in this prospectus. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms and may not be comparable to similar terms adopted by other companies.

"AGV"	Automated Guided Vehicle, a portable robot that typically follows along marked long lines or wires on the floor, or uses radio waves, vision cameras, magnets, or lasers for navigation. They are most often used in industrial applications to transport heavy materials around a large industrial building, such as a production plant
"annual degradation rate"	the amount by which the projected output of the PV cell is expected to be reduced for each year of service
"annualized production capacity"	an estimation of the yearly output capability of a production plant based on its capacity on a specific day. Annualized production capacity as of a date is calculated by multiplying the production capacity of the production plant on that day by 365
"average selling price"	the average price at which PV cells are sold to our customers over a specific period of time, which includes both PV cells manufactured under our own brand and on behalf of our customers as part of our manufacturing service. Unless otherwise specified, our average selling price are presented on a net of tax basis (such tax primarily consists of a VAT at a rate of 13%) and takes into account PV cells at varying performance levels sold at different prices.
”bifacial ratio”	a key performance metric for PV cells, it measures how much additional power the rear side of the PV cells generates compared to the power generated by the front side
"black silicon PV cells"	PV cells made applying the process of etching tiny nanostructures on their surface, increasing the surface area of the cell and the amount of sunlight that is captured rather than reflected back from the cell

"busbars"	thin strips of metal found between PV cells designed to separate PV cells and conduct the direct current the PV cells collect from solar photons to the solar inverter
"carbon footprint"	a measure of the amount of carbon dioxide and other carbon compounds emitted due to the consumption of fossil fuels by a particular person, group, etc.
"CIF"	a term used when a seller agrees to cover the costs, insurance, and freight of a buyer's order while the goods are in transit
"CIFD"	a term used when the seller pays for all the costs, insurance, and freight to bring the goods to the buyer's destination country, and also covers any applicable duties and taxes required by the destination country
"construction period"	the time between breaking ground and the commencement of mass production of PV cells
"conversion efficiency"	the percentage of the solar energy shining on a PV cell that is converted into usable electricity. For the purpose of the PV cells described in this prospectus, it specifically refers to the median conversion efficiency of such PV cells
"doping concentration"	the amount of impurity atoms intentionally added to a semiconductor material to modify its electrical properties. It controls the amount of light absorption on the surface and affects the efficiency of PV cells
"economies of scale"	the cost advantages that enterprises obtain due to their scale of operation
"front side efficiency"	the efficiency with which the front side of a PV cell converts sunlight into electrical energy. It is a crucial factor in determining PV cell conversion efficiency because this is where the majority of light absorption and conversion to electricity occurs

"front silver paste"	a critical material used in manufacturing PV cells, it is primarily composed of a mixture of silver particles and an organic medium. It is applied to the front side of the PV cells to form the conductive grid that collects and channels the electricity generated by the PV cell
"green factory"	a factory that strives for greenhouse-gas neutrality by combining renewable energies, smart connectivity, and demand-side energy management in production
"GW"	gigawatt, a unit of power, one GW equals to 1,000,000,000 watt. Together with other units of power, it is the primary metric used in the PV industry to measure PV cell production capacity, shipment volume, backlog, etc. When doing so, it can be calculated by multiplying the number of PV cells by the average power that the individual PV cells could generate
"HBC"	N-type xBC cells incorporating HJT technology
"HJT"	heterojunctions that are formed between semiconductors with dissimilar band gaps, on which HJT PV cells, a type of N-type cells, are based
"K"	Kelvin, a unit of temperature
"kWh"	kilowatt-hour, a unit of energy, one kWh equals a power of 1kW being used for one hour
"metallization process"	the manufacturing of metal contacts at the surfaces of PV cells to collect the photo-generated current for use
"monocrystalline cell"	a PV cell made up of crystals that are grown along one plane (or one direction) from cylindrical shaped ingots which are in turn sliced into small wafers
"MW"	megawatt, a unit of power, one MW equals 1,000,000 watt
"nitrogen oxides," "NO_x"	a mixture of nitric oxide (NO) and nitrogen dioxide (NO_2), which are gases produced from natural sources, motor vehicles and other fuel burning processes

"N-type cells"	a type of PV cell made from N-type semiconductor material, which has been doped with elements that provide an excess of electrons, including N-type TOPCon cell, N-type HJT cell, and N-type xBC cell
"N-type TOPCon cells"	tunnel oxide passivated contact cell, a type of N-type cell with a delicate tunnel oxide layer between the transparent conductive oxide layer and a p-doped crystalline silicon layer
"ohmic contact"	A low resistance junction (non-rectifying) that provides current conduction from metal to semiconductor and vice versa
"open-circuit voltage", "V_{oc}"	the maximum voltage a PV cell produces when no current is flowing in the circuit
"passivation"	a process or technique used to enhance the performance and longevity of materials by reducing the reactivity of their surfaces
"P-type PERC cells"	passivation emitter rear contact cell, a type of PV cell that has an extra layer of material on the back side of the cell to achieve higher energy conversion efficiency
"perovskite tandem PV cells"	cells that uses two layers of perovskite that tap into different wavelengths of light, plus a special surface treatment that reduces wasted energy
"polycrystalline cell"	a PV cell composed of numerous silicon crystals that are grown in multiple directions
"production capacity"	production capacity is calculated as the full production rate of various machines operating 360 days for a year. If a plant commences operation in the middle of the year, the days in the year equal to the actual days from production commencement to the last day of such year is used instead. Production capacity of each plant is determined under the assumption that the facilities operate 24 hours daily, deducting necessary time for the maintenance, upgrade or adjustment of the manufacturing facilities and worker handover, which in turn results in an actual effective operating time of the manufacturing facilities of approximately 23 hours daily

"PV cells"	an electronic device that converts the energy of light directly into electricity through the photovoltaic effect
"quartz"	a hard, crystalline mineral composed of silica (silicon dioxide)
"R&D"	research and development
"resistive losses"	the power loss caused by the resistance in electrical current flow. Resistance in an electrical conductor is directly proportional to its length
"sales volume"	the quantity of products sold within a specific time period, including both products manufactured under our own brand and on behalf of our customers as part of our manufacturing service. For a specialized PV cell manufacturer, the entirety of its shipment volume is sold to its customers. Therefore, its shipment volume equals its sales volume
"screen printing"	the process of depositing silver paste on silicon wafers to establish electrical connections
"shipment volume"	the total number of products we deliver to customers within a specific period, including both products manufactured under our own brand and on behalf of our customers as part of our manufacturing service. For a specialized PV cell manufacturer, the entirety of its shipment volume is sold to its customers. Therefore, its shipment volume equals its sales volume
"short-circuit current", "I_{sc}"	the maximum current generated by a PV cell when its output terminals are shorted
"silicon wafer"	a thin slice of crystalline silicon that serve as the substrate for fabricating PV cells
"sintering"	the process of compacting and forming a solid mass of material by pressure or heat without melting it to the point of liquefaction
"sq.m."	square meters
"sulfur dioxide"	a gaseous air pollutant composed of sulfur and oxygen

"temperature coefficient"	the specification that defines how a voltage reference's output voltage will drift over a given temperature
"TBC"	N-type xBC cells incorporating TOPCon technology
"utilization rate"	utilization rate is calculated as dividing production volume by the production capacity for the same period
"wet processing"	an important step in PV cell processing for saw damage removal for the as-cut wafers, texturing of the surface to increase the absorption of incoming solar radiation and edge isolation after the diffusion process
"xBC"	back contact, a next-generation platform technology that improves conversion efficiency by shifting all the electrode grids on the front side to the back side of the PV cell, thus reducing the shading of the grids from sunlight. This platform technology can be used to incorporate other PV cell technologies, such as TOPCon and HJT, though due to its design and current technology, they are better suited for certain application scenarios, such as rooftop installations, as only the frontside is expected to generate electricity efficiently, than for other application scenarios, e.g., solar power stations

This prospectus contains forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. 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 prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business strategies and plans to achieve these strategies;
- our ability to complete the development and obtain the relevant requisite regulatory approvals of our products;
- our ability to attract customers and further enhance our brand recognition;
- our future debt levels and capital needs;
- changes to the political and regulatory environment in the industry and markets in which we operate;
- changes in competitive conditions and our ability to compete under these conditions;
- future developments, trends and conditions in the industry and markets in which we operate;
- general economic, political and business conditions in the markets in which we operate;
- effects of the global financial markets and economic crisis;
- our financial conditions and performance;
- our dividend policy; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

In some cases, we use the words "aim", "anticipate", "believe", "can", "continue", "could", "estimate", "expect", "going forward", "intend", "ought to", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "will", "would" and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the sections headed "Business" and "Financial Information" in this prospectus in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all.

Accordingly, you should not place undue reliance on any forward-looking statements in this prospectus. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

An investment in the H Shares involves various risks. You should consider carefully all the information set out in this prospectus and, in particular, the risks described below before making an investment in the H Shares. The occurrence of any of the following events could materially and adversely affect our business, financial position, results of operations or prospects. If any of these events occurs, the trading price of the H Shares could decline, and you may lose all or part of your investment. You should seek professional advice from your relevant advisors regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRIES

Our business is affected by conditions in the PV cell market and PV industry; in particular, any adverse development of the supply-demand dynamics of PV cells may significantly affect the price and market demand of our product.

Our product, PV cells, serve as the most vital component within PV modules. These modules can then be integrated into PV systems, which are subsequently deployed in various settings, including power plants, factories, buildings, and residences, primarily for solar power electricity generation. Consequently, our business is affected by the prevailing market conditions of PV cells, the overall PV industry, as well as the renewable energy power generation industry. These market conditions are further substantially influenced by supply-demand dynamics, which are subject to various factors beyond our control. Such factors include competition, technological advancements, market preferences, as well as changes in policies within the relevant local regions. If the supply of PV cells exceeds the demand, or if governments reduce financial support for the PV industry or impose trade barriers for PV cells, demand and the average selling price for our PV cells could be materially and adversely affected. Accordingly, our business operation and/or our results from operations may be materially and adversely affected. The PV cell industry operates in a highly dynamic and unpredictable environment due to rapid technological advancements, fluctuating market demands, and evolving global regulations. Government policies, including in regions like Europe, play a significant role in shaping the industry through subsidies, tax incentives, and renewable energy mandates. However, these regulations are subject to change based on political and economic shifts, creating uncertainty.

For example, since the fourth quarter of 2023, the PV cell market has experienced fluctuation that affected the performance of many industry participants, including ourselves, through, among others, adversely affecting the trend of N-type TOPCon cells' average selling price. Initially, N-type TOPCon cells face competition with P-type PERC cells that were sold at low prices for inventory clearance given the P-N transition; subsequently, continued silicon wafer price decrease until late May 2024 adversely affected the average selling price of PV cells, which reduced our gross profit margin. In line with the market trend, the average selling price of our PV cells decreased in 2024. For a quantitative analysis of the price volatility of N-type TOPCon cells and silicon wafer during the Track Record Period, see "Industry

Overview — Global PV Cell and Core Raw Material Price Fluctuations Analysis" in this prospectus. For quantitative information on the price volatility of N-type TOPCon cells and silicon wafer subsequent to the Track Record Period, see "Summary — Recent Developments" in this prospectus. We cannot assure you that the fluctuation will not continue or exacerbate going forward.

In addition, the global renewable energy power generation industry, including for solar power generation, is still at an early stage of development, which consequently poses various challenges that impact the predictability of market demand for our PV cells. Many factors may affect the viability of PV cell technology and the demand for PV cells, including:

- the cost-effectiveness, performance and reliability of solar power products compared to fossil fuels and other renewable energy sources and products and services;

- the availability of government incentives to support the development of the solar power industry;

- the availability and cost of capital, including long-term debt;

- the success of technological development of other renewable energy sources, such as wind power, hydropower, clean hydrogen, geothermal power and biomass fuel technologies;

- fluctuations in economic and market conditions that affect the viability of fossil fuels and other renewable energy sources, such as increases or decreases in the prices of oil, gas and other fossil fuels;

- capital expenditures by end users of PV cells, which tend to decrease when the economy growth slows; and

- the availability of favorable regulation for solar power within the renewable energy industry and the broader energy industry.

If solar power is not suitable for widespread adoption or if sufficient demand for PV cells does not develop or takes longer to develop than we anticipate, our revenues may suffer, our business operation and/or our results from operations may be materially and adversely affected, and we may be unable to sustain our profitability.

Technological changes in the PV cell industry could render our products in production or under R&D and our production facilities uncompetitive or obsolete, which cannot be accurately predicted nor fully mitigated.

The PV cell industry is characterized by evolving technologies and standards. These technological evolutions and developments lead to improvement and upgrade of our products from time to time, such as transition from P-type PERC cells to N-type cells, PV cells with higher conversion efficiency and lifetime electricity generation capacity. We may fail to timely identify the next generation of or the next mainstream technology, and demand for a type of PV cells may reduce substantially once a new technology emerges, matures, and reaches large-scale mass production. Our competitors may manufacture PV cells with better performance indicators through their R&D endeavors, such as PV cells with higher conversion efficiencies and lifetime electricity generation capacity at a lower cost than our products. In order to maintain our market position, keep pace with technological advances in the PV cell industry, and effectively compete in the future, we need to invest significant resources in R&D. Research and development expenses amounted to RMB235.2 million, RMB303.8 million and RMB207.0 million in 2022, 2023 and 2024, respectively. In addition, centering on our N-type TOPCon cells, we have been actively engaging in the R&D of cutting-edge technologies such as HJT, perovskite tandem PV cells, and xBC, where we are primarily focused on N-type TBC cells that have the potential to complement our N-type TOPCon cells in different application scenarios, e.g. rooftop installations, as only the frontside is expected to generate electricity efficiently, and we have been undertaking various R&D programs, including ultra-fine finger technology and platform technology overlay. For details, see "Business — Research and Development — Key R&D Programs" in this prospectus.

As R&D activities are inherently uncertain, we cannot assure you that any of our R&D projects will be successful or be completed within the time frame and budget that we anticipate, or that we will continue to develop advanced technologies and know-hows, or that our newly developed products will achieve wide market acceptance as we anticipated. Our judgment of the development trend of PV cell technology may prove inaccurate, and we may fail to invest sufficiently in R&D in the technology with the most market potential even if we do identify them. Consequently, we may be exposed to the risk of technological backwardness. Even if such products can be successfully commercialized, we cannot assure you that they will be accepted by our customers and achieve anticipated sales or profit target.

N-type TOPCon cells are regarded as and will continue as the mainstream N-type technology in the near term. For details, see "Industry Overview — Global PV Cell Market Overview — Definition and Classification of PV Cells" and "Industry Overview — Global PV Cell Market — Global PV Cell Market in the P-N Transition" in this prospectus. However, there is no certainty regarding the developmental trajectory of N-type HJT and xBC technologies. Despite current projections, there exists the possibility that these technologies may achieve unexpected breakthroughs in cost efficiency, which could disrupt the industry and affect our competitive advantage. For example, we cannot assure you that N-type HJT cells or other types of PV cells currently under R&D or pilot testing will not reach large-scale mass production earlier than we expected or become the market mainstream in the future, nor can we assure you that our belief in the suitability of different PV cells for different application scenarios in the future will not be proven incorrect, which may require us to reevaluate the market prospect for both xBC cells and N-type TOPCon cells. Additionally, there is always the potential for new technological innovations that have not yet been identified, which could emerge and alter the market landscape significantly. Our future success is contingent upon our ability to anticipate and adapt to such technological changes, and failure to do so could have an adverse effect on our financial condition and operational results.

Technological changes in the PV cell industry could render our products in production as well as our production facilities uncompetitive or obsolete, which cannot be accurately predicted nor fully mitigated. During the Track Record Period, we observed a shift in market demand from P-type PERC cells to N-type TOPCon cells due to the latter's superior performance and enhanced cost efficiency. Such a shift in market demand accelerated since late 2023 and quickly eroded P-type PERC cells' remaining competitive edge. As a result, we recognized impairment loss of RMB894.2 million on certain P-type PERC cell production lines and production facilities in our Shangrao Plant for 2023. For details, see "Financial Information — Description of Major Components of Our Results of Operations — Impairment Loss of Property, Plant and Equipment, Inventories and Goodwill" in this prospectus. Additionally, our existing or potential competitors may develop products which are similar or superior to our existing products and/or are more competitively priced. Due to uncertainties in the time frame for developing new products and the duration of market window for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such a product. If we fail in our product launching efforts, if we fail to further refine and enhance our products and processes or to keep pace with evolving technologies and industry standards, our products could become uncompetitive or obsolete, which could materially adversely reduce our market share and affect our results of operations.

Because the PV cell market is highly competitive and evolving quickly, many of our competitors may be more established, resourceful or adaptive, and we have a limited track record in PV cell operations, our previous operating history and financial performance may not be reliable indicators of our prospects, and competitions may erode our leading market share in N-type TOPCon cell market.

The market for PV cells is intensely competitive and continuously evolving. Both our Company and our competitors need to make improvement and upgrade the existing products from time to time. Some PV cell manufacturers are developing or producing products based on PV cell technologies that may ultimately have costs lower than our projected costs, and their expansion of production capacity may achieve economies of scale that exceed ours. To effectively compete, our technologies, products and production capacity are undergoing continuous transformation, which may prove unsuccessful, risk missing market opportunities and losing market share and in turn negatively affect our performance.

In addition, some of our current and potential competitors may have a longer operating history, stronger brand recognition, more established relationships with customers, greater financial and other resources, a larger customer base, better access to raw materials and greater economies of scale than we do. Some of our competitors may also have closer relationships or may enter into exclusive relationships with some of the key customers in the market. As a result, they may be able to respond more quickly to changing customer demands or devote greater resources to the development, promotion and sales of their products to respond to the changing customer demand. In the meantime, some of our competitors may have more diversified product offerings comprising different types of PV cells from ours, which may better position them to withstand a decline or shift in demand for certain types of PV cells. Some of our competitors may also increase their production of PV cells at a price similar or lower than our PV cells, resulting in decreased customer demand from us. In addition, given that some of our customers are integrated manufacturers, who may also compete with us to some extent given that their PV modules utilize PV cells from both themselves and specialized manufacturers like us, they may benefit from their business model as they could place less reliance on the upstream suppliers as we do. If we fail to compete successfully, our business will suffer, and we may not be able to maintain or increase our market share.

Furthermore, as we have a global footprint and sell our PV cells to overseas customers, we are subject to competition globally. In certain of our target markets, local state-owned and private companies have been taking advantage of the significant market opportunity created by attractive financial incentives and favorable regulatory environment. State-owned companies may have stronger relationships with local governments in certain regions, and private companies may be more focused and experienced in manufacturing and selling PV cells in the markets where we compete. Our failure to adapt to changing market conditions and to compete successfully with existing or new state-owned or private competitors will limit our growth and will have a material adverse effect on our business and prospects.

We cannot assure you that our revenue will increase at previous rates or at all, or that we will be able to continue to operate profitably in future periods. The previous operating history may not be a reliable predictor of our future results of operations, and past revenue growth should not be taken as indicative of the rate of revenue growth, if any, that can be expected in the future. We believe that period to period comparisons of our operating results and our results for any period should not be relied upon as an indication of future performance, especially given that there is no guarantee that we can compete successfully in the markets in which we operate or the ones we plan to enter in the future.

The reduction, modification, delay or elimination of government subsidies and other economic incentives in the solar industry may materially adversely affect our business.

With advancements in industrial technology and improved efficiency, newly constructed solar power projects have achieved grid parity. In 2022, the unit price of solar power electricity had become lower than that of fossil fuel-based electricity generation, as well as offshore wind power and hydropower. Nevertheless, there can be no assurance that the unit price of solar power electricity will continue to be lower than that of fossil fuel-based electricity generation, as well as offshore wind power and hydropower in the future. In the near term, the market demand for solar power and solar power products, including our PV cells, will continue to be affected by the availability of government incentives. Government-sponsored financial incentives to promote solar energy include subsidies from the central and local governments, preferential tax rates and other non-monetary incentives. The availability and size of such subsidies and incentives depend, to a large extent, on political and policy developments relating to environmental concerns and other macro-economic factors. Moreover, government incentive programs are expected to gradually decrease in scope or be discontinued as solar power technology improves and becomes more affordable relative to other types of energy. Negative public or community response to solar energy projects could adversely affect the government support and approval of our solar energy business. Adverse changes in government regulations and policies relating to solar energy industry and their implementation, especially those relating to economic subsidies and incentives, could significantly reduce the profitability of our business and materially and adversely affect the state of the industry.

Policies and regulations adopted by the governments towards the solar energy industry are important to the continuing success of our business. Existing incentive programs may be reduced or eliminated for economic, political, financial or other reasons. In addition, the provincial or local governments may delay the implementation or fail to fully implement central government regulations, policies or initiatives. The cost of generating solar power has decreased as it is cheaper than producing electricity from fossil fuels, and the government has implemented a grid parity policy for solar power generation during the Track Record Period. If the solar energy industry fails to maintain commercially profitable without subsidies in near term, a significant reduction in the scope or the discontinuation of government incentive programs could materially and adversely affect market demand for our products and negatively impact our revenue and profitability.

We recorded net loss in 2024. Our past growth may not be indicative of our future performance, and we may not be able to sustain our growth rate and may incur net loss in the future even after 2024.

Our revenue decreased from RMB18,610.8 million in 2023 to RMB9,923.9 million in 2024, mainly due to the decreases in revenues generated from both P-type PERC cells and N-type TOPCon cells. The average selling price of N-type TOPCon cells decreased from RMB0.67 per watt in 2023 to RMB0.31 per watt in 2024. We incurred a net loss of RMB591.1 million in 2024, compared with a net profit of RMB815.6 million in 2023. Our total revenue increased by 67.9% from RMB11,085.7 million in 2022 to RMB18,610.8 million in 2023, mainly due to the increase in the revenue generated from the sale of our N-Type TOPCon cells, as we benefited from the P-N transition. Such growth in 2023 may not recur in the future. Our historical growth rate may not be sustainable or indicative of our future growth rate, and in future periods, our growth could be slower than we expect or decline. Given our loss making position in 2024, and given that both silicon wafer price and PV cell price remained on a downward trajectory and may continue to decrease in the near future, we may continue to incur gross loss and expect to remain loss-making and the net loss will continue, and given that both silicon wafer price and PV cell price may continue to decrease after 2024, we may continue to experience material adverse changes in our performance in the near future after 2024 for the relevant years, and there is no assurance that we will return to a gross profit position in 2025.

We believe that continued growth in our revenue as well as our ability to improve margins and profitability, will depend upon, among other factors, our ability to address the challenges, risks, and difficulties described elsewhere in this "Risk Factors" section. We cannot provide assurance that we will be able to successfully manage any such challenges or risks to our future growth. Any of these factors could cause our revenue growth to slow down or decline and may adversely affect our margins and profitability.

We may make additional impairment loss on our assets.

During the Track Record Period, we conducted regular review and impairment assessment on carrying amounts of our goodwill, property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. In particular, according to our accounting policies, we may only retain an asset when it is capable of generating enough cash to pay for itself and, preferably, produce some profit, failing which, its carrying amount would have to be reduced to reflect the loss of capability to produce cash and profit. Such test involves business judgement of our management, which is subjective in nature and subject to inherent limitations and risks. For details, see also "Financial Information — Material Accounting Policy Information — Impairment on Goodwill, Property, Plant and Equipment, Right-of-Use Assets and Intangible Assets" in this prospectus.

Goodwill represented a significant portion of the assets on our consolidated balance sheet as of December 31, 2024. The value of goodwill is based on a number of assumptions made by the management. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to have a significant write-off of our goodwill and record a significant impairment loss. The entire carrying amount of the investment (including goodwill, property, plant and equipment, right-of-use assets and intangible assets) is tested for impairment in accordance with IAS 36 on an annual basis regardless whether there is any indication of impairment 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 recognized 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 recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases. Any significant impairment of goodwill or other intangible assets could have a material adverse effect on our results of operation and financial position. For more information regarding our impairment policy in relation to goodwill, see Note 17A to the Accountants' Report in Appendix IA to this prospectus.

During the Track Record Period, we observed a shift in market demand from P-type PERC cells to N-type TOPCon cells due to the latter's superior performance and enhanced cost efficiency. Such a shift in market demand accelerated since late 2023 and quickly eroded P-type PERC cells' remaining competitive edge. As a result, the profitability and the business prospect, even the sustainability of our P-type PERC cell business line, have been and will continue to be subject to evolving challenges. As a result, we recognized impairment loss of RMB894.2 million on certain P-type PERC cell production lines and production facilities in our Shangrao Plant for 2023. The P-N transition is poised to have additional impacts on our operational and financial performance.

There is no assurance that the price of any type of PV cells will not continue to decrease due to factors beyond our control, such as market competition, technology evolution and customers' preference, the occurrence of which may cause the carrying value of our existing inventory to exceed its expected market price in future periods, thus requiring us to make additional provisions for inventory valuation, which may have a material adverse effect on our financial position and results of operations.

We face risks associated with the potential oversupply of PV cells in the PRC and other markets, as well as the potential decrease in demand for PV cells if government reduces subsidies to downstream players in the supply chain of the solar power industry.

The PV industry in the PRC and other global markets is facing the risk of potential oversupply. This situation can emerge from the rapid expansion of production capacities driven by technological advancements and incentives for renewable energy production. However, if the supply of PV cells significantly surpasses demand, the market could experience saturation. This oversupply typically leads to a decline in PV cell prices as manufacturers compete to offload their surplus stocks, initiating a price war that can substantially erode profit margins. For our Group, such a scenario signifies a direct threat to profitability as lower PV cell prices would reduce our gross profit margin, impacting the overall financial condition. Additionally, the mounting pressure to sell excess inventory could lead to increased operational costs associated with storage and capital being tied up in unsold stock, further straining our resources. While we mainly adopt a floating price model based on the market spot price of PV cells consistent with the industry practice, given this pricing model's market-price based nature and our lack of control over the market price, it is unable and not expected to nullify the impacts of market spot price changes, especially when price fluctuation is substantial and prolonged. For example, see "Business — Business Sustainability" in this prospectus on the material adverse effects on our profitability resulting from prolonged silicon wafer and PV cell price fluctuation.

The demand for PV cells is highly susceptible to changes in government policies, particularly regarding subsidies to downstream players in the solar power industry, such as PV module manufacturers. If the government decides to reduce or withdraw these subsidies, it could lead to a significant decline in demand for PV cells. Subsidies often make solar power projects more economically viable and attractive to investors and without them, the financial incentives to embark on or expand such projects diminish. This potential decrease in demand would directly affect our sales volumes and could lead to an accumulation of inventory, placing additional financial burden on the Group. Moreover, the reduced demand can stifle the industry's growth, limiting our ability to capitalize on new opportunities and potentially leading to a slowdown in technological advancements due to reduced revenue and investment in research and development.

Government policies and industry association guidelines may not be effective in improving market trends.

Since 2024, favorable government regulations and industry guidelines in China have been introduced to alleviate temporary supply demand imbalance and curb continued price decreases through limiting production capacity expansion and encouraging high quality development. For details, see "Business — Business Sustainability" of this prospectus. Such efforts at re-balancing supply-demand, if successful, may benefit industry participants across segments to some extent. However, while regulations are already in effect as of the date of this prospectus, we cannot guarantee that they will be executed without compromise or fully implemented in their intended form. The effectiveness of government policies and industry association guidelines in addressing challenges and improving market trends is uncertain. While these measures are often implemented to regulate and support the industry, there is no guarantee that they will achieve the intended outcomes. Factors such as market dynamics, consumer behavior, macroeconomic conditions, and global economic trends may limit the impact of these policies and guidelines. For example, government initiatives aimed at stimulating demand or stabilizing prices may face delays in implementation or fail to address underlying structural issues in the market. Similarly, industry association guidelines designed to standardize practices or promote sustainability may not be widely adopted by all participants, potentially reducing their effectiveness. In addition, the industry guidelines by CPIA are industry self-regulating measures, which are not legally binding by nature, and may not be effective in improving the market trend. If government policies or industry guidelines are ineffective in improving market conditions or fail to address the specific challenges faced by our industry, our business operations, financial condition, and results of operations may be adversely affected. Furthermore, any unexpected changes in policies or guidelines, or the introduction of new regulations, may result in increased compliance costs or operational disruptions, adding further uncertainty to our business environment.

We may not be able to obtain sufficient raw materials in a timely manner and/or on commercially reasonable terms.

Silicon wafers and silver paste are the primary raw materials for the production of PV cells, which are the primary components of PV modules. Among various types of PV cell raw materials, silicon wafers constitute the largest cost component, typically accounting for around 60% of the total cost, and silver paste is the second largest cost component. As such, our ability to obtain sufficient raw materials in a timely manner and on commercially reasonable terms is vital for our business performance and profitability. We may experience interruption to our supply of silicon wafers, silver paste or other raw materials or late delivery in the future for the following reasons beyond our control, among others:

- suppliers under our raw materials supply agreements may delay deliveries for a significant period of time without timely notices or incurring penalties;

- our suppliers may not be able to meet our production needs consistently or on a timely basis;

- compared with us, some of our competitors who also purchase from our suppliers may have longer and stronger relationships with and may have greater buying power and bargaining leverage over some of our key suppliers; and

- our supply of silicon wafers, silver paste or other raw materials is subject to the business risks of our suppliers, some of whom have limited operating history and limited financial resources, and one or more of which could go out of business for reasons beyond our control in the current economic environment.

Our failure to obtain the required amounts of silicon wafers, silver paste and other raw materials, such as screens and quartz pieces, in a timely manner and on commercially reasonable terms could increase our manufacturing costs and substantially limit our ability to fulfill our contractual obligations to our customers. Any failure by us to meet such obligations could have a material adverse effect on our reputation, ability to retain customers, market share, business and results of operations and may subject us to claims from our customers and other disputes. Furthermore, our failure to obtain sufficient silicon wafers, silver paste and other raw materials would result in under-utilization of our production plants and an increase in our marginal production costs. Any of the above events could have a material adverse effect on our growth, profitability and results of operations.

Price fluctuations in raw materials complicate our procurement strategies and processes.

Among various types of PV cell raw materials, silicon wafers constitute the largest cost component, typically accounting for around 60% of the total cost, and silver paste is the second largest component. The prices of silicon wafers have been subject to significant volatility. Historically, increases in the price of silicon wafers had increased our production costs. In 2022, the average price of silicon wafers (net of tax) amounted to RMB5.8/pc, then experienced a decline in prices in 2023, which continued into 2024, and such fluctuation also affected the average selling price of our PV cells. In 2022, the price of silver paste (net of tax) amounted to RMB4,690/kg, then experienced a mild increase in prices in 2023 and a noticeable increase in 2024 to an average of RMB6,379/kg due to the fluctuation and upward trend of silver price, according to the same source.

In order to ensure that the supply of raw materials from our suppliers meets our need, we have entered into raw material supply agreements with our suppliers. For details, see "Business — Supply Chain Management" in this prospectus. We expect that the prices of silicon wafers and silver paste may continue to be subject to volatility, making our procurement strategies challenging. We primarily entered into long term silicon wafer supply agreements with our suppliers that predominantly use spot market price as the benchmark for our pricing. Adopting such a pricing mechanism may lead to us missing the opportunities to secure long-term supplies of silicon wafers at favorable prices if the spot market price of silicon wafers increases significantly in the future. As a result, our cost of raw materials could be higher than that of our competitors with a procurement strategy different from ours. Similarly, while this pricing mechanism was adopted to mitigate the effects that silicon wafer price fluctuation may have on our profitability to some extent, given its market-price based nature and our lack of control over the market price, it is unable and not expected to nullify the impacts of spot market price changes, especially when price fluctuation is substantial and prolonged. For example, see "Business — Business Sustainability" in this prospectus on the material adverse effects on our profitability resulting from prolonged silicon wafer and PV cell price fluctuation.

In line with the general market practice, we typically specify a benchmark of the quantity of the silicon wafers to be purchased or delivered each month in a framework agreement with our suppliers, around which our purchase amount and our supplier's delivery amount could fluctuate. There can be no assurance that we can always fulfill such purchase obligations as set forth in the framework agreement, or that such failure can always be solved or waived by relevant counterparty. Failure to purchase or deliver within such a band would result in an adverse effect on our business operations and financial performance. Our ability to fulfill such purchase obligations is subject to a broad range of factors beyond our control, including, inter alia, changes in prevailing market conditions, competition that affects supply and demand mechanism of our products, and various factors that may constrain our operation schedule, such as equipment inspection and/or logistics of other raw materials used for our production. In 2022, 2023 and 2024, our actual purchase of silicon wafers under such minimum purchase amount fulfilled 101.1%, 73.2% and 63.8% of the minimum purchase amount during the corresponding years, respectively, primarily because both parties need to sign a monthly contract or send an order to make adjustments in light of the actual situation such as changes in market demand, etc., and both parties actually performed in accordance with the monthly contract or order agreed by both parties. For details, see "Business — Supply Chain Management" in this prospectus. There can be no assurance that we will fulfill these minimum purchase amounts in the future. Changes in market conditions, operational constraints, or shifts in demand for our products could impact our ability to meet these obligations. Furthermore, as we further expand our production capacity, our need for long-term supply agreements may change, depending on our evolving requirement of raw material as well as view of the supply chain. In addition, potential decreases in the demand of renewable energy power generation, PV systems, or PV modules may lead to decreases in the demand of our PV cells, yet our long-term supply agreements may require us to purchase more raw materials than required, we may incur costs associated with carrying excess inventory. Our profit margins, results of operations and financial condition may be materially adversely affected accordingly.

Our past and future initiatives designed to maintain and expand our production capacity to meet demand efficiently expose us to inherent risks, which may prevent us from realizing the full benefits of, and incur significant costs relating to, any such initiatives.

We have implemented several initiatives designed to manage our production capacity to meet demand efficiently. Our annualized production capacity was approximately 44.4 GW as of December 31, 2024, all of which was for N-type TOPCon cells.

Given the strong and continuing growth in global market demand for PV cells and the initial success of our global strategy, we have also been proactively identifying and seeking suitable opportunities of overseas production capacity expansion to better serve relevant markets. As of the Latest Practicable Date, we planned to achieve an overseas annualized production capacity of around 10 GW in two phases to better serve our existing and prospective overseas clientele. For details, see "Business — Our Strategies — Catalyze Global Market Development and Capitalize on Market Opportunities through Overseas Expansion" in this prospectus. Through these initiatives, we expect to enlarge our global footprint, expand our economies of scale, achieve greater cost efficiency, and improve technology and product quality, which may elevate our pricing power and margins. In addition, we will continue to evaluate opportunities to establish additional production capacities and may implement additional initiatives to do so. We cannot assure you that we will realize the expected benefits as a result of these or any future initiatives. Future initiatives to build, transfer or consolidate manufacturing capacities could also involve significant upfront start-up or qualification costs for new or repurposed plants. The failure to realize the full benefits of, or the incurrence of significant costs relating to, these initiatives could materially adversely affect our business, financial condition, and results of operations.

We may not continue to be successful in developing and maintaining a cost-effective PV cell manufacturing capability.

Our annualized production capacity was approximately 44.4 GW as of December 31, 2024, all of which was for N-type TOPCon cells. To enhance our competitiveness, we intend to expand our annualized production capacity to meet expected growth in demand for our PV cells. As of the Latest Practicable Date, we planned to achieve an overseas annualized production capacity of around 10 GW in two phases to better serve our existing and prospective overseas clientele.

We continually engage in the development of manufacturing process capabilities and expansion of our production capacity. In doing so, we may face significant product development challenges, significant expense and inherent risks. Manufacturing PV cells involves a series of complex processes, and we may not be able to manufacture our products with sufficient quality and quantity to meet our manufacturing standards. Minor deviations in the manufacturing process can cause substantial decreases in yield and in some cases result in no yield or cause production to be suspended. We will need to make capital expenditures to purchase manufacturing equipment for PV cell production and will also need to make significant investments in R&D to keep pace with technological advances in PV cell technology.

We cannot guarantee that we will realize the expected benefits of our capacity expansion, or that we will achieve an adequate return on our capital and R&D investments. Any failure to successfully develop and maintain cost-effective manufacturing capability may have a material and adverse effect on our business and prospects.

We derived a significant portion of our revenue from our top five customers of the continuing operation during the Track Record Period, and any decrease or loss of business with any of them and failure to obtain new customers could significantly reduce our revenue and harm our results of operation.

We derived a significant portion of our revenue from our top five customers of the continuing operation during the Track Record Period. In 2022, 2023 and 2024, we generated revenue of RMB5,981.3 million, RMB9,784.9 million and RMB4,110.5 million from each of the five largest customers of the continuing operation, accounting for 53.9%, 52.6% and 41.5% of our total revenue for the corresponding years, respectively. In 2022, 2023 and 2024, our revenue from each of the largest customer of the continuing operation amounted to RMB3,336.7 million, RMB5,172.3 million and RMB1,892.1 million, accounting for 30.1%, 27.8% and 19.1% of our total revenue for the corresponding years, respectively. For details of an analysis of our dependency on major customers, see "Business — Customers, Sales and Pricing — Major Customers" in this prospectus. Due to the highly competitive nature of the PV industry, we risk losing these customers in several situations including, among others, our failure to deliver high-quality products or services that meet the expectations and needs of our customers, our failure to adapt to changing market trends or technological advancements, and the prices of our products being uncompetitive. In addition, some of these customers are also integrated PV cell manufacturers and may increase their production of PV cells, resulting in decreased customer demand from us. We cannot assure you that our major customers will not change their business scope or business model nor suspend their operation, operate in contravention to applicable laws or have defects in operating licenses and approvals, or encounter any operating or financial difficulties. Neither can we assure you that we will be able to continue to generate significant revenue from existing customers or that we will be able to maintain existing or further expand customer relationships. In the event that our customers cancel or reduce their orders, and if we are unable to identify suitable new customers within a reasonable period of time at a reasonable cost, we may not be able to recoup payments made to suppliers, which could adversely influence our financial condition and results of operations. The loss of sales to any of these customers could also have a material adverse effect on our business, prospects and results of operations.

Our high supplier concentration renders us vulnerable to supply chain issues, including shortages of adequate raw materials and equipment supply, cancellation or delay of purchase orders, inflationary pressures and cost escalation.

We depend on third-party suppliers for raw materials and production equipment that are essential for our PV cell production. We procure these materials and equipment from a limited number of suppliers. In 2022, 2023 and 2024, each of the five largest suppliers of the continuing operation accounted for 47.2%, 34.4% and 56.2%, respectively, of our total purchase amount. During the same years, our purchase from each of the largest supplier of the continuing operation amounted to RMB2,006.1 million, RMB2,555.9 million and RMB1,262.7 million, accounting for 17.0%, 10.2% and 14.5% of our total purchase for the corresponding years, respectively. In addition, for an analysis of our overlapping customers/suppliers, see "Business — Customers, Sales, and Pricing — Supplier-Customer Overlap" in this prospectus.

The failure of any of such suppliers, for whatever reason, to supply the materials and equipment that meet quality, quantity and cost requirements in a timely manner could impair our ability to manufacture products, increase costs, hinder compliance with sales agreements' terms and may result, ultimately, in cancellation of purchase orders and potential liability for us. We may not be able to turn to alternative sources on a timely basis or on commercially reasonable terms to deliver products to customers in the required quantities and at prices that are profitable, which may escalate the severity. There can be no assurance that our inventories will address all the supply chain failures that may arise.

In line with the general market practice, we typically specify an amount of PV cells to be purchased or delivered each month in a framework agreement, around which the purchase amount could fluctuate. Failure to purchase or deliver within such a band would result in an adverse effect on our business operations and financial performance. Our ability to fulfill such purchase obligations is subject to a broad range of factors beyond our control, including, inter alia, changes in prevailing market conditions, competition that affects supply and demand mechanism of our products, and various factors that may constrain our operation schedule, such as equipment inspection and/or logistics of other raw materials used for our production. In 2022, 2023 and 2024, our sales volume under such arrangement was 83.8%, 73.4% and 31.3% of the minimum purchase amount. The decrease in 2024 was primarily attributable to our increase in overseas sales, which in 2024 primarily adopted individual sales agreements. For details, see "Business — Customers, Sales and Pricing — Sales Agreements and Pricing" in this prospectus. There can be no assurance that we will be able to maintain the level of production capacities to fulfill minimum purchase amount in future years. Market volatility, changes in industry demand, or operational constraints could affect our production performance. Further, our manufacturing and suppliers' manufacturing and supply chain may be subject to potential disruptions due to plant closure as a consequence of energy shortage or other causes. Supply may also be interrupted by accidents, disasters, geopolitical instability or other unforeseen events beyond our control.

The search for alternative sources of supply to mitigate or solve the above problems may increase our manufacturing costs. For details of our search of alternative sources, see "Business — Supply Chain Management — Introduction of New Suppliers" in this prospectus. Likewise, increased integration of manufacturing processes to lower costs could potentially damage our business, results of operations and relationship with customers. In any case, we may not be able to counteract this impact through price increases for our products to transfer the increase to our customers at all, or through alternative sources of supply. Problems of this kind could consequentially reduce our market share, damage our brand and lead to legal disputes with customers. All of the aforementioned factors could adversely impact our business, results of operations and relationship with customers.

We may not achieve acceptable production yield and output, which could cause higher production cost per unit.

We need to continuously enhance and modify our PV cell production capabilities to improve yields and performance. The production of PV cells involves complex processes. For details, see "Business — Our Production — Manufacturing Process" in this prospectus. Microscopic impurities and contaminants, deviations in the manufacturing process and disruptions in the supply of utilities, such as electricity, or defects in the key materials and tools used to manufacture PV cells can result in lower-than-anticipated yield, a substantial decrease in output and, in some cases, disrupt production significantly or result in no output. Failure to achieve acceptable yield and maintain low scrap rate in turn could result in higher production costs and lower profits. From time to time, we may experience lower-than-anticipated manufacturing output during the ramp-up of production plants. This often occurs during the introduction of new PV cells, the installation of new equipment or the implementation of new process technologies. As we bring additional plants into production, we may operate at less than intended capacity during the ramp-up period. See "Business — Our Production — Our Plants" in this prospectus for a quantitative disclosure of the production capacity of our plants.

In addition, problems in our plants, including but not limited to production failures, human errors, weather conditions, equipment malfunction or process contamination, may limit our ability to manufacture products, which could seriously harm our operations. We are also susceptible to floods, tornados, droughts, power losses and similar events beyond our control that would affect our plants. A disruption in any step of the manufacturing process will require us to repeat each step and recycle the debris, which would adversely affect our yields and manufacturing cost. Furthermore, the demand of renewable energy power generation, demand of PV systems, or the demand of PV modules may decrease, which may lead to the decrease of our PV cells eventually and cause us to operate at less than intended capacity. This would result in higher marginal production costs and lower output, which could have a material adverse effect on our business, financial condition and results of operations.

Unsatisfactory performance of or defects in our products may cause us to incur additional expenses and warranty costs, tarnish our reputation and cause our sales and market share to decline.

Our PV cell sales contracts normally require our customers to conduct inspection upon receipt. Our standard PV cell sales contract requires our customer to notify us within seven days of delivery if such customer finds our PV cells do not meet the specifications stipulated in the sales contract. If our customer notifies us of such defect within the specified time period and provides relevant proof, we will replace those defective PV cells with qualified ones after our confirmation of such defects. For details of our quality control capabilities and our product return policies, see "Business — Quality Control" in this prospectus.

If we experience a significant increase in product return incidents and/or warranty claims, we may incur significant repair and replacement costs associated with such claims. In addition, product defects could cause significant damage to our market reputation and reduce our product sales and market share, and our failure to maintain the consistency and quality throughout our production process could result in substandard quality or performance of our products. If we deliver our products with defects, or if there is a perception that our products are of substandard quality, we may incur substantially increased costs associated with returns or replacements of our products, our credibility and market reputation could be harmed, and our sales and market share may be materially adversely affected.

Our efforts in maintaining, developing and expanding our business requires marketing and selling our products internationally, which poses inherent risks.

In 2022, 2023 and 2024, we generated 0.3%, 4.7% and 23.9%, respectively, of our total revenue from sales outside China. To explore the opportunities for overseas production capacity expansion through diverse means, as of the Latest Practicable Date, we plan to reach an overseas annualized production capacity of around 10 GW to better serve our existing and prospective overseas clientele.

The manufacturing, marketing, distribution and sale of our products internationally, as well as the construction and operation of our production plants outside of China may expose us to a number of risks, including those associated with:

- fluctuations in currency exchange rates;
- costs associated with understanding local markets and trends;
- costs associated with establishment of overseas production plants;
- marketing and distribution costs;
- customer services and support costs;

- risk management and internal control structures for our overseas operations;
- compliance with the different commercial, operational, environmental and legal requirements;
- obtaining or maintaining certifications for production, marketing, distribution and sales of our products;
- maintaining our reputation as an environmentally friendly enterprise for our products;
- obtaining, maintaining or enforcing intellectual property rights;
- changes in prevailing economic conditions and regulatory requirements;
- transportation and freight costs;
- employing and retaining manufacturing, technology, sales and other personnel who are knowledgeable about, and can function effectively in, overseas markets;
- trade barriers such as trade remedies, which could increase the prices of the raw materials for our products, and export requirements, tariffs (including the increase or end of waivers thereof, such as the series of tariffs announced by the U.S. on April 2, 2025), taxes, anti-dumping and countervailing duty orders or safeguard measures and other restrictions and expenses and related countermeasures, which could increase the prices of our products and make us less competitive in some countries;
- challenges due to our unfamiliarity with local laws, regulation and policies, our absence of significant operating experience in local market, increased cost associated with establishment of overseas operations and maintaining a multinational organizational structure; and
- other various risks that are beyond our control.

Our production capacity outside China requires us to comply with different laws and regulations, including national and local regulations relating to production, environmental protection, employment and the other related matters. Due to our limited experience in doing business in the overseas markets, we are yet to familiarize ourselves with local laws, regulation and policies. Our failure to obtain the required approvals, permits, licenses, filings or to comply with the conditions associated therewith could result in fines, sanctions, suspension, revocation or non-renewal of approvals, permits or licenses, or even criminal penalties, which could have a material adverse effect on our business, financial condition and results of operations.

As we enter into new markets in different jurisdictions, we will also face different business environments and industry conditions, and we may spend substantial resources familiarizing ourselves with the new environment and conditions. To the extent that our business operations are affected by unexpected and adverse economic, regulatory, social and political conditions in the jurisdictions in which we have operations, we may experience project disruptions, loss of assets and personnel, and other indirect losses that could adversely affect our business, financial condition and results of operations. For instance, our production plant overseas may expose us to various risks, including, among others, failure to obtain the required approvals, permits or licenses, or to comply with the conditions associated therewith, failure to procure economic incentives or financing on satisfactory terms, and failure to procure construction materials, production equipment and qualified personnel for the production plant in a timely and cost-effective manner. Any of these events may increase the related costs, or impair our ability to run our operations in the future on a cost-effective basis, which could in turn have a material adverse effect on our business and results of operations.

We intend to construct an Overseas Plant in Oman, a strategic move that aligns with the Group's business plan to tap into the rapidly expanding PV markets in the Middle East and beyond. We have established a local entity, Jietai FZC, for investment operations and management in July 2024, and we have subsequently entered into a land lease agreement where we agreed to lease land, commence construction, and start trial operation in accordance with schedule. For details, see "Future Plans and Use of Proceeds" in this prospectus. Oman, while rich in energy resources, is undergoing significant transitions in its energy sector, including substantial investments in renewable energy. These transitions, although beneficial in the long term, might lead to temporary instability or inadequacy in the power supply. Oman is experiencing rapid industrial growth and infrastructural development, which could lead to increased competition for limited energy resources. If the demand outstrips the supply, especially during peak usage hours, the plant may face power shortages. Such shortages could not only affect day-to-day operations but also prolong the overall timeline for the plant to reach full operational capacity. Any disruption or inconsistency in the energy grid could lead to operational delays, increased costs, and reduced production efficiency at the Overseas Plant. Our plans to construct the Overseas Plant in Oman might be adversely affected by the stability and reliability of the local energy supply.

While Oman is investing heavily in upgrading its power infrastructure, delays or issues in the development of necessary infrastructure such as power stations or grid enhancements can pose a risk. Any delay in the completion of these infrastructures, or their failure to meet planned capacities, could lead to power supply issues that might not sufficiently support the high energy demands of the Overseas Plant.

In addition, the energy policies in Oman are subject to changes influenced by economic, environmental, and political factors. Any new regulations or amendments in energy policy that prioritize residential or other industrial sectors over the manufacturing sector could result in reduced power allocations to our facility. Furthermore, though we entered into the non-binding North American MOU to utilize our production capacity in Oman to, among others, serve a leading North American PV module enterprise, the North American MOU is not definitive, and there is no guarantee that the current intentions reflected in the North American MOU will fully materialize into actual purchases from us. Additionally, changes in tariffs or the introduction of energy rationing policies could adversely impact operational costs and profitability, and while we have been in negotiation with various parties regarding the funding of the Overseas Plant, given the preliminary nature of such negotiations, there can be no guarantee on the favorable outcome of any of such negotiations, which may pose material adverse effects on the scale and progress of the project. Any material adverse effects, whether internal or external, may negatively affect the progress of Overseas Plant construction, the scale of investment, and our investment returns.

The uncertainty surrounding potential changes in U.S. trade policies, particularly regarding tariffs on Chinese imports, could adversely affect our business operations and financial performance.

Recent changes in U.S. trade policies have resulted in significant uncertainties to global trade. On February 1, 2025, the U.S. imposed a 25% tariff on imports from Canada and Mexico and a 10% tariff on imports from China. These tariffs went into effect on March 4, 2025, at which point an additional 10% tariff on Chinese goods was implemented. On April 2, 2025, the U.S imposed a baseline 10% tariff, supplemented by additional country-specific tariffs. These new tariffs included an additional 34% tariff on Chinese imports. The U.S. subsequently imposed an additional 50% tariff on Chinese imports effective by April 9, 2025, and as of April 11, 2025, the United States' tariff rate on Chinese imports effectively reached 145%, with relevant countermeasures adopted by China and other jurisdictions as well.

We cannot assure you that other countries, including the ones we export to, e.g., India and Turkey, will not impose similar tariffs on China or Oman. In addition, other countries may implement retaliatory tariffs on U.S. goods, and the U.S. may respond with additional tariffs or export controls. There is also significant uncertainty as to whether countries will be able to successfully reach any trade deals with the U.S. that would reduce tariffs, including China and Oman. In the meantime, there is no guarantee whether such negotiations will result in substantial policy changes that will further strain relations among countries in terms of trade or otherwise, and if so, in which way and to what extent. For example, according to some recent news, other countries may impose tariffs against China during their negotiation with the U.S. Given the short time after trade restriction escalation and the significant uncertainties during the ongoing negotiation process, we are currently in the process of assessing the impact on our financial and operating performance, which may be material and adverse. Furthermore, rising political tensions as a result of trade policies could reduce trade volume, investment, and other economic activities between economies. Such developments, or the perception that any of them could occur, even if subsequently proven untrue, may have a material adverse effect on global economic conditions and the stability of global financial markets, which in turn can significantly impact our business and results of operations.

We manufacture our products in several provinces in China and may deliver them to various customer-designated locations, which exposes us to various risks relating to long-distance transportation of our PV cells.

Our production plants are located in multiple provinces in China, including Jiangxi, Anhui and Jiangsu provinces. For details of our productions plants, see "Business — Our Production — Our Plants" in this prospectus. The geographical separation of our production plants in China and many of our customers necessitates constant long-distance transportation of substantial volumes of our PV cells from Jiangxi, Anhui and Jiangsu provinces. The constant long-distance transportation of a large volume of our PV cells may expose us to various risks, including (i) increases in transportation costs, (ii) loss of PV cells as a result of any accidents that may occur in the transportation process, and (iii) delays in the transportation of our PV cells as a result of any bad weather conditions, natural disasters or other conditions adversely affecting road traffic. Any of these risks could have a material adverse effect on our business and results of operations.

Our manufacturing operations are subject to various risks that could lead to delays or disruptions.

Our manufacturing operations are subject to various risks that could lead to delays or disruptions, which may adversely affect our business, financial condition and operating results. We may encounter unforeseen challenges such as equipment malfunctions, supply chain interruptions, labor shortages, or other operational difficulties.

In particular, our reliance on complex machinery for the production of PV cells means that mechanical failures or a lack of available spare parts can lead to significant downtime. Supply chain volatility, exacerbated by global trade uncertainties or local market conditions, could result in delays in the procurement of essential raw materials or components. Additionally, labor shortages or disputes could disrupt our operations and reduce production efficiency. Furthermore, natural disasters, public health crises, or other force majeure events may have a direct and material impact on our manufacturing capabilities. There can be no assurance that such measures will be entirely effective.

Any prolonged disruption in our manufacturing operations could result in delayed orders, lost revenue, and damage to our customer relationships. It could also lead to increased costs if we need to implement expedited shipping or take other measures to meet our delivery commitments. These factors could ultimately have a material adverse effect on our profitability and financial performance.

Interruption in or failure of IT, control and communication systems that we manage or that are managed by third parties with which we do business, including cyber-attacks to or other privacy or data security incidents that result in security breaches of these systems, could materially and adversely affect us.

We rely on information technology systems and network infrastructure that we manage or that are managed by third parties with which we do business to collect, use, transmit, store, dispose of, and otherwise process electronic information. For details, see "Business — Data Privacy and Information Security Risk Management" in this prospectus. Our or our critical third parties' IT systems and other infrastructure and the information processed in such IT systems could be affected by cybersecurity incidents from a number of causes, including but not limited to, power outages, computer and telecommunication failures, computer viruses, malware, attempts to gain unauthorized access to data and systems, ransomware or other destructive software, manual or usage errors, catastrophic events, natural disasters and bad weather conditions. Attacks, including those targeting IT systems, could severely disrupt business operations and result in significant expense to repair or remediate system damage. We could not guarantee attacks and security incidents would not happen in the future. Global threat actors and terrorists have targeted and will continue to target entities and projects like ours that operate in the energy sector, including through disruptive attacks, such as those involving ransomware. We cannot guarantee the security or protection of our IT systems, information or projects and we have little or no control over the IT systems and facilities of third parties on which our projects rely. Our defensive measures, including back-up systems and those of critical third parties may fail to timely or effectively anticipate, detect, prevent or allow us to recover from cyberattacks. In addition, our costs to adequately counter the risk of cyber-attacks and to comply with contractual and regulatory compliance requirements may increase significantly in the future.

Furthermore, cybersecurity breaches may expose us to a risk of loss or misuse of confidential and proprietary information. Such theft, loss or fraudulent use of information, or other unauthorized disclosure of personal or sensitive data, may lead to high costs to notify and protect the impacted persons. It could also subject us to litigation, losses, liability, fines, or penalties, any of which could materially and adversely affect our results of operations and reputation.

We have implemented various security measures and procedures to protect our IT systems, increase security for information, and monitor and mitigate cybersecurity threats. For details, see "Business — Data Privacy and Information Security Risk Management" in this prospectus. As cybersecurity threats are dynamic, evolving, and increasing in sophistication, magnitude, and frequency, there can be no assurance that such procedures and measures will be successful or sufficient to prevent security breaches from occurring. If any of these potential cybersecurity incidents and corresponding regulatory action were to occur, they could adversely impact our results of operations due to high additional costs, such as penalties, third-party claims, repairs, increased insurance expense, litigation, remediation, security, and compliance costs.

Our operations and production depend on a stable, timely and adequate supply of utilities and various services from third-party providers at commercially reasonable prices.

In addition to raw materials like silicon wafers and silver paste, we depend on the supply of utilities, such as power, water and Internet connection to maintain our production processes and our operations. Our production volume and production costs are dependent on our ability to source such utilities at acceptable prices and maintain a stable supply. The prices for utilities are subject to price volatility attributable to a number of factors which may be beyond our control, including inflation, disruption in the global supply chain, supplier capacity constraints, general economic conditions, commodity price fluctuations, demand from other industries for the same materials, the availability of complementary and substitute materials, and local and national regulatory requirements. There can be no assurance that shortages of utilities will not occur in the future or that we will be able to pass on related cost increases to our customers. Significant fluctuations in such costs may have a material effect on our profitability if we are unable to adjust the prices of our products accordingly, and may also harm our competitive advantages with respect to the affected products.

The PV industry faces competition from other types of renewable and non-renewable power industries.

The PV industry faces competition from other renewable energy sources, such as wind power and hydropower, and non-renewable power industries, including fossil fuels such as coal, petroleum and natural gas. For details, see "Industry Overview — Global Renewable Energy Power Generation Market" in this prospectus. Technological innovations in these other forms of energy may reduce their costs and environmental impact or increase their safety. Large-scale new deposits of fossil fuel may be discovered, which could reduce their costs. Local governments may decide to strengthen their support for other renewable energy sources and reduce their support for the PV industry. The inability to compete successfully against producers of other forms of power would reduce our market share and negatively affect our results of operations.

Our Single Largest Group of Shareholders has significant influence over our Company, and their interests may not be aligned with the interest of our other shareholders.

As of the Latest Practicable Date, our Single Largest Group of Shareholders is able to exercise approximately 22.61% voting rights in our Company. If our Single Largest Group of Shareholders acts collectively, they will have a substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors, dividend policy and other significant corporate actions. They may take actions that are not in the best interest of our company or our securities holders. For example, this concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and might reduce the price of our shares. On the other hand, if our Single Largest Group of Shareholders is in favor of any of these actions, these actions may be taken even if they are opposed by a majority of our other shareholders, including you and those who invest in our shares.

Our business depends substantially on the continuing efforts of our management, key R&D and technical personnel, and our skilled labor force. Our business may be materially adversely affected if we fail to retain them and lose their services.

Our success depends on the continued services of our senior management and other executive officers and key personnel. For details of the background of our senior management, see "Directors, Supervisors and Senior Management — Senior Management" in this prospectus. If one or more of our executive officers and key personnel are unable or unwilling to continue in their present positions, we may not be able to readily replace them, if at all. As a result, our business may be severely disrupted, and we may have to incur additional expenses in order to recruit and retain new personnel. In addition, if any of our executives joins a competitor or forms a competing company, we may lose some of our customers. Each of our key management and employees has entered into an integrity and intellectual property agreement with us that contains confidentiality and non-competition provisions. If any dispute arises between our key management and employees and us, we cannot assure you that these agreements could be enforced in the jurisdiction where most of our key management and employees reside and hold most of their assets.

Furthermore, recruiting and retaining capable personnel, particularly experienced R&D staff, engineers and technicians familiar with our products and manufacturing processes, is vital to maintain the quality of our products and improve our production processes. There is substantial competition for qualified personnel, and we cannot assure you that we will be able to attract or retain them. If we are unable to attract and retain qualified employees, key R&D and technical personnel and our executive officers, our business may be materially adversely affected.

Our lack of sufficient intellectual property protection may undermine our competitive position and subject us to intellectual property disputes with third parties, both of which may have a material adverse effect on our business, results of operations and financial condition.

We have developed various production process related know-how and technologies in the production of our products. Such know-how and technologies play a critical role in our quality assurance and cost reduction. In addition, we have implemented a number of research and development programs with a view to developing techniques and processes that will improve production efficiency and product quality. Our intellectual property and proprietary rights from our research and development programs will be crucial in maintaining our competitive edge in the PV cells industry. As of the Latest Practicable Date, we had 291 patents and were in the process of applying for 311 additional patents. We plan to continue to seek to protect our intellectual property and proprietary knowledge by applying for patents for them. We cannot assure you that we will be successful in obtaining patents in a timely manner or at all. Moreover, even if we are successful, different jurisdictions may afford different protection to a company's intellectual property. We also use contractual arrangements with employees and trade secret protections to protect our intellectual property and proprietary rights. Nevertheless, contractual arrangements afford only limited protection, and the actions we may take to protect our intellectual property and proprietary rights may not be adequate.

In addition, others may obtain knowledge of our know-how and technologies through independent development. Our failure to protect our production process, related know-how and technologies, our intellectual property and proprietary rights or any combination of the above may undermine our competitive position. Third parties may infringe or misappropriate our proprietary technologies or other intellectual property and proprietary rights. Policing unauthorized use of proprietary technology can be difficult and expensive. Litigation, which can be costly and divert management attention and other resources away from our business, may be necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of our proprietary rights. We cannot assure you that the outcome of such potential litigation will be in our favor. An adverse determination in any such litigation will impair our intellectual property and proprietary rights and may harm our business, prospects and reputation.

We may be exposed to intellectual property infringement or misappropriation claims by third parties, which, if determined adversely to us, could cause us to pay significant damage awards and subject us to injunctions prohibiting sale of our products in certain markets.

Our success depends on our ability to use and develop our technology and know-how, and to manufacture and sell our PV cells or otherwise operate our business in the PV industry without infringing the intellectual property or other rights of third parties. We may be subject to litigation involving claims of patent or other intellectual property infringement or violation of intellectual property rights of third parties from time to time. The validity and scope of claims relating to PV cell patents involve complex scientific, legal and factual questions and analyses and, therefore, may be highly uncertain. The defense and prosecution of intellectual property suits, patent opposition proceedings, trademark disputes and related legal and administrative proceedings can be both costly and time-consuming and may significantly divert our resources and the attention of our technical and management personnel. An adverse ruling in any such litigation or proceedings could subject us to significant liability to third parties, require us to seek licenses from third parties, to pay ongoing royalties, or to redesign our products or subject us to injunctions prohibiting the manufacture and sale of our products or the use of our technologies. Protracted litigation could also result in our customers or potential customers deferring or limiting their purchase or use of our products until resolution of such litigation.

Our employees are subject to various risks, including serious injury or death, caused by the use of manufacturing equipment and machinery, exposing us to risks in relation to work safety and occurrence of accidents.

In our productions, we employ heavy machinery and equipment that carries a risk of personal injury and occupational accidents to our employees. Safety trainings provided to our employees may not be effective to prevent accidents. Any significant accidents involving heavy machinery and equipment could disrupt our production, tarnish our brand image and expose us to legal and regulatory liabilities. Our work-related injury insurance and medical insurance in place may not be sufficient to cover losses resulting from claims related to such accidents. In addition, we might also be held accountable for fines or penalties, medical costs, and other compensation to the workers and their families in the event of a probable industrial accident that results in serious property loss, personal injury, or death. Consequently, there could be a significant and adverse impact on our prospects, financial situation, results of operations, brand, and reputation.

We may not be able to detect or prevent fraud, bribery, corruption, or other misconduct committed by our employees, customers or other third parties, which may subject us to liability and harm our reputation and business.

We may be exposed to fraud, bribery, corruption, or other misconduct committed by our employees, customers or other third parties, which could subject us to financial losses and penalties from governmental authorities. For details of our anti-corruption and anti-bribery policy, see "Business — Risk Management and Internal Control" in this prospectus. Our internal control procedures might not be effective enough to identify all non-compliances, suspicious transactions, fraud, corruption or bribery in a timely manner. If such misconduct occurs, we may be subject to claims, fines or suspension of our operations and may suffer from negative publicity and reputational damage.

We may not be able to maintain our corporate culture, which has been a key to our success.

We believe that a critical component of our success has been our corporate culture, which is focused on technological innovation, driving customer satisfaction and employee experience. We have invested substantial resources in building our team and maintain our corporate culture. As we continue to grow, both organically and through acquisitions of employee teams, we will need to maintain our corporate culture among a larger number of employees dispersed in various geographic regions. Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives.

Overall tightening of the labor market and increases in labor cost may materially and adversely affect us.

Our services rely on recruiting and retaining qualified professionals and successful training of these professionals. The aging population has led to the insufficient supply of labor in some industries, which has in turn led to an increase in labor costs. If the aging problem of workforce intensifies, professionals with health conditions suitable for the PV industry may be in short supply. We may incur more costs to hire suitable professionals. If our recruitment and retention efforts are not successful, qualified professionals may not be integrated into our workforce in a timely manner to meet our business needs.

In 2022, 2023 and 2024, our employee benefit expenses (excluding directors' and supervisors' remunerations) were RMB442.7 million, RMB1,261.0 million and RMB805.5 million, respectively, which constituted a significant portion of our cost of sales, administrative expenses, selling and marketing expenses and research expenditure. The labor cost may continue to increase, and the local governments may promulgate additional laws and regulations on labor protection, such as increasing the statutory minimum wage. Such developments may place a heavier burden on us as an employer and we may have to pay more benefits to employees. Any significant increase in our direct labor cost will increase our cost of sales. If we cannot transfer the increased cost to customers, our business, financial condition, and results of operations may be materially and adversely affected.

During the Track Record Period, we did not experience any labor shortage or significant increase in labor cost which had a material impact on our daily operation or profitability. We cannot guarantee that we will not experience shortage of skilled labor, or the labor cost will not increase in the future or that our performance of contracts or profitability will not be adversely affected. As a result, our profitability may be adversely affected.

We have limited insurance coverage and may incur significant losses resulting from operating hazards, product liability claims, project construction or business interruptions.

Our operations involve the use, handling, generation, processing, storage, transportation and disposal of hazardous materials, which may result in fires, explosions, spills and other unexpected or dangerous accidents causing personal injuries or death, property damages, environmental damages and business interruption. Our insurance on properties, equipment, EHS (Environmental, Health, and Safety), fire and product liability are limited in scope and may not cover all claims relating to personal injury, property or environmental damage arising from incidents on our properties or relating to our operations. For risk exposure not covered by our insurance policies, we share the potential liability with counterparties in accordance with our agreements with such counterparties and applicable laws and regulations. For details, see "Business — Insurance" in this prospectus. Any occurrence of these or other incidents which are not insured under our existing insurance policies could have a material adverse effect on our business, financial condition or results of operations.

We are also exposed to risks associated with product liability claims in the event that the use of our PV cells results in injury. We may not have adequate resources to satisfy a judgment if a successful claim is brought against us. In the event that potential claims exceed the scope or amount of coverage under this insurance, our business could be materially and adversely affected.

In addition, the normal operation of our production plants may be interrupted by accidents caused by operating hazards, power supply disruptions, equipment failure, as well as natural disasters. Any significant damage or interruption to these production plants could still have a material and adverse effect on our results of operations.

Fluctuations in exchange rates could adversely affect our results of operations.

We derive a growing portion of our sales from international customers. Therefore, a portion of our total revenue have been denominated in foreign currencies, particularly U.S. dollars. Our sales outside China represented 0.3%, 4.7% and 23.9% of our total revenue in 2022, 2023 and 2024, respectively. As a result, we face risks resulting from currency exchange rate fluctuations, particularly, between Renminbi and U.S. dollars. Furthermore, we have outstanding debt obligations, and may continue to incur debts from time to time, denominated and repayable in foreign currencies. We incurred a net foreign exchange loss of RMB0.8 million in 2022, a foreign exchange gain of RMB6.0 million in 2023, and a foreign exchange gain of RMB21.5 million in 2024. We cannot predict the impact of future exchange rate fluctuations on our results of operations and may incur net foreign currency losses in the future.

Compliance with environmentally safe production and construction and renewable energy development regulations can be costly, and non-compliance with such regulations may result in adverse publicity and potentially significant monetary damages, fines and suspension of our business operations.

Our business and/or operational activities, such as the production and sales of our products, storage and transportation of our products and raw materials, are governed by laws and regulations, administrative determinations, and similar constraints, especially the extensive environmental, handling of hazardous substances, chemical using laws and regulations.

Moreover, we are required to obtain construction permits before commencing constructing production plants, and obtain the approvals from PRC environmental protection authorities before commencing commercial operations of our production plants. We are also required to comply with renewable energy development regulations and directives. We commenced commercial production of our PV cells prior to obtaining the complementary environmental protection facilities pass acceptance inspection and the energy conservation inspection for acceptance. Subsequent to the Track Record Period, we obtained substantially all required complementary environmental protection facilities pass acceptance inspection and the energy conservation inspection for acceptance. Our PRC Legal Advisor is of the view that such deficiency will not materially adversely affect our business operation and financial performance. Nevertheless, we cannot assure you that we will not be penalized by the relevant government authorities for these non-compliance. In addition, compliance with the environmentally safe production and construction and renewable energy development regulations can be economically costly and time consuming, which may divert the capacity of our Directors and management for operation of our business, in turn adversely affect our business operation and financial performance.

Environmental, Social and Governance ("ESG") matters, and unsuccessful management of such matters may impose additional costs and expose us to new risks.

Public ESG and sustainability reporting is becoming more broadly expected by investors, shareholders and other stakeholders and third parties. Certain organizations that provide corporate governance and other corporate risk information to investors and shareholders have developed, and others may in the future develop, scores and ratings to evaluate companies and investment funds based upon ESG or "sustainability" metrics. Many investment funds focus on positive ESG business practices and sustainability scores when making investments and may consider a company's ESG or sustainability scores as a reputational or other factor in making an investment decision. In addition, investors, particularly institutional investors, use these scores to benchmark companies against their peers and if a company is perceived as lagging, these investors may engage with such company to improve ESG disclosure or performance and may also make voting decisions, or take other actions, to hold these companies and their boards of directors accountable. We may face reputational damage in the event our corporate responsibility initiatives or objectives, including with respect to board diversity, do not meet the standards set by our investors, shareholders, lawmakers, listing exchanges or other constituencies, or if we are unable to achieve an acceptable ESG or sustainability rating from third party rating services. Ongoing focus on corporate responsibility matters by investors and other parties as described above may impose additional costs or expose us to new risks, including increased risk of investigation and litigation, and negative impacts on the value of our products and access to capital, which may put us at a commercial disadvantage relative to our peers.

We have been and continue to rigorously monitor a range of sustainability-related key performance indicators, setting up and monitoring ESG policies, strategies, principles and visions, and we have established an ESG committee to implement the ESG Policy, formulate ESG-related goals and organize their implementation. For details, see "Business — Environmental, Social and Governance ("**ESG**")" in this prospectus. Implementing our ESG Policy may result in increased costs in our supply chain, fulfillment, and corporate business operations, and could deviate from our initial estimates and have a material adverse effect on our business and financial condition. In addition, standards and research regarding ESG strategies could change and become more onerous both for us and our third-party suppliers and vendors to meet successfully. As such, there can be no certainty that we will be able to meet our ESG or other strategic objectives in an efficient and timely manner or at all, or that we will successfully meet societal expectations in this regard.

Furthermore, new climate change laws and regulations could require us to change our manufacturing processes or procure substitute raw materials that may cost more or be more difficult to procure. Various jurisdictions in which we do business have implemented, or in the future could implement or amend, restrictions on emissions of carbon dioxide or other greenhouse gases, limitations or restrictions on water use, regulations on energy management and waste management, and other climate change-based rules and regulations, which may increase our expenses and adversely affect our operating results. We expect increased worldwide regulatory activity relating to climate change in the future. Future compliance with these laws and regulations may adversely affect our business and results of operations.

We face risks related to health epidemics and other disease outbreaks.

Health epidemics may cause a long-term adverse impact on the economy and social conditions, which may have an indirect impact on our industry and cause temporary suspension of projects and shortage of labor and raw materials. Our delivery of products may also be disrupted, and our customers may cancel their orders due to potential delays in delivery. The longer supply cycle may also have an adverse impact on our operations and production.

Outbreaks of contagious diseases and other adverse public health developments around the world would have a material adverse effect on our business operations. These could include our ability to travel or ship our products as well as temporary closure of our production plants. Such closures or travel or shipment restrictions would severely disrupt our business operations and adversely affect our financial condition and results of operations.

We, our business, shareholders, affiliates, Directors, management, other employees, suppliers, customers and other third parties may be the subject of anti-competitive, harassing, or other detrimental conduct by third parties including complaints to regulatory agencies, negative social media postings, and the public dissemination of malicious assessments of our business that could harm our reputation and cause us to lose market share, customers and revenues.

We may be the target of anti-competitive, harassing, or other detrimental conduct by third parties. Such conduct includes complaints, anonymous or otherwise, to regulatory agencies. Our brand name and our business may be harmed by aggressive marketing and communications strategies of our competitors. PRC laws and regulations also prohibit agreements and activities which amount to unfair business competition and an abuse of a dominant market position. We cannot assure you that we will not, in the future, be subject to such unfair business competition or dominant market position abuse imposed by third parties. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Additionally, allegations, directly or indirectly against us, may be posted in internet chat-rooms or on blogs or websites by anyone, whether or not related to us, on an anonymous basis. Customers may value readily available information concerning manufacturers, and their goods and services and may act on such information without further investigation or authentication and without regard to its accuracy. The availability of information on social media platforms and devices is virtually immediate, as is its impact. Social media platforms and devices immediately publish the content their subscribers and participants post, often without filters or checks on the accuracy of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our financial performance, prospects or business. The harm may be immediate without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business, which in turn may cause us to lose market share, customers and revenues.

The economic, political and social conditions and government policies of the geographical market in which we operate, as well as general global economic conditions and geopolitical tensions, may continue to affect our business, financial condition and results of operation. A severe or prolonged downturn in the economy of the geographical market in which we operate, or global economy could materially and adversely affect our business and financial condition.

There is considerable uncertainty over the long-term effects of the monetary and fiscal policies which had been adopted by the central banks and financial authorities of some of the world's leading economies. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere may increase market volatility across the globe. There have also been concerns about which may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between some of the world's leading economies with respect to trade policies, treaties, government regulations and tariffs. Economic conditions of the markets in which we operate are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate. Such adverse changes may manifest in the PV industry through, among others, reduction in solar power installed capacity or solar power installed capacity addition in one or more markets in which we or our customers operate, which may reduce the demand of our PV cells in that market. Any severe or prolonged slowdown in the global may materially and adversely affect our performance.

RISKS RELATING TO OUR FINANCIAL POSITION

Our net current liabilities may expose us to certain liquidity risks and could restrain our operational flexibility as well as affect our ability to expand our business.

During the Track Record Period, we recorded net current liabilities of RMB818.1 million as of December 31, 2022. As of December 31, 2023, we had net current assets of RMB540.0 million. Net current liabilities amounted to RMB45.8 million as of December 31, 2024. For details, see "Financial information — Liquidity and Capital Resources — Net Current Assets/Liabilities" in this prospectus.

Net current liabilities may expose us to certain liquidity risks and may constrain our operational flexibility, as well as adversely affect our ability to expand our business. Our future liquidity, the payment of trade and other payables when they become due, will primarily depend on our ability to generate adequate cash inflows from our operating activities and adequate external financing, which will be affected by our future operating and financial performance, the performance of the industry in which we operate and prevailing economic and capital market conditions, among other factors, many of which are beyond our control. If we do not maintain sufficient working capital to meet future financial needs by ourselves, we may need to resort to external funding. Our inability to obtain additional external financing on a timely basis and on acceptable terms, or at all, may force us to abandon or delay our development and expansion plans, and our businesses, financial positions and results of operations may be materially and adversely affected.

We require a significant amount of cash to fund our operations and future business developments. If we cannot obtain additional funding on terms satisfactory to us when we need it, our growth prospects and future profitability may be materially and adversely affected.

We require a significant amount of cash to fund our operations, including payments to suppliers for procuring raw materials. We may also require additional cash due to changing business conditions or other future developments, including any investments or acquisitions we may decide to pursue, as well as our research and development activities in order to remain competitive.

Our management believes that our cash position as of December 31, 2024, the cash expected to be generated from operations, and funds available from borrowings under our credit facilities will be sufficient to meet our working capital and capital expenditure requirements for at least the next 12 months from the date of this prospectus. For details of our working capital sufficiency, see "Financial Information — Liquidity and Capital Resources — Working Capital Sufficiency" in this prospectus.

Our ability to obtain external financing is subject to a number of uncertainties, including:

- our future financial condition, results of operations and cash flow;
- the general condition of the global equity and debt capital markets;
- regulatory and government support, such as subsidies, tax credits and other incentives;
- the continued confidence of banks and other financial institutions in our company and the PV industry;
- economic, political and other conditions; and
- our ability to comply with any financial covenants under the debt financing.

Any additional equity financing may be dilutive to our existing shareholders, and any debt financing may require restrictive covenants. Additional funds may not be available on terms commercially beneficial to us. Failure to manage discretionary spending and raise additional capital or debt financing as required may adversely impact our ability to achieve our intended business objectives.

We have substantial indebtedness and may incur substantial additional indebtedness and increased cost of indebtedness in the future, which could adversely affect our financial health and our ability to generate sufficient cash to satisfy our outstanding and future debt obligations.

We typically require a significant amount of cash to meet our capital requirements, including the expansion of our production capacity, as well as to fund our operations. As of December 31, 2024, we had RMB3,800.8 million of current trade, bills and other payables, and we had RMB2,491.9 million in current bank and other borrowings and RMB2,886.0 million in non-current bank and other borrowings. For details regarding our trade, bills and other payables and bank and other borrowings, see "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Trade, Bills and Other Payables" in this prospectus. For details of our bank borrowings, see "Financial Information — Indebtedness — Bank and Other Borrowings" in this prospectus.

We may not have sufficient funds available to meet our payment obligations in light of the amount of trade, bills and other payables and bank borrowings due in the near-term future. This level of payables and bank and other bank borrowings could have significant consequences on our operations, including:

- reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes as a result of our debt service obligations, and limiting our ability to obtain additional financing;

- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and

- potentially increasing the cost of any additional financing.

Any of these factors and other consequences that may result from our substantial indebtedness could have an adverse effect on our business, financial condition and results of operations as well as our ability to meet our payment obligations under our debt.

In addition, we are exposed to various types of market risk in the normal course of business, including the impact of interest rate changes. Our long-term borrowings bears interest at variable rates, generally linked to market benchmarks such as the benchmark interest rate issued by local banks. Any increase in interest rates would increase our finance expenses relating to our variable rate indebtedness and increase the costs of refinancing our existing indebtedness and issuing new debt. Furthermore, we are exposed to lending policy changes by the commercial banks. If these commercial banks tighten their lending practices, or if they are no longer willing to provide financing to solar power companies, including us, we may not be able to extend our short-term borrowings or make additional borrowings in the future.

We may incur gain or loss in relation to our change in the fair value of our financial instruments. The change in fair value of financial instruments may fluctuate significantly from period to period due to factors that are largely beyond our control, and may result in us recording substantial gains or losses as a result of such changes. As a result of the foregoing, you may not be able to rely on period to period comparisons of our operating results as an indication of our future performance.

We recorded net operating cash outflows historically and there can be no assurance that we will not have net cash outflow in the future.

We recorded net operating cash outflows of approximately RMB99.4 million in 2022. For a comprehensive discussion of our liquidity and capital resources, see "Financial Information — Liquidity and Capital Resources — Cash Flow Analysis — Net Cash Flows (Used in)/Generated from Operating Activities" in this prospectus for further details. We cannot guarantee that prospective business activities of our Group and/or other matter beyond our control (such as market competition and changes to the macroeconomic environment) will not adversely affect our operating cashflow and lead to net operating cash outflows in the future. If we encounter long-term and continuous net operating cash outflow in the future, we may not have sufficient working capital to cover our operating costs, and our business, financial position and results of operations may be materially and adversely affected.

We must comply with certain financial and other covenants under the terms of our debt instruments, and the failure to do so, e.g., failure to maintain sufficient collateral under certain pledge contracts for our loans, may put us in default under those instruments.

Some of our debt instruments include financial covenants, such as debt to asset ratio, and broad default provisions. These covenants could limit our ability to plan for or react to market conditions or to meet our capital needs in a timely manner, and complying with these covenants may require us to curtail some of our operations and growth plans. In addition, any global or regional economic deterioration may cause us to incur significant net losses or force us to assume considerable liabilities, which would adversely impact our ability to comply with the financial and other covenants of our outstanding loans. If our creditors refuse to grant waivers for any non-compliance with these covenants, such non-compliance will constitute an event of default which may accelerate the amounts due under the applicable loan agreements. Some of our loan agreements also contain cross-default clauses that could enable creditors under our debt instruments to declare an event of default should there be an event of default on our other loan agreements. We cannot assure you that we will be able to remain in compliance with these covenants in the future. We may not be able to cure future violations or obtain waivers of non-compliance on a timely basis. An event of default under any agreement governing our existing or future debt, if not cured by us or waived by our creditors, could have a material adverse effect on our liquidity, financial condition and results of operations.

Our dependence on commercial banks to extend our existing financing and provide additional financing exposes us to short-term funding risks, which may materially and adversely affect our operations.

We require significant cash flow and funding to support our operations. As a result, in addition to our operating cashflow, we may from time to time rely on bank and other borrowings, letters of credit and bills payable to provide working capital for our daily manufacturing operations. We are exposed to lending policy changes by these commercial banks. As of December 31, 2024, we had outstanding bank and other borrowings of RMB5,377.9 million.

In addition, government policies and initiatives on the PV industry may affect the lending practices of commercial banks. If the commercial banks tighten their lending practices, or if they are no longer willing to provide financing to PV companies, including us, we may not be able to extend our short-term borrowings or make additional borrowings in the future. As a result, we may not be able to fund our operations to the same extent as in previous periods, which may have a material and adverse effect on our operations.

Prepayment arrangements to our suppliers for the procurement of raw materials expose us to the credit risks of such suppliers and may also significantly increase our costs and expenses, especially when cancellations of customer orders occur, which could in turn have materially and adversely affect us.

Some of our supply contracts include prepayment obligations for the procurement of silicon wafers. As of December 31, 2024, we had RMB90.5 million of advances to our suppliers. We generally do not receive collateral to secure such payments for these contracts.

Our prepayments, secured or unsecured, expose us to the credit risks of our suppliers, and reduce our chances of obtaining the return of such prepayments in the event that our suppliers become insolvent or bankrupt. Moreover, we may have difficulty recovering such prepayments if any of our suppliers fails to fulfill its contractual delivery obligations to us. Accordingly, a default by our suppliers to whom we have made substantial prepayment may have a material adverse effect on our financial condition, results of operations and liquidity.

If we fail to manage our inventory effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

Our business models require us to maintain a certain level of inventory and to manage it effectively to ensure timely deliveries upon receiving orders. As of December 31, 2022, 2023 and 2024, our inventories were RMB338.9 million, RMB727.3 million and RMB552.1 million, respectively. The impact of inventory obsolescence is a material concern for us as it may lead to the recording of impairment losses. We assess our inventory periodically for impairment and recognize any losses as they occur, in line with our accounting policies. We decide the procurement amount of product from suppliers, and the level of inventory, in accordance with our supply chain management mechanism. For details, see "Business — Supply Chain Management" in this prospectus.

Demand forecasts are inherently uncertain due to a number of factors, such as launch of new products, pricing, changes in customer procurement decisions and evolving preferences of consumers of PV modules, each of which may affect the accuracy of any forecast. We may record impairment losses from time to time in accordance with our impairment policies. For details, see "Financial Information — Material Accounting Policy Information" in this prospectus. When we begin selling a new product, it may be difficult to predict the demand in the market due to lack of experience. We normally do not have the right to return unsold quality products to our suppliers.

Selling our products on credit terms may increase our working capital requirements and expose us to the credit risk of our customers, especially that related to trade receivables and receivables at FVTOCI.

To accommodate and retain customers in the fluctuating market environment, many PV cells manufacturers, including us, make credit sales and extend credit terms to customers, and this trend is expected to continue in the industry. As a result, some of our sales are made on credit terms, where we allow our customers to make payments after a certain period of time subsequent to the delivery of our products. Our trade and bills receivables turnover days remained stable at 1.9 days in 2022 and 2.0 days in 2023 but increased to 14.5 days in 2024 mainly due to the increase in our trade and bills receivables, resulting from the growth of our overseas sales. Correspondingly, we recorded impairment loss allowance for trade and bills receivables of RMB1.6 million, RMB5.5 million and RMB10.7 million as of December 31, 2022, 2023 and 2024, respectively. Based on our ongoing assessment of the recoverability of our outstanding accounts receivable, and the consideration of the historical credit loss experience, current economic conditions, supportable forecasts of future economic conditions, and any recoveries in assessing the lifetime expected credit losses, we may need to continue to provide for credit losses and write off overdue trade receivable we determine as not collectible.

Selling our products on credit terms has increased, and may continue to increase our working capital requirements, which may negatively affect our liquidity. We may not be able to maintain adequate working capital primarily through cash generated from our operating activities and may need to secure additional financing for our working capital requirements, which may not be available to us on commercially acceptable terms or at all.

In addition, we are exposed to the credit risk of customers to which we have made credit sales in the event that any of such customers becomes insolvent or bankrupt or otherwise does not make timely payments. If these customers are not able to obtain satisfactory working capital, maintain adequate cash flow, or obtain construction financing for the projects where our PV cells are used, they may be unable to pay for products they have ordered from us or for which they have taken delivery. Our legal recourse under such circumstances may be limited if the customers' financial resources are already constrained or if we wish to continue to do business with these customers.

Our plants and fixed assets may require substantial investment and upgrading due to depreciation or business growth.

Our plants and operations may require substantial investment and upgrading from time to time due to depreciation or business growth, which may increase our cost. If we cannot successfully recover such cost, our profitability may be decreased. Additionally, the timely completion of planned upgrading is subject to a number of factors, including our ability to raise and maintain sufficient funds for such upgrading, our ability to obtain the required licenses and permits from government authorities, and adequate supply and timely delivery of products. If upgrading is not completed in a timely manner, our operations may be temporarily restrained, which may further materially and adversely affect our business, financial condition, results of operations and prospects.

We are exposed to changes in the fair value of financial assets at fair value through profit or loss, receivables at fair value through other comprehensive income ("FVTOCI").

During the Track Record Period, the fair value of our financial assets at fair value through profit or loss was determined by reference to observable inputs to the price of the underlying investments using a valuation pricing model and is classified as Level 2 fair value measurements. Changes in these inputs may affect the estimated fair value of our financial assets at the end of each financial reporting period. Considering the inherent uncertainty in the fair value of financial assets at fair value through profit or loss, any significant and adverse changes in fair value could have an adverse effect on our financial position and results of operations. We cannot assure you that we will continue to generate such fair value gain in the future. If our investments incur a fair value loss, our results of operations and financial condition may be adversely affected. For details, see Note 21 to the Accountants' Report in Appendix IA to this prospectus.

We cannot assure you that our internal control procedures related to the investment procedure will be effective and adequate. We cannot assure you that we will not experience losses with respect to these investments in the future or that such losses or other potentially negative impact will not have a material adverse effect on our business and financial condition.

We have granted, and may continue to grant various forms of share-based incentive awards, including performance-based share awards, under our share incentive plan, which may result in increased share-based compensation expenses and have a dilutive effect on your Shareholding.

We adopted share incentive plans in 2022 and 2023 under which we can grant share options to eligible employees and directors. The vesting is dependent upon eligible person remaining at all times after the date of granting and on the vesting date an eligible person of the incentive plans. In 2022 and 2023, we recorded share-based compensation expenses of RMB49.6 million and RMB121.3 million, respectively. In 2024, we recorded reversal of share-based compensation expenses of RMB16.0 million considering the vesting conditions and our performance. For details, see "History, Development and Corporate Structure — Our Employee Incentive Schemes", Note 30 to the Accountants' Report in Appendix IA, and "Statutory and General Information — Employee Incentive Schemes" in Appendix VI to this prospectus.

We believe the granting of share-based compensation is of significant importance to our ability to attract, retain and motivate key personnel and employees, and we will continue to grant share-based compensation in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations. In addition, expenses associated with performance-based share awards may fluctuate greater between periods compared to those associated with time-based share awards. If the eligible employees and director exercise their options, your shareholding in our Company will be subject to dilution.

RISKS RELATING TO DISPUTES AND REGULATORY COMPLIANCE

Any potential changes in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

We derive a growing amount of our revenue through our overseas markets. Given the strong and continuing growth in global market demand for PV cells and the initial success of our global strategy, we have been proactively identifying and seeking suitable opportunities of overseas production capacity expansion to better serve relevant markets. We plan to reach an overseas annualized production capacity of around 10 GW to better serve our existing and prospective overseas clientele. As a result, we will be subject to laws and regulations applicable to foreign investment and, in particular, laws applicable to wholly foreign-owned enterprises and joint venture companies. The rules and regulations can change from time to time.

The implementation, interpretation and enforcement of many laws, regulations and rules may change from time to time, and may limit legal protections available to us. In addition, any litigation may be protracted and may result in substantial costs and divert our resources and the attention of our management.

We are subject to numerous laws, regulations and policies at the national, regional and local levels of government in the markets where we do business. Any changes to these laws, regulations and policies may present legal, technical, regulatory and economic barriers to the R&D, sale, purchase and use of PV cells, which may significantly reduce demand for our products or otherwise adversely affect our financial performance.

We are subject to a variety of laws and regulations in the markets where we do business, some of which may conflict with each other and all of which are subject to change. These laws and regulations include energy regulations, export and import restrictions, tax laws and regulations, environmental regulations, labor laws, supply chain laws and regulations and other government requirements, approvals, permits and licenses. We also face trade barriers and trade remedies such as export requirements, tariffs, taxes and other restrictions and expenses, including anti-dumping and countervailing duty orders, which could increase the prices of our products and make us less competitive in some countries. For example, in early-to-mid 2024, the United States confirmed to hike tariffs on imports of PV cells manufactured in China, is expected to end waivers on tariffs of certain PV products imported from several Southeast Asian countries, and has initiated AD/CVD investigation into solar cell imports from Southeast Asia. For details, see "— Our efforts in maintaining, developing and expanding our business requires marketing and selling our products internationally, which poses inherent risks" in this section.

In the countries where we do business, the market for PV cells is heavily influenced by national, state and local government regulations and policies concerning the PV industry. These regulations and policies could deter further investment in the research and development of renewable energy sources, which could result in a significant reduction in the potential demand for our PV cells.

We expect that our PV cells and their downstream application will continue to be subject to national, state and local regulations and policies relating to safety, utility interconnection and metering, construction, environmental protection, and other related matters. Any new regulations or policies pertaining to our PV cells may result in significant additional expenses to us and our customers, which could cause a significant reduction in demand for our solar power and battery storage products.

Our business requires a number of approvals, licenses, permits or certificates, and our failure to obtain or renew these approvals, licenses, permits or certificates in a timely manner may materially and adversely affect our business.

In accordance with applicable laws and regulations, we are required to obtain and maintain a variety of approvals, licenses, permits, and certificates from relevant authorities to conduct our business. Failure to obtain any licenses, permits, approvals, or certificates required for our operations may result in enforcement actions under the relevant regulatory bodies, including orders to cease operations and corrective measures requiring capital expenditure or remedial actions. These actions could have a significant and negative impact on our business, financial situation, and operational results in the future. Furthermore, there is no guarantee that we would not face enforcement action from the appropriate authorities. Should an enforcement action of this kind be initiated, our business operations may be significantly and negatively impacted.

In addition, some of these approvals, permits, licenses and certificates are subject to periodic renewal and reassessment by the relevant authorities, and the standards of such renewal and reassessment may change from time to time. We undertake to apply for the renewal and reassessment of these approvals, permits, licenses, and certificates when required by applicable laws and regulations. We cannot guarantee that we will be able to successfully maintain or renew existing permits, licenses, or any other regulatory approvals or obtain permits, licenses, or other approvals needed for the operation of our businesses in the future.

If we fail to obtain the necessary renewals and reassessments and otherwise maintain all approvals, licenses, permits, and certificates required to carry out our business at any time, our business could be severely disrupted and prevented from continuing, which could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, if existing laws and regulations evolve or new regulations come into effect requiring us to obtain any additional approvals, permits, licenses or certificates that were previously not required to operate our existing businesses, we cannot assure you that we will successfully obtain such approvals, permits, licenses or certificates. Our failure to obtain the additional approvals, permits, licenses or certificates may restrict the conduct of our business, decrease our revenue and increase our costs, which could materially reduce our profitability.

Our legal right to use certain properties could be challenged or restricted.

As of the Latest Practicable Date, we had not yet obtained the property ownership certificates of 13 buildings with a GFA of 4,897.5 sq.m. due to the changes of ownership of the properties or the change of name of Jietai Technology. All the aforementioned 13 properties were located on the site of our Shangrao Plant and were auxiliary and supporting facilities or buildings. According to the relevant PRC laws and regulations and as advised by our PRC Legal Advisor, our rights as owner or occupant of these properties may be adversely affected due to the absence of the relevant building ownership certificates. Accordingly, certain rights including our rights to transfer or lease the properties and/or to mortgage the properties may be restricted. For details, see "Business — Properties" in this prospectus.

According to the respective agreements that we entered into with the Management Committee of Lai'an Chahe Economic and Technological Development Zone and the People's Government of Lianshui County, the relevant government authorities are responsible for the construction of the production plants and related ancillary buildings used on our Chuzhou and Huai'an Plants. We lease and use the properties upon completion of the construction and will purchase the properties within an agreed timeframe. As of the Latest Practicable Date, the aggregate GFA of the relevant properties was 650,831.86 sq.m.. As of the Latest Practicable Date, the property ownership certificates of the aforementioned properties were still in the process of application preparation and thus have not been obtained. As such, if our legal rights to the concerned properties are successfully challenged, we may be exposed to material adverse effects on our business, financial condition and results of operations. For details, see "Business — Properties — Leased Properties" in this prospectus. Therefore, we are exposed to risks associated with the use of the aforementioned properties.

We are required to comply with economic sanctions and import and export controls laws and regulations that could subject us to liability and impair our ability to compete in overseas markets.

Our global operations subject us to various applicable sanctions and export controls regulations. We have exported our products to a large number of countries and regions and derived sales from exporting to these countries and regions. In the event that any of these countries or regions which we export to imposes economic sanctions or enforces import restriction or tariffs in relation to our products, our business and operations may be adversely affected. Furthermore, we rely on a global network of suppliers to obtain raw materials and equipment for the manufacturing of our products. In the event that any of the countries or regions where we procure imposes export controls, tariffs, trade restrictions or other trade barriers on any of the raw materials or equipment supplied to us, or if any of our suppliers fail to comply with export control regulations or similar laws, we may not be able to obtain a steady supply of necessary raw materials or equipment at competitive prices, and our business and operations may be materially and adversely affected.

Exports of our products must be made in compliance with various economic sanctions and export controls laws in different jurisdictions. We take precautions to prevent our products from being provided to any target of these sanctions. For details, see "Business — Risk Management and Internal Control" in this prospectus. We cannot assure you that our products would not be provided to those targets. Any such provision could have negative consequences, including government investigations, penalties and reputational harm. We could be subject to future enforcement action with respect to compliance with governmental economic sanctions and export controls laws that result in penalties and costs that could have a material effect on our business and operating results.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.

We may subject to anti-corruption, anti-bribery, anti-money laundering and similar laws and regulations in various jurisdictions in which we conduct activities. We have implemented policies and procedures designed to ensure compliance by us and our Directors, employees, suppliers and customers with applicable anti-corruption and anti-bribery and similar laws and regulations. Our policies and procedures may not be sufficient, and our Directors, employees, suppliers and customers could engage in improper conduct for which we may be held responsible.

Non-compliance with anti-corruption, anti-bribery, sanctions or anti-money laundering laws and regulations could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition and reputation.

In the event that there is a failure to fully comply with applicable laws and regulations, the relevant government agencies may initiate investigation, freeze our assets or impose fines or other penalties on us, our portfolio companies or the funds under our management, and the exit of our investments and our reputation would be adversely affected. We cannot assure you that there will not be failures in detecting illegal or improper activities which may adversely affect our business reputation, financial condition and results of operations.

We are exposed to various risks related to legal or administrative proceedings or claims that could materially and adversely affect us.

Litigation in general can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. We and our directors and officers may be involved in allegations, litigation or legal or administrative proceedings from time to time. Regardless of the merits, responding to allegations, litigation or legal or administration proceedings and defending against litigation can be time-consuming and costly, and may result in us incurring substantial legal and administrative expenses, as well as divert the attention of our management. Any such allegations, lawsuits or proceedings could have a material adverse effect on our business operations. Further, unfavorable outcomes from these claims or lawsuits could adversely affect our business, financial condition and results of operations.

We are subject to certain regulatory requirements over foreign currency conversion and remittance.

We receive substantial payments from our operations in mainland China in RMB and may need to convert Renminbi into other currencies to fund our business activities outside mainland China. The convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of mainland China are subject to certain regulatory requirements under PRC laws over foreign currency conversion and remittance. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to satisfy our foreign currency denominated obligations.

If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Any existing and future requirements on currency exchange may limit our ability to purchase raw materials and components outside of mainland China or otherwise fund any future business activities that are conducted in foreign currencies.

Failure to comply with rapidly evolving governmental regulations and other legal obligations concerning data protection and cybersecurity may materially and adversely affect our business, as we routinely collect, store and use data during the conduct of our business.

We are subject to various regulatory requirements relating to cybersecurity and data privacy, including the PRC Data Security Law (《中華人民共和國數據安全法》), the Cybersecurity Law of PRC (《中華人民共和國網絡安全法》) and the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》). Should our data processing activities be subject to these laws and regulations, we are required to ensure that our data processing activities are carried out in a lawful, legitimate, specific and clear manner. Pursuant to the Personal Information Protection Law of the PRC, a service provider shall obtain the consent of the persons whose data is gathered when collecting and using personal information and shall comply with other circumstances as prescribed by laws and regulations.

As advised by the PRC Legal Advisor, according to Regulation on Protecting the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), we are not a critical information infrastructure operator. In the course of conducting our business, the privacy data we collect mainly pertains to employee information, customer and supplier contact information, and other data necessary for operation and management. We do not engage in collecting private information through public channels such as operational websites, apps, or mini-programs on internet platforms. We may incur further expenses to comply with laws and regulations relating to data privacy, data security and consumer protection, as well as relevant industry standards and contractual obligations.

In addition, regulatory requirements on cybersecurity and data privacy are constantly evolving and can be subject to varying interpretations or significant changes, resulting in uncertainties about the scope of our responsibilities in that regard. We may also be subject to additional or new laws and regulations regarding the protection of personal information and important data or privacy related matters in connection with our methods for data collection, analysis, storage and use. If we are unable to comply with the applicable laws and regulations or effectively address data privacy and protection concerns, such actual or alleged failure could damage our reputation, discourage customers from purchasing our products and subject us to significant legal liabilities.

As of the Latest Practicable Date, we have not been informed that we are identified as a critical information infrastructure operator by any governmental authorities. We will closely monitor the relevant regulatory environment and will assess and determine whether we are required to apply for the cybersecurity review with the advice of our PRC counsel.

Any failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

Companies operating in China are required to participate in various employee benefit plans, including pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance 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. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations.

As advised by our PRC Legal Advisor, we were in compliance with applicable laws and regulations related to social insurance and housing provident funds in all material aspects during the Track Record Period. We cannot assure you that any new laws and regulations or any changes in the implementation of the existing laws and regulations will not require us to pay any contribution shortfall retroactively, thereby adversely affecting our financial condition and results of operations.

We may be subject to fines for failure to register some of our leases.

As at the Latest Practicable Date, we entered into four lease agreements as the tenant in mainland China, all of which had yet to be registered with the relevant government authorities in accordance with PRC Law. As advised by our PRC Legal Advisor, the lack of registration of a lease will not affect its legality, validity or enforceability. We may be subject to fines ranging from RMB1,000 to RMB10,000 for each of such non-registered leases should we fail to register the lease agreements upon request by the relevant authority, which may adversely affect our business, financial condition, results of operations and prospects. For details, see "Business — Properties — Leased Properties" in this prospectus.

Any dispute or claim in relation to these properties could result in us having to relocate and obtain alternative accommodation for certain of our employees. If our right to use these properties is challenged, we would need to seek alternative properties on short notice and incur relocation costs, and there is no guarantee that we would be able to find suitable alternative properties on reasonable commercial terms, or at all. Any relocation could lead to disruptions to our operations and may have an adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas listings issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Trial Measures for the Administration 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》) and five supporting guidelines, which came into effect on March 31, 2023 (the "Overseas Listing Regulations"). The Overseas Listing Regulations are applicable to overseas securities offering and listing conducted by issuers who are (i) companies incorporated in the PRC ("PRC domestic companies") and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. The Overseas Listing Regulations stipulate that such issuer shall fulfill the filing procedures within three working days after it makes an application for offering and listing in an overseas stock market. According to the Overseas Listing Regulations, we, as a PRC domestic company seeking to issue and list securities in overseas markets, are required to fulfill the filing procedure with the CSRC within three working days after submitting the application documents to the overseas supervisory authorities and report relevant information. For details, see "Regulatory Overview — Regulations Relating to Overseas Listing" in this prospectus.

The Overseas Listing Regulations may subject us to additional compliance requirements in the future, and we cannot assure you that we will be able to get clearance of our filing procedures under the Overseas Listing Regulations on a timely basis, or at all. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our ability to continue to sell our securities to investors, cause significant disruption to our business operations, and severely damage our reputation, which could affect our financial condition and results of operations and cause our securities to decline in value or become worthless.

RISKS RELATING TO THE GLOBAL OFFERING

We will be concurrently subject to listing and regulatory requirements of mainland China and Hong Kong.

As we are listed on the Shenzhen Stock Exchange and will be listed on the Main Board 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. Failure to comply with the applicable regulatory requirements and listing rules could result in sanctions, fines, penalties, regulatory measures and reputational damage. For details, see "Directors, Supervisors and Senior Management — Other Information about Ms. Lu and Ms. Zheng Tong (鄭彤)" in this prospectus for a discussion of an incident relating to our failure to comply with Regulatory Guidelines for Listed Companies No. 5 — Registration and Management System for Insider Information of Listed Companies issued by the CSRC.

We are a mainland China enterprise and are subject to mainland China tax on our income. Any gains on the sales of H Shares and dividends on the H Shares may be subject to mainland China income taxes.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the mainland China and a non-mainland China investor's jurisdiction of residence that provides for a different income tax arrangement, mainland China withholding tax at the rate of 10% is normally applicable to dividends from mainland China sources payable to investors that are non-mainland China resident enterprises, which do not have an establishment or place of business in mainland China, or which have an establishment or place of business in mainland China if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% mainland China income tax rate if such gains are regarded as income from sources within mainland China unless a treaty or similar arrangement provides otherwise.

Under the IIT Law and its implementation rules, dividends from sources within mainland China paid to foreign individual investors who are not mainland China residents are generally subject to a mainland China withholding tax at a rate of 20% and gains from mainland China sources realized by such investors on the transfer of shares are generally subject to a 20% mainland China income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in mainland China. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-mainland China resident individual holders of H Shares are generally subject to individual income tax of mainland China at the withholding tax rate of 10%, in which the non-mainland China resident individual holder of H Shares resides as well as the tax arrangement between mainland China and Hong Kong. Non-mainland China resident individual holders who reside in jurisdictions that have not entered into tax treaties with mainland China are subject to a 20% withholding tax on dividends received from us. Pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from 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》) issued by the MOF of mainland China and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-mainland China resident individuals on the sale of shares of mainland China resident enterprises listed on overseas stock exchanges.

If mainland China income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-mainland China resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with mainland China may not qualify for benefits under such tax treaties or arrangements.

Our A Shares are listed on the Shenzhen Stock Exchange, and the characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the Shenzhen Stock Exchange. Following the Global Offering, our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be listed on the Stock Exchange. Under current laws and regulations of mainland China, 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 trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading 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 price of our H Shares, and vice versa. 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 investment decision in our H Shares.

An active trading market for our H Shares may not develop or be sustained.

Prior to the Global Offering, there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the Global Offering. In addition, the Offer Price of our H Shares is expected to be fixed by agreement between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) and us, and may not be an indication of the market price of our H Shares following the completion of the Global Offering. If an active public market for our H Shares does not develop following the completion of the Global Offering, the market price and liquidity of our H Shares may be materially and adversely affected.

The trading price and trading volume of our H Shares may be volatile, which could result in substantial losses to you.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Hong Kong Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares in the future.

As the Offer Price of our H Shares is higher than the net tangible book value per H Share of our H Shares immediately prior to the Global Offering, purchasers of our H Shares in the Global Offering will experience an immediate dilution in pro forma net tangible book value. If we issue additional H Shares in the future, purchasers of our H Shares in the Global Offering may experience further dilution in their shareholding percentage. Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any dividends in the future.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any dividends in the future.

We have declared dividends in the past. We protect our Shareholders' interest by ensuring a consistent dividend policy. 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 mainland China, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS. 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 Shareholders' meeting. According to our Shareholder Return Plan approved on February 6, 2023, the declaration, payment and amount of any future dividends from the year of 2023 to 2025, are subject to relevant PRC laws and applicable regulations, our Articles of Association, and the occurrence of special circumstances outlined in the Shareholder Return Plan, such as the occurrence of significant investments or capital expenditure events, an audited debt-to-asset ratio that exceeds 70% at the end of the year, and a cumulative distributable profit per share for the year that is less than RMB0.1. For details of our dividend policy, see "Financial Information — Dividends" in this prospectus. Given that our financial performance in 2024 has been adversely affected compared to 2023, such circumstances will impact our ability to distribute dividends. 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.

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

As our A Shares are listed on the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in mainland China. As a result, from time to time, we publicly release information relating to us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. The information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in mainland China, which are different from those applicable to the Global Offering. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. As a result, prospective investors in our H Shares should be reminded that, in making their investment 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 Global Offering, 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 Global Offering.

Facts, forecasts and statistics in this prospectus relating to global economy and the PV cell industry may not be fully reliable.

Certain facts, forecast and other statistics in this prospectus are derived from various government and official resources. Our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said 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. Nevertheless, such information has not been independently verified by us, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

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

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or share-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

Certain facts, forecasts and statistics contained in this prospectus are derived from various official sources and may not be accurate, reliable, complete or up to date.

We have derived certain facts and other statistics in this prospectus, particularly the section headed "Industry Overview," from information provided by the PRC and other government agencies. The reproduction of such information has not been prepared or independently verified by us, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, affiliates, advisors or representatives, or any other party (other than Frost & Sullivan) involved in the Global Offering, and, therefore, we cannot assure you as to the accuracy and reliability of such facts and statistics, which may not be consistent with other information compiled inside or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. Furthermore, we cannot assure you that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

We have significant discretion as to how we will use the proceeds of the offering, and you may not necessarily agree with how we use them.

Our management may spend the proceeds from the Global Offering in ways with which you may not agree or which do not yield a favorable return to our Shareholders. Please refer to the paragraph headed "Future Plans and Use of Proceeds — Use of Proceeds" for details. Our management will have discretion as to the actual application of our net proceeds. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the net proceeds from this Global Offering.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our Shares, the market price and trading volume of our Shares may decline.

The trading market for our Shares will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us downgrade our Shares, the price of our Shares would likely decline. If one or more of these analysts cease coverage of our Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media relating to us, our H Shares or the Global Offering.

There had been, prior to the publication of this prospectus, and there may be, after the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering. We have not authorized the disclosure of any information concerning the Global Offering in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness, or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or in conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

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

This prospectus contains certain forward-looking statements and information relating to us 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 prospectus, the words "aim", "anticipate", "believe", "can", "continue", "could", "estimate", "expect", "intend", "ought to", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "will", "would" and similar expressions, as they relate to our Company 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 prospectus. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on such forward-looking statements and information.

In preparation for the Global Offering, our Company has sought and has been granted the following waivers from strict compliance with the relevant provisions of the Listing Rules and the following exemptions from strict compliance with the Companies (Winding Up & Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF 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.

Our headquarters and our business operations are based, managed and conducted in the PRC. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, 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 Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

(a) we have appointed Ms. Zheng Tong (鄭彤) and Ms. Yu Wing Sze (余詠詩) as our authorized representatives (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company's principal channel of communication with the Hong Kong Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile and email to promptly deal with enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;

(b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the Authorized Representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e. mobile phone number, office phone number and email address) of all Directors to facilitate communication with the Hong Kong Stock Exchange;

(c) all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period upon the request of the Hong Kong Stock Exchange;

(d) we have appointed Somerley Capital Limited as our compliance adviser (the "**Compliance Adviser**") upon Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending 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 Listing Date. The Compliance Adviser will have access at all times to the Authorized Representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available; and

(e) meetings between the Hong Kong Stock Exchange and our Directors can be arranged through the Authorized Representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong 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 Hong Kong Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

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

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

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

(d) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 of the Guide, 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:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under Rule 3.28(1) of the Listing Rules) nor Relevant Experience (as defined under Rule 3.28(2) of the Listing Rules) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

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

(a) 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

(b) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Ms. Zheng Tong (鄭彤) ("**Ms. Zheng**"), who joined our Group in 2017 and is our executive Director and secretary of the Board, as one of our joint company secretaries. She has extensive experience in board and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules. While Ms. Zheng may not be able to solely fulfill the requirements of the Listing Rules, our Directors consider Ms. Zheng a suitable individual to act as a joint company secretary and believe that such appointment would be in the best interests of our Company and of the corporate governance of our Group due to her thorough understanding of the internal administration and business operation of our Group. Accordingly, we have appointed Ms. Yu

Wing Sze (余詠詩) ("**Ms. Yu**"), an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Zheng for an initial period of three years from the Listing Date to enable Ms. Zheng to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. For more details of Ms. Zheng and Ms. Yu's biographical information, please refer to the section headed "Directors, Supervisors and Senior Management — Joint Company Secretaries."

Given Ms. Yu's professional qualification and experience, she will be able to explain to both Ms. Zheng and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Yu will also assist Ms. Zheng in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Yu is expected to work closely with Ms. Zheng and will maintain regular contact with Ms. Zheng. In addition, Ms. Zheng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance her knowledge of the Listing Rules during the three-year period from the Listing Date. She will also be assisted by our compliance adviser and our legal advisor as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Ms. Zheng does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such Ms. Zheng may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the Listing Date on the conditions that (a) Ms. Zheng must be assisted by Ms. Yu who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules; and (b) the waiver will be revoked immediately if and when Ms. Yu ceases to provide assistance to Ms. Zheng as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Ms. Zheng will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Ms. Zheng, having benefited from the assistance of Ms. Yu for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE EMPLOYEE INCENTIVE SCHEMES

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribes certain disclosure requirements in relation to the share options granted by our Company (the "**Share Options Disclosure Requirements**"):

(a) Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in the prospectus. Our Company is also required to disclose in the prospectus full details of all outstanding options and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options;

(b) Paragraph 27 of the Appendix D1A of the Listing Rules requires our Company to set out in the prospectus particulars of any capital of any member of our 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; and

(c) Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to set out in the prospectus, among other things, details of the number, description and amount of any shares in or debentures of our Company which any person has, or is entitled to be given, an option to subscribe for, together with the certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares or debentures subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given.

As of the Latest Practicable Date, our Company granted outstanding options under the Employee Incentive Schemes to 468 grantees (excluding the departed employees), including Directors, senior management and other employees of our Group, to subscribe for an aggregate of 8,230,507 A Shares (excluding an aggregate of 355,451 options held by 51 departed employees which are subject to cancellation and taking into account the Dividends Distribution), representing approximately 2.81% of the total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the options granted under the Employee Incentive Schemes are not exercised), on the terms set out in the paragraph headed "Employee Incentive Schemes" in the Appendix VI to this prospectus.

Our Company has applied to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of and paragraph 27 of Appendix D1A to the Listing Rules; and (ii) to the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company and the waiver and the exemption would not prejudice the interest of the investing public for the following reasons:

(a) given that 468 (excluding the departed employees) grantees are involved, strict compliance with the Share Option Disclosure Requirements in setting out full details of all the grantees under the Employee Incentive Schemes in this prospectus would be costly and unduly burdensome for our Company in light of a significant increase in cost and time for information compilation and prospectus preparation;

(b) as of the Latest Practicable Date, save for three grantees who are Directors and two grantees who are senior management of our Company with outstanding options to subscribe for an aggregate of 2,008,198 A Shares, representing approximately 0.69% of the total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the options granted under the Employee Incentive Schemes are not exercised), the remaining 463 (excluding the departed employees) grantees are employees of our Group and Independent Third Parties with outstanding options to subscribe for an aggregate of 6,222,309 A Shares (excluding an aggregate of 355,451 options held by 51 departed employees which are subject to cancellation and taking into account the Dividends Distributions), representing approximately 2.13% of the total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the options granted under the Employee Incentive Schemes are not exercised). Strict compliance with the applicable Share Option Disclosure Requirements to disclose names, addresses and entitlements on an individual basis in this prospectus will require number of additional pages of disclosure that does not provide any material information to the investing public;

(c) the grant and exercise in full of the options under the Employee Incentive Schemes will not cause any material adverse impact on the financial position of our Company;

(d) lack of full compliance with the above disclosure requirements would not prevent our Company from providing its potential investors with information for them to make an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and

(e) material information relating to the options under the Employee Incentive Schemes will be disclosed in this prospectus, including the total number of A Shares subject to the Employee Incentive Schemes, the exercise price per A Share, the potential dilution effect on shareholding, and impact on earnings per A Share upon full exercise of the options granted under the Employee Incentive Schemes. Our Directors consider that the information that is reasonably necessary for the potential investors to make an informed assessment of our Company in their investment decision making process has been included in this prospectus.

The Stock Exchange has granted us a waiver from strict compliance with the relevant requirements under the Listing Rules on the conditions that:

(a) full details of the options under the Employee Incentive Schemes granted to each of the Directors and members of senior management will be disclosed in the paragraph headed "Employee Incentive Schemes" in Appendix VI to this prospectus on an individual basis as required under the applicable Share Option Disclosure Requirements;

(b) for the remaining grantees, disclosure will be made, on an aggregate basis, of (i) the aggregate number of grantees and the number of A Shares underlying the options granted to them under the Employee Incentive Schemes, (ii) the consideration (if any) paid for the grant of the options under the Employee Incentive Schemes, and (iii) the exercise period and the exercise price for the options granted under the Employee Incentive Schemes;

(c) there will be disclosure in the paragraph head "Employee Incentive Schemes" in Appendix VI to this prospectus for the aggregate number of A Shares underlying the options under the Employee Incentive Schemes and the percentage of our Company's total issued share capital represented by such number of A Shares;

(d) the dilutive effect and impact on earnings per A Share upon full exercise of the options under the Employee Incentive Schemes will be disclosed in the paragraph headed "Employee Incentive Schemes" in Appendix VI to this prospectus;

(e) a summary of the principal terms of the Employee Incentive Schemes will be disclosed in the paragraph headed "Employee Incentive Schemes" in Appendix VI to this prospectus;

(f) the particulars of the waiver and the exemption will be disclosed in this prospectus;

(g) a full list of all the grantees (including those persons whose details have already been disclosed in this prospectus) under the Employee Incentive Schemes, containing all the particulars as required under the applicable Share Option Disclosure Requirements be made available for public inspection in accordance with Appendix VII to this prospectus;

(h) further information relating to the grantees who have been granted options is provided to the Stock Exchange; and

(i) the grant of a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The SFC has granted us the certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance subject to the conditions that:

(a) full details of the options granted by the Company under the Employee Incentive Schemes to each of the Directors, senior management, connected persons of our Company and other grantees who have been granted options to subscribe for 58,719 Shares of the Company or more are disclosed in "Statutory and General Information — Employee Incentive Schemes — (viii) Outstanding Options" in Appendix VI to this prospectus, such details to include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted by the Company under the Employee Incentive Schemes to grantees other than those set out in (a) above, disclosure are made, on an aggregate basis, categorized into lots based on the number of Shares underlying each individual grantee, being: 1 to 10,000 Shares and 10,001 to 58,718 Shares. For each lot of Shares under each of the Employee Incentive Schemes, the following details are disclosed in the prospectus: (1) aggregate number of grantees and number of Shares subject to the options, (2) the consideration paid for the grant of the options and (3) the exercise period and the exercise price for the options;

(c) a full list of all the grantees (including the persons referred to in (a) above) who have been granted options to subscribe for Shares under the Employee Incentive Schemes, containing all the details as required in paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection in accordance with the section headed "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix VII to this prospectus; and

(d) the particulars of the exemption will be disclosed in this prospectus.

Further details of the Employee Incentive Schemes are set forth in the paragraph headed "Employee Incentive Schemes" in Appendix VI to this prospectus.

ALLOCATIONS OF OFFER SHARES TO CLOSE ASSOCIATE OF AN EXISTING SHAREHOLDER AS CORNERSTONE INVESTOR WITH A CONSENT UNDER PARAGRAPH 17 OF CHAPTER 4.15 OF THE GUIDE

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought that are being marketed by or on behalf of a new applicant either in his/her/its own name or through nominees if the following conditions in Rule 10.03 of the Listing Rules are fulfilled:

(a) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and

(b) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

Paragraph 5(2) of Appendix F1 to the Listing Rules provides that, without the prior written consent of the Stock Exchange, no allocations will be permitted to be made to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees, unless the conditions set out in Rules 10.03 and 10.04 are fulfilled.

Paragraph 13 of Chapter 4.15 in the Guide provides guidance as to the conditions subject to which the Stock Exchange will consider giving consent and granting waiver from Rule 10.04 of the Listing Rules to an applicant's existing shareholders or their close associates to participate in a global offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed (the "**Existing Shareholders Conditions**").

Paragraph 17 of Chapter 4.15 in the Guide states that the Stock Exchange will grant consent and/or waiver to allow an existing shareholder and/or its close associates and a cornerstone investor to subscribe or purchase further securities in the IPO without fulfilment of the Existing Shareholders Conditions subject to the disclosure of details of the allocation in the listing document and/or the allotment results announcement, and the following size exemption conditions being fulfilled:

(a) The offer (excluding any over-allocation) has a total value of at least HK$1 billion;

(b) Securities allocated to all existing shareholders and their close associates (whether as cornerstone investors and/or as placees) as permitted under this exemption do not exceed 30% of the total number of securities offered; and

(c) Each director, chief executive, controlling shareholder and, in the case of PRC issuers, supervisor of the applicant must have confirmed that no securities have been allocated.

Our Company has applied to, and the Stock Exchange has granted, a consent under paragraph 17 of Chapter 4.15 of the Guide to permit the Company to allocate Offer Shares in the International Offering to Modern Direct Investment New Energy Technology Co., Limited (現代直投新能源科技有限公司) ("**Modern Direct Investment**"). Modern Direct Investment is a close associate of the Company's existing shareholder Shangrao Economic and Technological Development Zone Industrial Development Investment Co., Ltd. (上饒經濟技術開發區產業發展投資有限公司) (the "**Existing Shareholder**") as a cornerstone investor, subject to the following conditions:

(a) the final offering size of the Global Offering, excluding any over-allocation, will be of a total value of at least HK$1 billion;

(b) the Offer Shares allocated to all existing Shareholders and their close associates as permitted under the Size-based Exemption (as defined in the Guide) do not exceed 30% of the total number of the Shares offered under the Global Offering;

(c) each Director, Supervisor and chief executive of the Company confirms that no Offer Shares have been allocated to them or their respective close associates under the Size-based Exemption;

(d) the allocation to Modern Direct Investment will not affect the Company's ability to satisfy the public float requirement as prescribed by the Stock Exchange under Rule 8.08 of the Listing Rules; and

(e) details of the allocation to Modern Direct Investment under the Size-based Exemption will be disclosed in this prospectus.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF H SHARES BY ZHUHAI GOKIN THROUGH GF SECURITIES AM

Paragraph 5(1) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)) (collectively, the "**Distributors**", and each a "**Distributor**"), without the prior written consent of the Stock Exchange.

Paragraph 13(7) of the Appendix F1 to the Listing Rules states that "connected client" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

As further described in the section headed "Cornerstone Investments" in this prospectus, Zhuhai Gokin New Energy Investment Co., Ltd (珠海市高景新能源投資有限公司) ("**Zhuhai Gokin**") has entered into a cornerstone investment agreement with, among others, the Company and the Joint Sponsors to subscribe for the Offer Shares. For the purpose of the cornerstone investment, Zhuhai Gokin has engaged GF Securities Asset Management (Guangdong) Co., Ltd. (廣發證券資產管理(廣東)有限公司) ("**GF Securities AM**"), an asset manager that is a qualified domestic institutional investor as approved by the relevant PRC authority, in the name of GFAM GAOJING NO. 1 ASSET MANAGEMENT ACCOUNT (QDII) (資管高景1號單一資產管理計劃), to subscribe for and hold such Offer Shares on a non-discretionary basis on behalf of Zhuhai Gokin. GF Securities (Hong Kong) Brokerage Limited ("**GF Securities (Hong Kong) Brokerage**") has been appointed as one of the Capital Market Intermediaries of the Global Offering. GF Securities AM is a direct wholly-owned subsidiary of GF Securities Co., Ltd. (stock code: 1776.HK) ("**GF Securities**") and GF Securities (Hong Kong) Brokerage is an indirect wholly-owned subsidiary of GF Securities. Each of GF Securities AM and GF Securities (Hong Kong) Brokerage is a member of the same group of companies. As a result, GF Securities AM is a connected client of GF Securities (Hong Kong) Brokerage for the purpose of paragraph 13(7) of Appendix F1 to the Listing Rules.

We have applied for, and the Stock Exchange has granted, a consent under paragraph 5(1) of Appendix F1 to the Listing Rules to permit Zhuhai Gokin (through GF Securities AM as the asset manager) to participate in the Global Offering as a cornerstone investor on the following basis and conditions as set out in Paragraph 5 of Chapter 4.15 of the Guide:

(a) any Offer Shares to be allocated to Zhuhai Gokin (through GF Securities AM as the asset manager) will be held on behalf of Zhuhai Gokin and its ultimate beneficial owners. Zhuhai Gokin and its ultimate beneficial owners are independent third parties;

(b) the cornerstone investment agreement of Zhuhai Gokin (through GF Securities AM as the asset manager) does not contain any material terms which are more favourable to Zhuhai Gokin (through GF Securities AM as the asset manager) than those in other cornerstone investment agreements;

(c) no preferential treatment has been, nor will be, given to Zhuhai Gokin (through GF Securities AM as the asset manager) by virtue of their relationship with GF Securities (Hong Kong) Brokerage in any allocation of Offer Shares in the International Offering other than the assured entitlement under the relevant cornerstone investment agreement;

(d) GF Securities AM confirms that to the best of its knowledge and belief, Zhuhai Gokin (through GF Securities AM as the asset manager) has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering as a placee by virtue of their relationship with GF Securities (Hong Kong) Brokerage other than the assured entitlement under the relevant cornerstone investment agreement;

(e) each of the Company, the Overall Coordinators, GF Securities AM and GF Securities (Hong Kong) Brokerage has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide; and

(f) details of the cornerstone investment and details of the allocation will be disclosed in this prospectus and the allotment results announcement.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors (including any proposed Director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Cap 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

CSRC FILING

We have submitted a filing to the CSRC for application of listing of the H Shares on the Stock Exchange and the Global Offering on February 6, 2024. The CSRC confirmed our completion of filing on May 17, 2024. No other approvals from the CSRC are required to be obtained for the listing of the H Shares on the Stock Exchange.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 6,343,300 Offer Shares and the International Offering of initially 57,089,000 Offer Shares (subject to, in each case, reallocation on the basis referred to under the section headed "The Structure of the Global Offering" in this prospectus and, in case of the International Offering, to any exercise of the Over-allotment Option).

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Capital Market Intermediaries, the Underwriters, any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering. Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

See "The Structure of the Global Offering" for details of the structure of the Global Offering, including its conditions and the arrangements relating to the Over-allotment Option and stabilization.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares."

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Hong Kong Offer Shares to, confirm that he/she is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the United States.

APPLICATION FOR LISTING OF THE H SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option).

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Thursday, May 8, 2025. Save for our A Shares listed on the Shenzhen Stock Exchange as disclosed in this prospectus, no part of our Shares or loan capital is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought as of the Latest Practicable Date.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Hong Kong Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

COMMENCEMENT OF DEALING IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional in Hong Kong at or before 8:00 a.m. in Hong Kong on Thursday, May 8, 2025, it is expected that dealings in the Shares on the Stock Exchange are expected to commence on Thursday, May 8, 2025. The H Shares will be traded in board lots of 100 H Shares each. The stock code of the H Shares will be 02865.

H SHARE REGISTER AND HONG KONG STAMP DUTY

All of the Offer Shares will be registered on our register of members of H Share to be maintained by our H Share Registrar in Hong Kong. Our principal register of members will be maintained by us at our headquarters in the PRC.

Dealings in the H Shares registered on the H Share register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of our Company in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their respective directors, officers, employees, partners, agents, advisors or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB7.2069 to US$1.00, being the PBOC rate prevailing on the Latest Practicable Date, (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.9283 to HK$1.00, being the PBOC rate prevailing on the Latest Practicable Date; and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK$7.7635 to US$1.00.

No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail unless otherwise stated. However, the English translation of the names of the PRC entities, enterprises, nationals, facilities, regulations in Chinese included in this prospectus is for identification purposes only. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail. In addition, if there is any inconsistency between the names of any of the entities mentioned in the English version of this prospectus which are not in the English language and their English translations, the names in their respective original language shall prevail.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed in any table, chart or elsewhere in this prospectus are due to rounding.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Ms. Lu Xiaohong (陸小紅)	Building 117, Xi'an Garden Suzhou, Jiangsu PRC	Chinese
Mr. Xu Xiaoping (徐曉平)	Building 117, Xi'an Garden Suzhou, Jiangsu PRC	Chinese
Mr. Zhang Manliang (張滿良)	Room 2704, Building 19 Zone 4, Shidai Shangcheng Garden No. 128 Dongshahu Road Suzhou Industrial Park Suzhou, Jiangsu PRC	Chinese
Mr. Zheng Hongwei (鄭洪偉)	No. 31, Lane 1638 Huqingping Road, Qingpu District Shanghai PRC	Chinese
Ms. Zheng Tong (鄭彤)	D1-2, Ruyaju Jinpan Yayuan, No. 6 Jinlian Road Haikou, Hainan PRC	Chinese
Non-executive Director		
Mr. Xu Yong (徐勇)	Room 401, Building 8 No. 178 Xinggang Road Suzhou Industrial Park Suzhou, Jiangsu PRC	Chinese

Independent non-executive Directors

Dr. Mao Xiaoying (茆曉穎)	Unit 6-104, Nanhuan Apartment No. 9-1 Neimalu Road Gusu District, Suzhou, Jiangsu PRC	Chinese
Mr. Shen Wenzhong (沈文忠)	Room 601, No. 2 Lane 406, Yishan Road Xuhui District Shanghai PRC	Chinese
Mr. Ma Shuli (馬樹立)	Room 103, Building 178 Tongquetai Yayuan Suzhou Industrial Park Suzhou, Jiangsu PRC	Chinese
Mr. Zhang Liang (張亮)	Flat A, 3/F, Kam Sing Mansion 3 Tai Fung Avenue Taikoo Shing Hong Kong	Chinese

SUPERVISORS

Name	**Address**	**Nationality**
Ms. Liu Renmei (劉忍妹)	Room C418, Building C 16 Wenshan Road Chahe Town, Lai'an County Chuzhou, Anhui PRC	Chinese
Ms. Lin Caiying (林彩英)	Room 504, Building 69 Mabang Garden Suzhou, Jiangsu PRC	Chinese
Ms. He Jialu (何佳璐)	Room 306, Building 18 Nanyuan New Village Gusu District Suzhou, Jiangsu PRC	Chinese

For details with respect to our Directors and Supervisors, please refer to the section headed "Directors, Supervisors and Senior Management."

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
	Deutsche Securities Asia Limited 60/F, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Sponsor-Overall Coordinators	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
	Deutsche Bank AG, Hong Kong Branch 60/F, International Commerce Centre 1 Austin Road West Kowloon Hong Kong

Overall Coordinators

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

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

Deutsche Bank AG, Hong Kong Branch
60/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

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

Joint Global Coordinators	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
	Deutsche Bank AG, Hong Kong Branch 60/F, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
	CLSA Limited 18/F, One Pacific Place 88 Queensway Hong Kong
	China International Capital Corporation Hong Kong Securities Limited 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
	SDICS International Securities (Hong Kong) Limited 39/F, One Exchange Square Central Hong Kong
	Patrons Securities Limited Unit 3214, 32/F., Cosco Tower 183 Queen's Road Central Sheung Wan Hong Kong

Joint Bookrunners

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

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

Deutsche Bank AG, Hong Kong Branch
60/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

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18/F, One Pacific Place
88 Queensway
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39/F, One Exchange Square
Central
Hong Kong

Patrons Securities Limited
Unit 3214, 32/F., Cosco Tower
183 Queen's Road Central
Sheung Wan
Hong Kong

GF Securities (Hong Kong) Brokerage Limited
27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

Futu Securities International (Hong Kong) Limited
34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

Fosun International Securities Limited
Suite 2101-2105 21/F Champion Tower
3 Garden Road
Central
Hong Kong

BOCI Asia Limited
26/F Bank of China Tower
1 Garden Road
Central
Hong Kong

CCB International Capital Limited
12/F CCB Tower
3 Connaught Road Central
Central
Hong Kong

ICBC International Securities Limited
37/F ICBC Tower
3 Garden Road
Hong Kong

Fortune (HK) Securities Limited
4102-6, 41st Floor, Cosco Tower
Nos 183 Queen's Road Central
Hong Kong

	TradeGo Markets Limited Room 3405, West Tower, Shun Tak Centre 168-200 Connaught Road Central Hong Kong
Joint Lead Manager	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
	Deutsche Bank AG, Hong Kong Branch 60/F, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
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168-200 Connaught Road Central
Hong Kong

Eddid Securities and Futures Limited
21/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

Star River Securities Limited
Room 2402, Wing On Centre
111 Connaught Road Central
Hong Kong

Yuen Meta (International) Securities Limited
Rooms 1101-4, 11/F Harcourt House
39 Gloucester Road
Wan Chai
Hong Kong

Capital Market Intermediaries

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

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

Deutsche Bank AG, Hong Kong Branch
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Rooms 1101-4, 11/F Harcourt House
39 Gloucester Road
Wan Chai
Hong Kong

Legal Advisors to the Company	*As to Hong Kong and U.S. laws:* **O'Melveny & Myers** 31/F, AIA Central 1 Connaught Road Central Hong Kong *As to PRC law:* **Tian Yuan Law Firm** Unit 509, Tower A Corporate Square 35 Financial Street Xicheng District Beijing PRC
Legal Advisors to the Joint Sponsors and Underwriters	*As to Hong Kong and U.S. laws:* **Latham & Watkins LLP** 18th Floor, One Exchange Square 8 Connaught Place Central Hong Kong *As to PRC law:* **AllBright Law Offices** 11,12/F, Shanghai Tower No. 501, Yincheng Middle Road Pudong New Area Shanghai PRC
Auditor and Reporting Accountants	**Deloitte Touche Tohmatsu** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 35/F, One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 West Nanjing Road Jing'an District Shanghai PRC
Receiving Bank	**CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong

Registered Office	Hainan Drinda Building Haikou Free Trade Zone No. 168 Nanhai Avenue Haikou Hainan PRC
Headquarters and Principal Place of Business in the PRC	Hainan Drinda Building Haikou Free Trade Zone No. 168 Nanhai Avenue Haikou Hainan PRC
Principal Place of Business in Hong Kong	31/F., Tower Two Times Square, 1 Matheson Street Causeway Bay Hong Kong
Company Website	**www.jietaisolar.com** (*Information contained on this website does not form part of this prospectus*)
Joint Company Secretaries	Ms. Zheng Tong (鄭彤) D1-2, Ruyaju, Jinpan Yayuan, No. 6 Jinlian Road Haikou, Hainan PRC Ms. Yu Wing Sze (余詠詩) *(ACG, HKACG)* 31/F., Tower Two Time Square, 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	Ms. Zheng Tong (鄭彤) D1-2, Ruyaju Jinpan Yayuan, No. 6 Jinlian Road Haikou, Hainan PRC

	Ms. Yu Wing Sze (余詠詩) 31/F., Tower Two Time Square, 1 Matheson Street Causeway Bay Hong Kong
Audit Committee	Dr. Mao Xiaoying (茆曉穎) *(Chairperson)* Mr. Xu Yong (徐勇) Mr. Ma Shuli (馬樹立)
Remuneration and Appraisal Committee	Mr. Ma Shuli (馬樹立) *(Chairperson)* Mr. Zheng Hongwei (鄭洪偉) Dr. Mao Xiaoying (茆曉穎)
Nomination Committee	Mr. Shen Wenzhong (沈文忠) *(Chairperson)* Mr. Zheng Hongwei (鄭洪偉) Mr. Zhang Liang (張亮)
Strategy Committee	Ms. Lu Xiaohong (陸小紅) *(Chairperson)* Mr. Zhang Manliang (張滿良) Mr. Shen Wenzhong (沈文忠)
ESG Committee	Mr. Zhang Manliang (張滿良) *(Chairperson)* Mr. Zheng Hongwei (鄭洪偉) Ms. Zheng Tong (鄭彤)
Compliance Adviser	**Somerley Capital Limited** 20th Floor, China Building 29 Queen's Road Central HongKong
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East, Wan Chai HongKong
Principal Banker	**China Construction Bank Corporation Lai'an Branch** 776 Jianyang South Road Lai'an County, Chuzhou City Anhui Province, PRC

The information in this section is derived from an independent report prepared by Frost & Sullivan. The industry report prepared by Frost & Sullivan is based on information from its database, publicly available sources, industry reports, data obtained from interviews and other sources. We believe that the sources of the information in this section 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 part 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, the Overall Coordinators, the Underwriters or any other party involved in the Global Offering, and no representation is given as to its accuracy.

SOURCES OF INFORMATION AND RESEARCH METHODOLOGY

The information and statistics set out in this section and other sections of this prospectus were extracted from different official government publications, available sources from public market research and other sources from independent suppliers. In addition, we engaged Frost & Sullivan for preparing an independent industry report in respect of the Global Offering. The information from Frost & Sullivan disclosed in the prospectus is extracted from the Frost & Sullivan Report, a report commissioned by us for a fee of RMB690,000, and is disclosed with the consent of Frost & Sullivan. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.

Frost & Sullivan is an independent global consulting firm founded in 1961 in New York. Its services include, among others, industry consulting, market strategic consulting and corporate training. Frost & Sullivan conducted (i) primary research, which involved discussing the status of the industry with certain leading industry participants, and interviews with industry experts on a best-effort basis to collect information in aiding in-depth analysis; and (ii) secondary research, which involved reviewing company reports, independent research reports and data based on its own research database.

Our Directors have confirmed that there has been no adverse change in the market information since the date of publication of the Frost & Sullivan report, which may qualify, contradict or impact the information in this Industry Overview section. Each of our Directors and the Joint Sponsors has exercised reasonable care in selecting and identifying the named information sources, compiling, extracting and reproducing the information, and ensuring that there has been no material omission of the information in this Industry Overview section.

GLOBAL RENEWABLE ENERGY POWER GENERATION MARKET

Background of Global Carbon Neutrality Initiatives

Combating climate change has emerged as a collective global objective, with renewable energy playing an integral role in this endeavor. Nations across the globe are implementing policies and initiatives to prioritize the development of renewable energy sources, aiming to achieve carbon neutrality.

In line with this global trend, the Chinese government has established objectives to peak carbon emissions by 2030 and achieve carbon neutrality by 2060. To realize these goals, China is vigorously advancing the implementation of renewable energy technologies.

Definition and Classification of Renewable Energy

Renewable energy refers to energy derived from naturally replenishing sources that are virtually inexhaustible. The primary sources of renewable energy include solar energy, wind energy and hydropower.

Comparison of Primary types of Renewable Energy Sources and Fossil Fuels

Energy Sources	Share of Cumulative Installed Capacity*				Application Scenarios	Generation Cost in 2024 (USD per kWh)
	Global		China			
	2024	2030E	2024	2030E		
Solar Power	19.2%	29.7%	26.5%	48.5%	Residential, Commercial, Utility-scale, Off-grid	0.039
Wind Power	11.3%	11.5%	15.6%	18.1%	Onshore and offshore wind farms	0.035 (onshore) 0.075 (offshore)
Hydropower	12.0%	5.8%	11.3%	6.3%	Regions with access to large water bodies	0.061
Fossil Fuels	55.3%	51.9%	43.6%	24.6%	Scenarios with fossil fuel resources	0.067

Source: IEA (International Energy Agency), Frost & Sullivan Analysis, IRENA (International Renewable Energy Agency)

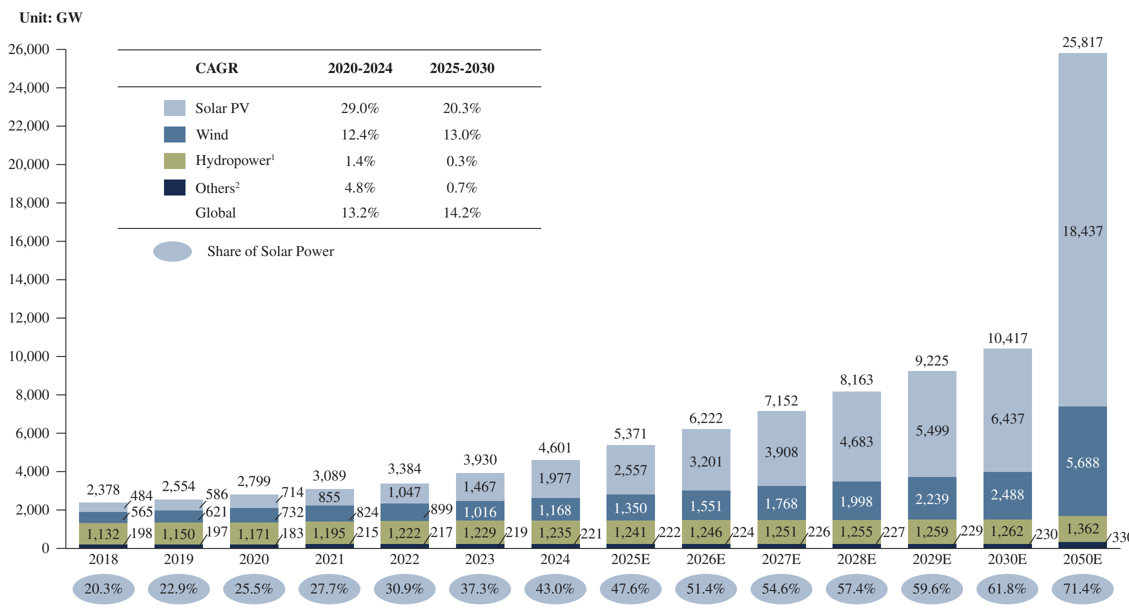
* The cumulative installed capacity refers to the total installed capacity of all power generation methods.

Solar power, in comparison to other renewable energy sources, boasts several advantages. It is adaptable to various scales, ranging from small residential setups to large utility-scale projects. It also benefits from a broadly available resource base and faces minimal geographical constraints. Additionally, solar power has higher commercial maturity, stability and lower electricity generation costs. All of these factors laid the foundation for solar power's rapid growth as a renewable energy source.

Market Size of Global Renewable Energy Power Generation

From 2020 to 2024, the market size of global renewable energy power generation, measured by global renewable energy cumulative installed capacity, increased from 2,799.0 GW to 4,600.5 GW at a CAGR of 13.2%. As the clean energy transition progresses, the global renewable energy cumulative installed capacity is expected to reach 10,416.8 GW in 2030, representing a CAGR of 14.2% from 2025 to 2030, with solar power growing faster than other primary renewable energy sources. In 2050, the global renewable energy cumulative installed capacity is expected to be almost six times the 2024 level.

Global Renewable Energy Cumulative Installed Capacity, by Energy Sources



Source: IEA (International Energy Agency), IRENA (International Renewable Energy Agency), Frost & Sullivan Analysis

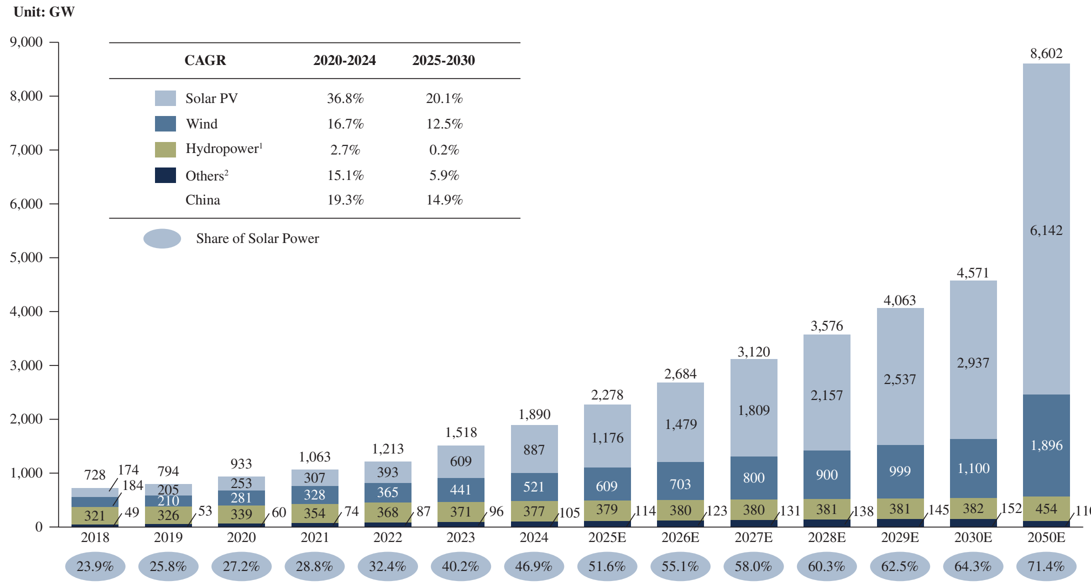
Notes:

1. Hydropower excludes pumped storage.

2. Others primarily include bioenergy, geothermal, ocean, and pumped storage.

In China, the renewable energy cumulative installed capacity increased from 933.0 GW in 2020 to 1,890.4 GW in 2024 at a CAGR of 19.3%. The renewable energy cumulative installed capacity in China is expected to reach 4,571.4 GW in 2030, representing a CAGR of 14.9% from 2025 to 2030, with solar power outpacing other primary renewable energy sources. In 2050, China's renewable energy cumulative installed capacity is also expected to be approximately five times the 2024 level.

China Renewable Energy Cumulative Installed Capacity, by Energy Sources



Source: NEA (China's National Energy Administration), Frost & Sullivan Analysis

Notes:

1. Hydropower excludes pumped storage.

2. Others primarily include bioenergy, geothermal, ocean, and pumped storage.

Market Drivers of Global Renewable Energy Market

Supportive Policies to Achieve Carbon Neutrality and Address Energy Security Concerns

Recent years have witnessed a surge in favorable policies for renewable energy market from governments and organizations worldwide. These efforts aim to tackle climate change and reduce dependence on fossil fuels, thereby enhancing these nations' energy security. Particularly, in February 2021, the NDRC, the Ministry of Finance, National Energy Administration ("**NEA**") and the People's Bank of China jointly promulgated the *Notice on Guiding to Increase Financial Support to Promote the Healthy and Orderly Development of Wind Power and Photovoltaic Power Generation Industries* (《關於引導加大金融支持力度促進風電和光伏發電等行業健康有序發展的通知》), and the NDRC and the NEA promulgated the *Notice on Matters Concerning Promoting the Sound Development of the Photovoltaic Industry Chain* (《關於促進光伏產業鏈健康發展有關事項的通知》) in September 2022. In alignment with the global objective to reach carbon neutrality by 2050, renewable energy sources are expected to contribute to 90% of electricity generation before then. In 2024, renewable energy installed capacity additions represented 87.9% and 86.6% of global and China's installed capacity additions, respectively, positioning it as a primary contributor to the increase in installed capacity.

The recent policies introduced by the PRC government are set to substantially boost the PV cell industry. These policies aim to increase the scale and proportion of PV power generation in the country's energy mix, which are expected to drive a significant increase in demand for PV cells. Central, eastern, and southern regions are the focal points for accelerating the rollout of both centralized and distributed PV power, including household installations, PV facilities at highway service areas and large-scale PV power bases. Financial incentives to PV enterprises are also introduced, e.g., loan extensions, renewals, and subsidy-backed financial support. Furthermore, intensified market competition drives demand for low-cost, high-efficiency, and mature renewable energy technologies, which positions PV cells as critical components for advancing efficiency and reducing costs in PV modules.

In addition to the broad measures, the PRC government has implemented specific supportive policies aimed at promoting the adoption of renewable and non-fossil energy sources, further energizing the PV cell market. Key initiatives include the *14th Five-Year Plan for Renewable Energy Development*, which seeks to increase the share of non-fossil energy consumption to approximately 25% and boost the installed capacity of wind and solar power to over 1.2 billion KW by 2030. Additionally, the *Energy Work Guidance for 2024* by the National Energy Administration sets targets to raise the proportion of non-fossil energy in the installed capacity to about 55% and elevate wind and solar power generation to above 17% by 2030. These targets reflect a significant increase compare to the performance in 2023. Moreover, specific measures such as direct subsidies for downstream customers, such as residential consumers, tax incentives, and rebates for both producers and consumers of PV products, as well as mandated renewable energy quotas for utilities, are designed to reduce initial cost barriers and ensure a steady demand for PV-generated power. The State Grid Corporation of China supports these efforts by releasing lists of subsidized renewable energy projects, with the most recent in April 2024 including 727 projects with a capacity of 3,715.2 MW. These policies not only catalyze immediate market demand but also underscore China's long-term commitment to a sustainable and secure energy future, reducing reliance on volatile fossil fuel markets and enhancing energy independence amidst global geopolitical challenges.

Technological Advancements Empowering Global Energy Transition

Ongoing advancements in renewable energy technologies, including improvements in PV cell efficiency, wind turbine design, and energy storage systems, are enhancing the reliability and cost-effectiveness of renewable energy compared to fossil fuels. As a result, these developments are facilitating a global shift from fossil-based energy systems to renewable energy sources.

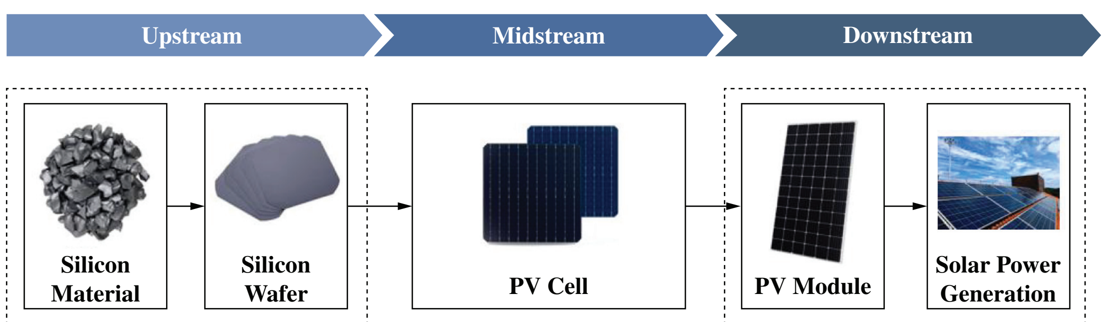
Future Trend of Global Renewable Energy Market

Solar power generation is expected to become the primary force in future renewable energy generation. With a clear technological development roadmap and a more effective cost reduction path compared to other renewables, the solar power industry is becoming a crucial part in energy structure reforms globally. In 2024, solar power's share in renewable energy installed capacity additions was 76.1% globally and 74.4% in China, leading to further increases in the proportion of solar power in both global and Chinese renewable installed capacities. As such, solar power is well positioned to continue dominating the renewable energy market in the foreseeable future. The PV cell industry operates in a highly dynamic and unpredictable environment due to rapid technological advancements, fluctuating market demands, and evolving global regulations. Government policies, including in regions like Europe, play a significant role in shaping the industry through subsidies, tax incentives, and renewable energy mandates. However, these regulations are subject to change based on political and economic shifts, creating uncertainty.

GLOBAL PV CELL MARKET OVERVIEW

PV Supply Chain

Photovoltaic ("**PV**") effect, the foundation of solar power generation, refers to the phenomenon where solar radiation is converted into electrical energy. To harness the full potential of the PV effect, the PV industry has developed a series of commercial activities that relate to the R&D, production, sales, and application of solar power generation products.



- ***Upstream***. This segment is primarily concerned with the supply of raw materials and components crucial for solar power generation, including silicon materials and silicon wafers. The supply of other materials used in manufacturing PV cells, such as silver paste and various chemical solvents, also belongs to upstream.

- ***Midstream***. This segment focuses on the R&D and manufacturing of PV cells, which are essential in determining the performance and service life of PV modules and PV systems. The technological approach and process level of PV cell manufacturing directly influence the conversion efficiency and lifespan of the PV modules and PV systems, which in turn makes PV cells the most critical and high-value segment within the PV industry chain.

- ***Downstream***. Market participants in this segment manufacture PV modules. PV modules are composed of multiple PV cells and can be integrated into a PV system. These systems can be then deployed in various scenarios such as power plants, factories, buildings and residences, primarily to generate electricity.

Given China's longstanding technological expertise in the PV industry and its cost advantages, the global PV industry chain is primarily concentrated in China. The table below represents China's market share of various key PV products in terms of global production capacity in 2023.

Products	Silicon material	Silicon wafer	PV cell	PV module
Market share of China	93.6%	97.9%	90.1%	83.4%

Definition and Classification of PV Cells

PV cells refer to semiconductor thin films obtained by processing silicon wafers, which can generate voltage under certain lighting conditions and produce current when there is a circuit, thus converting solar energy into electrical energy. According to the specific dopant elements employed, PV cells can be classified into P-type and N-type, with P-type represented by PERC cells and N-type encompassing various technologies such as N-type TOPCon cells, N-type HJT cells, and N-type xBC cells. The PV industry has experienced continuous evolution of prevailing technology and rapid growth. For instance, polycrystalline PV cells generally held over 90% market share between 2010 and 2016. However, since 2017, P-type PERC cells began to gradually replace multicrystalline cells and subsequently dominated the market from 2018 to early 2023, peaking at a market share of 90% in 2022, and then dropped in 2023 due to the P-N transition. Notwithstanding the continuous shift in technologies, due to a wide variety of application scenarios and market demand associated therewith and the intrinsic longevity of PV cells that typically extends to 25 years, after the launch of new generations of products, former generations of PV cells may still enjoy some market demand before being fully phased out through newly installed solar power capacities that would typically require purchasing and using the up-to-date generation of PV cells to harness their higher cost efficiency. However, the demand of older generation PV cells are typically expected to be very limited because the lifecycle of PV cells is long, and during their operational period, it is generally unnecessary to replace or maintain individual PV cells in operation, and the maintenance of PV modules installed with older generations of PV cells mostly involves dust and snow removal, instead of purchasing new PV modules using older generations of PV cells. Consequently, the demand in the PV market primarily stems from the need for new installations rather than replacing or maintaining existing PV cells in operation. End-users pay close attention to the return on investment and the payback period of PV power stations. Higher conversion efficiency leads to higher electricity generation under the same conditions, thereby enhancing the return on investment. Due to their higher conversion efficiency, N-type cells are often preferred over P-type cells for new installations from an economic perspective. For historical and expected changes in shipment volume of P-type and N-type between 2018 and 2030, see "— Global PV Cell Market — Global PV Cell Market in the P-N Transition" in this section.

The following table presents a comparison of different PV cells' statistics and commercialization levels in 2024 in the PV industry:

	P-type	N-type		
	PERC	TOPCon	HJT[(2)]	N-type xBC[(2)] (including TBC and HBC[(3)])
Theoretical Conversion Efficiency Cap	24.5%	28.7%	28.5%	29.1%
Mass Production Conversion Efficiency[(1)]	23.5%	25.5%	25.7%	26.1%
Equipment Investment	Low	Slightly high	High	High
BOM (Bill of Materials) Cost	Low	Slightly high	High	High
Commercialization Level	Mature	Large-scale mass production	Initial mass production	Initial mass production

Source: Frost & Sullivan

Notes:

(1) Mass production conversion efficiency refers to the percentage of the solar energy shining on a PV cell that is converted into usable electricity, and theoretical conversion efficiency can often be positively correlated to mass production conversion efficiency and determines the latter's maximum potential value. The mass production conversion efficiency presented in this table is the average mass production conversion efficiency reported in the industry.

(2) Not yet ready for large-scale mass production in the PV industry as of December 31, 2024. Compared with PV cells already in large-scale mass production, they have smaller shipment volumes and still face challenges related to production yield and manufacturing costs, which contribute to N-type TOPCon cells' projected mainstream position until at least 2030. For detailed reasons thereto and future shipment volume trends of PV cells, see "— Global PV Cell Market — Global PV Cell Market in the P-N Transition" and "— Future Trend of PV Cell Market — N-type TOPCon Cells will Continue Holding the Mainstream Position in the Market in the Near Future" in this prospectus. In the 2024, the shipment volume of HJT and N-type xBC cells in aggregate only accounted for approximately 7.4% of the global PV cell shipment volume in the same period, compared with approximately 66.9% for N-type TOPCon cells.

(3) N-type TBC cells refer to N-type xBC cells incorporating TOPCon technology. N-type HBC cells refer to N-type xBC cells incorporating HJT technology. xBC is a platform technology that can integrate with, but not replace, other PV cells to derive various sub-categories and produce superior performance in certain application scenarios, e.g., rooftop installations, as electricity is expected to be generated efficiently on the frontside. However, xBC cells are less advantageous in application scenarios where PV cells are typically expected to efficiently utilize sunlight from both sides, e.g., solar power stations.

P-type PERC cells, holding over 90% of the global market share in 2022, dominated the PV cell market. Nonetheless, N-type cells have multiple advantages and represent the primary technological development route for future PV cells. Particularly, N-type TOPCon cells, a type of N-type cells, offer a cost-effective solution for technological upgrades. N-type TOPCon cells also have a theoretical conversion efficiency cap of 28.7%, suggesting substantial headroom for mass production efficiency improvements.

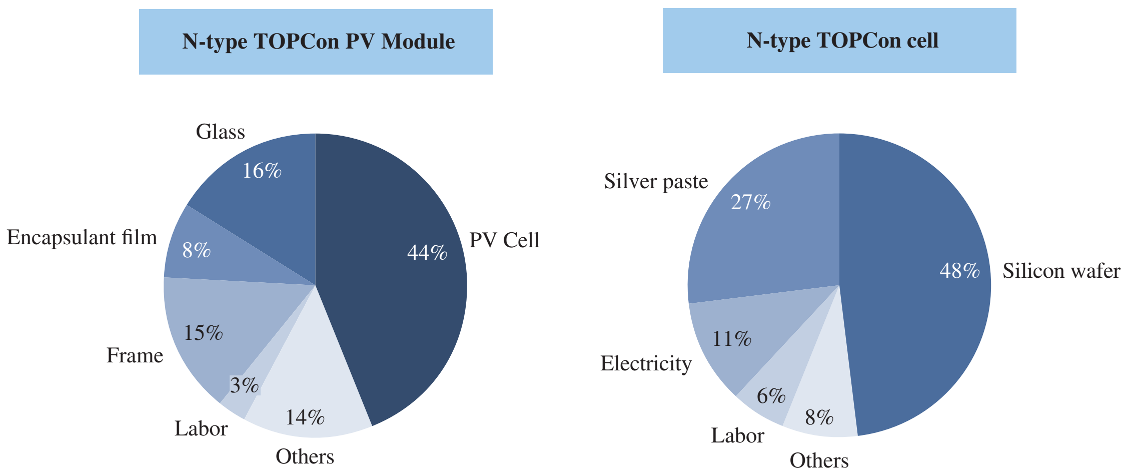
In 2022, N-type TOPCon cells pioneered large-scale mass production, compared to other N-type cells, and as of the Latest Practicable Date, N-type TOPCon cells remain the only N-type cells entering large-scale mass production. Meanwhile, xBC represents a next-generation platform technology that can incorporate TOPCon or HJT to create PV cells with superior performance, which do not directly compete with either of them. The xBC technology, while promising as a platform that may enhance the capabilities of N-type TOPCon cells or N-type HJT cells, is still in the early stages of technical and equipment development due to its need for additional processes on top of existing manufacturing steps. Therefore, it is not yet ready for large-scale mass production at an acceptable price for the downstream market and still several years away from reaching large-scale mass production.

Similarly, N-type HJT cells are currently in initial mass production and not yet available for large-scale mass production. They have a similar theoretical conversion efficiency compared to N-type TOPCon cells and are regarded as a potential alternative to N-type TOPCon technology. Compared to N-type TOPCon cells, N-type HJT cells' process technology is currently still in R&D stage, with production equipment still undergoing improvements and refinements. Given the current state of its process technology and production equipment, the investment required for N-type HJT cells' manufacturing equipment substantially exceeds that of N-type TOPCon cells, leading to higher production costs. As a result, N-type HJT cells are significantly more expensive than N-type TOPCon cells and cannot be mass-produced in large scale at a price acceptable to the downstream market. Despite the increasing shipment volume, the market share of N-type HJT cells, which is estimated at 3.8% in 2024, remains limited compared to N-type TOPCon cells due to the latter's established production processes and cost-effectiveness.

Therefore, N-type TOPCon cells are regarded and will continue as the mainstream N-type technology in the foreseeable future.

PV Cell Cost Structure

PV cells are the most critical component within PV modules, accounting for around 44% of PV modules' total cost. Among various raw materials of PV cells, silicon wafers are the largest cost component, typically accounting for around 60% of the total cost, which decreased to around 48% in 2024 given the silicon wafer price trend, followed by silver paste. The following graph illustrates the cost structure of PV module and cells:



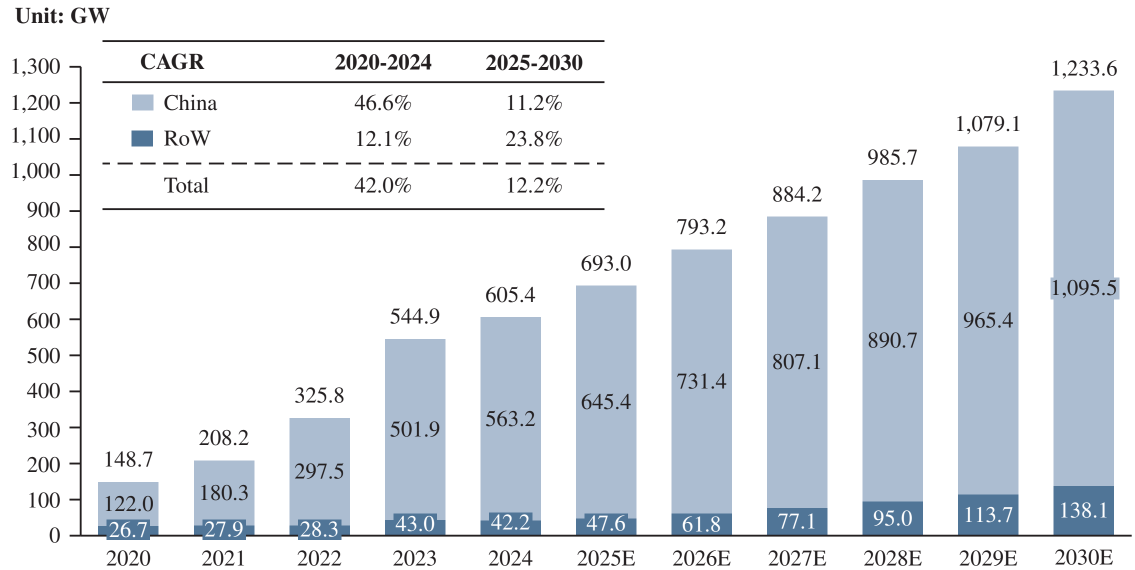
Source: CIPA, Frost & Sullivan Analysis

GLOBAL PV CELL MARKET

China's Leadership in the Global PV Cell Market

Global carbon neutrality targets and energy transition strategies have driven rapid growth in demand for PV cells. As a result, the global PV cell market size, measured by shipment volume, reached 605.4 GW in 2024. The global demand for renewable energy, with solar power as its primary representative, has continued its steady increase. Additionally, technological advancements and cost reduction have rendered solar power as the most competitive source of energy in a growing number of countries. Therefore, the global PV market is expected to continue to grow rapidly, which is expected to continue to drive the expansion of the PV cell market. By 2030, the global shipment volume of PV cells is expected to reach 1,233.6 GW at a CAGR of 12.2% from 2025 to 2030.

Global PV Cell Shipment Volume, by Region



Source: Frost & Sullivan Analysis

Note: Shipping regions are categorized based on the production location of the product.

Against this backdrop, PV cells manufactured by factories located in China hold a dominant position in global market with a shipment volume of 563.2 GW in 2024, accounting for approximately 93% of the global shipment volume. The rest of the PV cell shipments are mainly from other Asian countries, such as Thailand, Malaysia, Vietnam and India, which include shipments from the overseas factories of Chinese enterprises located in these countries.

Major countries and regions worldwide, including the United States, Europe, Asia, and the Middle East, have set targets to increase the proportion of renewable energy in their power generation. Among the various renewable energy sources, the deployment of solar power systems has gained significant importance due to its diverse advantages. Consequently, these countries and regions are focusing on intensifying the deployment of solar power systems as a key development strategy. Given the robust demand for PV installations overseas, the growth rate of PV installations in international markets is expected to surpass that of the domestic market in China in the coming years. However, the production of PV cells requires high levels of R&D expertise and mature manufacturing capabilities. Establishing sufficient PV cell manufacturing capacity in overseas markets to meet their own demands in the short term is challenging. Therefore, Chinese PV cell manufacturers are proactively establishing production capacity overseas to meet sustained growth of PV installation demand in international markets.

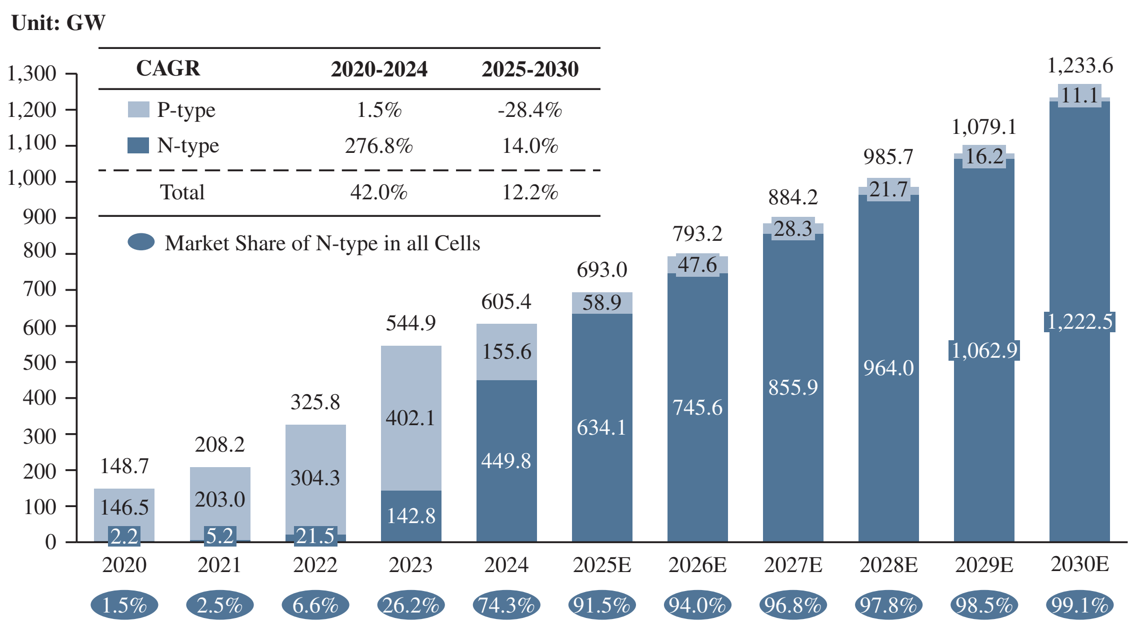
Global PV Cell Market in the P-N Transition

In recent years, P-type PERC cells have been the mainstream technology in the PV industry due to their mature technology and lower manufacturing costs compared with other types of PV cells in large-scale mass production. However, as the PV market continues to grow and the efficiency of P-type PERC cells approaches its theoretical cap, challenges in meeting the evolving demands for enhanced efficiency and cost reductions in solar power generation intensify. Consequently, in seeking new industry breakthrough, leading market players homed in on N-type cells, which in turn led to their rapid increase in production and market adoption. In 2024, N-type cells reached a market share of 74.3%.

This transition is driven by the performance advantages of N-type cells, which are becoming increasingly pronounced due to ongoing technological advancements, cost reductions, and improvements in production yield. Consequently, this transition, which has shown increasingly strong momentum since 2022, and is expected to accelerate in the upcoming years, and by 2030, the shipment volume of N-type cells is expected to reach 1,222.5 GW, constituting 99.1% of PV cell shipment volume globally. This growth trajectory positions N-type cells to surpass P-type PERC cells as the absolute mainstream in the market, marking a significant shift in the landscape of PV cell technology. In the three months ended December 31, 2023, the transition from P-type to N-type TOPCon cells significantly accelerated since there is an accelerated shift in market demand from P-type PERC cells to N-type TOPCon cells attributable to a decrease in price of N-type cells. Downstream customers mandated increased or even exclusive use of N-type TOPCon cells in their procurement. Due to advancements in process technology and stability, the mass production conversion efficiency of N-type TOPCon cells has experienced continuous improvement from approximately 24.5% in 2022 to around 25.0% in the nine months ended September 30, 2023, then approaching 25.5% by the end of 2024, while the mass production conversion efficiency of P-type PERC cells remained stagnant at 23.5%. With continuously improving conversion efficiency, N-type TOPCon cells expanded their advantages of lower unit power costs and increased power generation compared to P-type PERC cells, which in turn further increased downstream customers' demand for N-type TOPCon cells. As a result, N-type cells' market share in terms of shipment volume increased from 6.6% in 2022 to 74.3% in 2024. In addition, the rapid transition in market demand towards N-type cells has substantially squeezed the market demand for P-type PERC cells. As a result, some production capacities of P-type PERC cells have begun to experience scaling down or closure.

The P-N transition has significantly affected nearly all participants in the PV industry. In response, PV cell manufacturers are allocating more resources to the research and development as well as capacity expansion of N-type cells. Companies that position themselves earlier and are more expertised in N-type cell technology possess early-mover advantage, experiencing faster growth in their PV businesses. The market share of N-type cells increased from 1.5% in 2020 to 74.3% in 2024, and is estimated to increase to 99.1% in 2030. The introduction of N-type TOPCon cells is shifting market demand away from P-type PERC cells due to N-type TOPCon cells' compelling cost and energy production benefits. Despite a typically marginally higher unit price, N-type TOPCon cells' superior conversion efficiency delivers a more favorable cost per unit of power for end-users. In addition, PV modules with N-type TOPCon cells offer improved electricity generation, typically 3-7% higher than PV modules with P-type PERC cells under similar conditions. As a result, for an equivalent investment, N-type TOPCon cells offer higher electricity output and better financial returns than P-type PERC cells. Therefore, the long-term cost savings and enhanced performance are expected to drive end-users towards N-type TOPCon cells. As N-type TOPCon cells continue to improve in efficiency and cost-effectiveness, their market demand is poised to grow, potentially leading to the gradual phasing out of P-type PERC cells. Therefore, and given that N-type TOPCon cells still have spacious headroom for efficiency improvement, the transition from P-type to N-type TOPCon cells is expected to proceed even more rapidly than previously projected.

Global PV Cell Shipment Volume, by Type

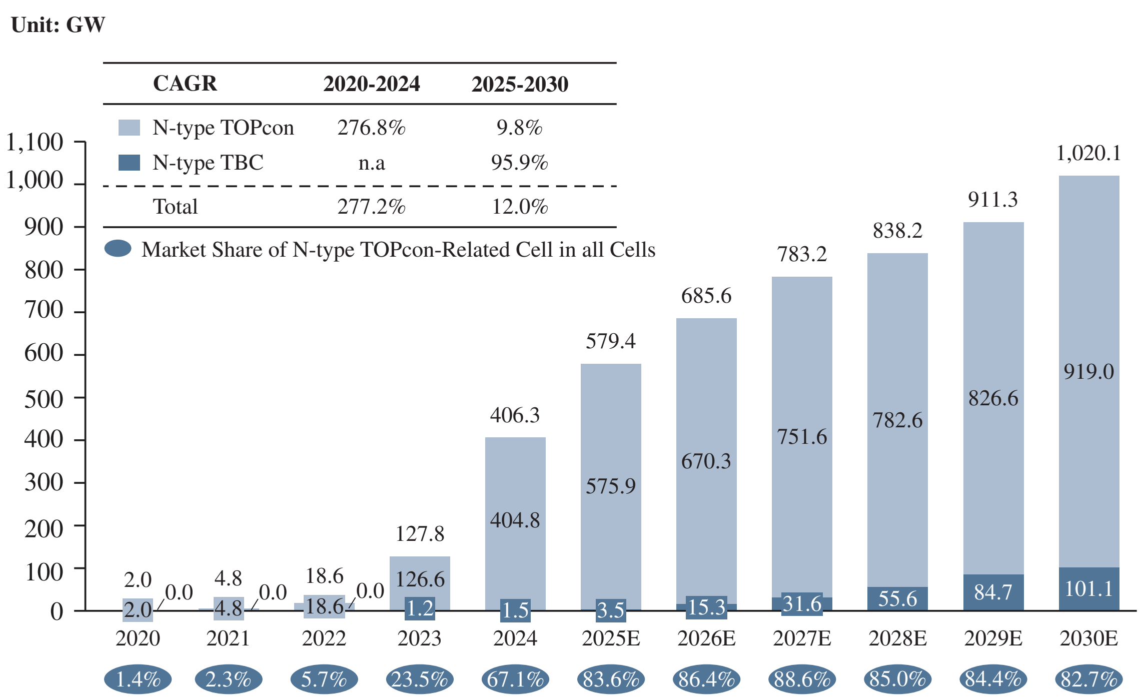


Source: Frost & Sullivan Analysis

Global N-type TOPCon-Related PV Cells

Among the various types of N-type cells, N-type TOPCon cells lead N-type cell commercialization and are expected to continue being a main beneficiary of the P-N transition. This is because they are relatively mature as they have achieved large-scale mass production, and have lower investment costs than other N-type cells. As such, N-type TOPCon cells are the mainstream N-type cell in the industry in terms of shipment volume as of December 31, 2024, and they are rapidly supplanting P-type PERC cells and have become the mainstream in the market since 2024. N-type TOPCon cells have entered mass production. In 2024, the shipment volume of N-type TOPCon-related cells reached 406.3 GW, accounting for 67.1% the total PV cell shipment, and it is expected to increase to 83.6% in 2025. The proportion of public tenders won by N-type PV modules, which primarily comprised N-type TOPCon modules, increased from 10% in the first quarter of 2023 to 58% in the fourth quarter in 2023. This trend continued into 2024, with N-type PV modules winning approximately 80% of the public tenders. Moreover, many market participants recognize the N-type TOPCon technology path and are actively investing resources in the R&D, and production of N-type TOPCon cells. Other types of PV cells, such as N-type HJT cells and N-type TBC cells, have not yet reached the stage of large-scale mass production, have smaller shipment volumes, and still face challenges related to production yield and manufacturing costs. For details, see "— Global PV Cell Market Competitive Landscape — Global N-type TOPCon Cell Specialized Manufacturer Ranking" in this section. In the meantime, some manufacturers may provide services to manufacture PV cells, primarily P-type PERC cells, on behalf of customers to fulfill their special needs. Such service helps manufacturers to utilize idle production capacity and optimize production quality from time to time. Customers who purchase PV cells may also purchase manufacturing services from manufacturers.

Global N-type TOPCon-Related PV Cell Shipment Volume



Source: Frost & Sullivan Analysis

Note: N-type TBC cells refer to N-type xBC cells incorporating TOPCon technology. N-type HBC cells refer to N-type xBC cells incorporating HJT technology. xBC is a platform technology that can integrate with, but not replace, other PV cells to derive various sub-categories, such as TBC and HBC and produce superior performance in certain application scenarios, e.g., rooftop installations, as electricity is expected to be generated efficiently on the frontside. However, xBC cells are less advantageous in application scenarios where PV cells are typically expected to efficiently utilize sunlight from both sides, e.g., solar power stations.

While N-type TBC cells are expected to grow in market share, they are expected to only contribute minor shipment volume between 2024 and 2030, and N-type TOPCon cells are expected to hold the mainstream position in the PV cell market at least up to 2030 due to various reasons in addition to their current and growing market popularity:

- ***Suitability for different scenarios***. The xBC platform technology shifts all the electrode grids on the front side to the rear side of the PV cell to reduce the shading of the grids from sunlight on the front side, increasing the conversion efficiency on that side. However, the same design and current technology also make it impractical to manufacture xBC PV cells into bifacial PV modules (i.e. PV modules that can produce electricity from both sides of the panel) with high bifacial ratio, as the rear side of the xBC cells would need to be treated to accommodate the now shifted electrode grids, lowering its conversion efficiency. As such, xBC cells are expected to be better suited for some application scenarios, such as rooftop installations, as only the frontside is expected to generate electricity efficiently. In comparison, N-Type TOPCon cells are widely used in other application scenarios, e.g., solar power stations, where both sides of the PV modules are exposed to sunlight through e.g., tilted or vertical installation, to maximize electricity output. Therefore, and given the currently expected higher cost of xBC cells, N-Type TOPCon cells are better suited for a wider range of application scenarios.

- ***More incremental improvement expected***. xBC is not an independent category of PV cells parallel to N-type TOPCon cells or P-type PERC cells. As such, it is expected to bring about such improvements more incrementally as compared with the P-N transition. While by the time of the P-N transition, P-type PERC cells were already nearing their theoretical conversion efficiency cap and thusly had less promising prospect, currently, N-type TOPCon cells still have ample headroom to grow in conversion efficiency. For N-type TBC cells in particular, since TBC is xBC cells incorporating TOPCon technology, its conversion efficiency would also correlate to improvements in N-type TOPCon cell conversion efficiency, unlike P-type PERC cells, whose conversion efficiency is entirely separate from that of N-type TOPCon cells and lags behind that of N-type TOPCon cells even more when the latter experiences further improvements.

- ***Challenges faced by alternative routes***. Other types of PV cells, primarily N-type HJT cells and other xBC cells, are not expected to materially and adversely affect the market share of N-type TOPCon cells. For N-type HJT cells, their current state of process technology and production equipment requires substantially higher investment for their manufacturing equipment compared with that of N-type TOPCon cells, leading to higher production costs and making them significantly more expensive than N-type TOPCon cells. Therefore, N-type HJT cells cannot be mass-produced in large scale at a price acceptable to the downstream market; for other types of xBC cells, their competitiveness is closely correlated to that of the PV cells which are being integrated with. For example, P-type PERC cells were already nearing their theoretical conversion efficiency cap and have been proven unable to compete effectively against N-type TOPCon cells, and N-type HJT cells' disadvantages remain evident as explained above. Consequently, compared with current market mainstream N-type TOPCon cells, both are less promising candidates for xBC integration.

Globally, the production capacity of N-type TOPCon cells increased from approximately 35 GW in 2022 to over 700 GW in 2024, with over 95% of this capacity concentrated in mainland China in 2024.

PV Cells Market in Oman

Among countries in the Middle East, Oman is one of the forerunners in developing renewable energy projects and has set an expected target to reach net-zero emissions by 2050. In particular, characterized by a hot and arid climate, Oman receives a tremendous amount of solar radiation throughout the year which is among the highest in the world. Therefore, the development of solar power is expected to be of strategic importance for Oman.

In 2024, solar power cumulative installed capacity in Oman reached around 2 GW and is expected to rise to 13 GW by 2030. Oman has set renewable energy consumption targets, aiming for a 20% increase in the proportion of renewable energy consumption by 2030 and a 35% increase by 2040. This proactive approach towards energy transformation and high enthusiasm for investments in renewable energies, including the PV industry, underscores Oman's commitment to sustainable development.

Oman's renewable energy consumption target is supported by a relatively favorable business environment, ranking 68th among 190 countries in the World Bank's 2020 "Doing Business Report." For instance, Oman provides several incentives for foreign investors, including up to five years of tax exemptions, which can be extended under certain conditions, no personal income tax, freedom of capital and profit repatriation, and fixed foreign exchange rates. Foreign investors, upon approval from the cabinet of Oman, can own between 70% and 100% of a business, facilitating significant foreign investment opportunities.

In recent years, Oman has been actively constructing solar power stations with participation from both Chinese enterprises such as Jinko and international companies. This international involvement highlights Oman's openness and attractive conditions for foreign collaborations in renewable energy projects. Leveraging favorable policies and diversified international market participants, Oman is seeking to rapidly develop its PV industry chain, further building up on a solid base for sustainable development of solar power projects.

GLOBAL PV CELL MARKET COMPETITIVE LANDSCAPE

Market Players Accelerating P-N Transition

Specialized PV cell manufacturers and integrated manufacturers are the two primary types of market players in the PV cell market. Specialized PV cell manufacturers refer to companies that focus on the R&D, production, and sales of PV cells. In contrast, integrated manufacturers participate in multiple segments within the PV industry chain, encompassing silicon wafer, PV cell, PV module, and other products. Their PV cells are primarily utilized for in-house PV module production. Integrated manufacturers, despite their participation in multiple stages of the PV industry chain, often find their own PV cell production capacities insufficient for their own PV module production capacities, necessitating purchasing from specialized manufacturers. In the current P-N transition, both specialized PV cell manufacturers and integrated manufacturers are actively strategizing the deployment of TOPCon technology to obtain competitive advantage in the relatively concentrated PV cell market characterized by intense competition.

Global PV Cell Manufacturer Ranking

Global PV cell shipment volume reached 544.9 GW in 2023, and we ranked eighth among global PV cell manufacturers (including specialized manufacturers and integrated manufacturers) in the corresponding year. Given the global PV cell shipment volume in 2024 of 605.4 GW, our shipment volume of 33.7 GW corresponds to a market share of 5.6%. In 2022 and 2023, shipment volume by specialized manufacturers amounted to 50.4% and 43.0% of the global PV cell shipment volume, respectively, while shipment volume by integrated manufacturers amounted to 49.6% and 57.0% of the global PV cell shipment volume, respectively. The table below sets forth the ranking of global PV cell manufacturers in terms of PV cell shipment volume, in which our PV cells' market share was approximately 5.5% and ranked eighth globally.

Global PV Cell Manufacturer (including Specialized Manufacturer and Integrated Manufacturer) Ranking, 2023

Ranking	Company	Category	Country	Shipment (GW), 2023[1]	Market Share, 2023
1	Manufacturer A[2]	Specialized Manufacturer	China	80.7	14.8%
2	Manufacturer B[3]	Integrated Manufacturer	China	61.8	11.3%
3	Manufacturer C[4]	Integrated Manufacturer	China	51.5	9.5%
4	Manufacturer D[5]	Integrated Manufacturer	China	44.3	8.1%
5	Manufacturer E[6]	Integrated Manufacturer	China	42.5	7.8%
6	Manufacturer F[7]	Specialized Manufacturer	China	40.3	7.4%
7	Manufacturer G[8]	Specialized Manufacturer	China	39.3	7.2%
8	Our Company	Specialized Manufacturer	China	30.0	5.5%
9	Manufacturer H[9]	Integrated Manufacturer	China	23.3	4.3%
10	Manufacturer I[10]	Specialized Manufacturer	China	22.0	4.0%

Source: Company Annual Report, Frost & Sullivan Analysis

Notes:

1. The shipment volumes above include the quantity of PV cells sold to external customers, as well as the PV cells manufactured for in-house PV module production.

2. Established in 1995, it went public on the main board of the Shanghai Stock Exchange in 2004. Since 2016, it has ventured into the field of PV industry and is recognized as one of the leading suppliers of PV cells in China. In terms of geographic coverage, it primarily covers the Chinese market. Its PV products mainly include silicon materials, PV cells, and PV modules, with TOPCon and HJT technology routes, with most of its N-type product shipment volume still comprising N-type TOPCon cells in the first half of 2024. In 2023, its revenue amounted to RMB139.1 billion.

3. Established in 2006, it went public on the main board of the Shanghai Stock Exchange in 2022. It primarily focuses on the research, production, and sales of PV modules, and also engages in the production of silicon wafers and PV cells in China. In terms of geographic coverage, it covers the global market. It mainly adopts the TOPCon technology route. In 2023, its revenue amounted to RMB118.7 billion.

4. Established in 2000, it went public on the Shanghai Stock Exchange in 2012. Its business scope covers the global market. With a primary focus on PV modules, it also produces silicon wafers and PV cells. It mainly adopts the xBC technology route, with most of its shipment volume still comprising N-type TOPCon and P-type PERC products in the first half of 2024. In 2023, its revenue amounted to RMB129.5 billion.

5. Established in 1997, it went public on the main board of the Shanghai Stock Exchange in 2020. Its business scope covers the global market. It primarily focuses on PV modules, and also engages in the production of silicon wafers and PV cells. It mainly adopts the TOPCon technology route. In 2023, its revenue amounted to RMB113.4 billion.

6. Established in 2005, it went public on the Shenzhen Stock Exchange in 2019. Its business scope covers the global market. It mainly focuses on PV modules, and also engages in the production of silicon wafers and PV cells. It adopts the TOPCon technology route. In 2023, its revenue amounted to RMB81.6 billion.

7. Established in 1996, it went public on the main board of the Shanghai Stock Exchange in 1996 as well. It entered into PV industry in 2019 through merger with a private company that was established in 2009 and operates in the PV business. Its primary focus is on the research, production, and sales of PV cells in China. In terms of geographic coverage, it primarily covers the Chinese market. It primarily adopts the xBC technology route but still invests in N-type TOPCon technology. In the first half of 2024, its xBC products only accounted for a small portion of its total shipment volume. In 2023, its revenue amounted to RMB27.2 billion.

8. Established in 2011, it specializes in the research, production, and sales of PV cells. In terms of geographic coverage, it primarily covers the Chinese market. It mainly adopts the TOPCon technology route. In 2022, its revenue amounted to RMB12.6 billion.

9. Established in 2001, it went public on the main board of the Shanghai Stock Exchange in 2021. It primarily covers customers in China. Its core business is the research, production, and sales of PV modules, with a primary focus on the TOPCon technology route. In 2023, its revenue amounted to RMB51.3 billion.

10. Established in 2013, it is a private company primarily engages in the research, production, and sales of PV cells. Its products include PV cells and PV modules. In terms of geographic coverage, it primarily covers the Chinese market. It focuses on the TOPCon technology route. In 2022, its revenue amounted to RMB22.0 billion.

Global Specialized PV Cell Manufacturer Ranking

The global PV industry continues experiencing rapid growth. Global PV cell shipment volume by specialized manufacturers reached 234.3 GW and 188.0 GW in 2023 and 2024, respectively, and we ranked fourth and second in 2023 and 2024, respectively. The table below sets forth the ranking of global specialized PV cell manufacturers in terms of PV cell shipment volume.

Global PV Cell Specialized Manufacturer Ranking, 2023 & 2024

	2023			2024		
Ranking	Specialized Manufacturer	Shipment Volume[1], GW	Market Share	Specialized Manufacturer	Shipment Volume[1], GW	Market Share
1	Manufacturer A[2]	49.6	21.2%	Manufacturer G[5]	34.5	18.4%
2	Manufacturer F[3]	38.2	16.3%	Our Company	33.7	17.9%
3	Manufacturer G[5]	35.3	15.1%	Manufacturer K[6]	28.0	14.9%
4	Our Company	30.0	12.8%	Manufacturer F[3]	24.5	13.0%
5	Manufacturer I[4]	20.5	8.7%	Manufacturer I[4]	22.8	12.1%

Source: Company Annual Report, Frost & Sullivan Analysis

Notes:

(1) The shipment volume represents the quantity of PV cells sold to external customers. Therefore, it excludes the quantity utilized for in-house PV module production.

(2) See Note (2) to "— Global PV Cell Manufacturer (including Specialized Manufacturer and Integrated Manufacturer) Ranking, 2023" for background information of Manufacturer A.

(3) See Note (7) to "— Global PV Cell Manufacturer (including Specialized Manufacturer and Integrated Manufacturer) Ranking, 2023" for background information of Manufacturer F.

(4) See Note (10) to "— Global PV Cell Manufacturer (including Specialized Manufacturer and Integrated Manufacturer) Ranking, 2023" for background information of Manufacturer I.

(5) See Note (8) to "— Global PV Cell Manufacturer (including Specialized Manufacturer and Integrated Manufacturer) Ranking, 2023" for background information of Manufacturer G.

(6) Established in 2016, it specializes in the research, production, and sales of PV cells. It primarily covers the global market and mainly adopts the TOPCon technology route.

Global N-type TOPCon Cell Manufacturer Ranking

In 2023, the global N-type TOPCon cell shipment volume reached 127.8 GW, and we ranked second in the same period. The table below sets forth the ranking of global N-type TOPCon cell manufacturers in terms of PV cell shipment volume. Given the global N-type TOPCon cell shipment volume of 404.8 GW in 2024, our shipment volume of 30.4 GW corresponds to a market share of 7.5%.

Global N-type TOPCon Cell Manufacturer Ranking (including Specialized Manufacturer and Integrated Manufacturer), 2023

Ranking	Company	Category	Country	Shipment(1) (GW), 2023	Market Share, 2023
1	Manufacturer B(2)	Integrated Manufacturer	China	38.7	30.3%
2	Our Company	Specialized Manufacturer	China	20.6	16.1%
3	Manufacturer J(3)	Integrated Manufacturer	China	17.1	13.4%

Source: Company Annual Report, Frost & Sullivan Analysis

Notes:

(1) The shipment volume represents the quantity of N-type TOPCon cells sold to external customers. Therefore, it excludes the quantity utilized for in-house PV module production.

(2) See Note (3) to "— Global PV Cell Manufacturer (including Specialized Manufacturer and Integrated Manufacturer) Ranking, 2023" for background information of Manufacturer B.

(3) Established in 2015, it engages in the business of manufacturing and selling PV cells and modules on a global scale, and it primarily adopts the N-type TOPCon technology route. It was formerly a subsidiary of a Shanghai Stock Exchange-listed company and was subsequently spun off.

Global N-type TOPCon Cell Specialized Manufacturer Ranking

N-type TOPCon cells entered large-scale mass production in 2022. As such, only a few specialized PV cell manufacturers and integrated manufacturers achieved shipment volume. We ranked first among specialized manufacturers with a shipment volume of 20.6 GW and 30.4 GW N-type TOPCon cells and a market share of 46.5% and 24.7% in terms of shipment volume in 2023 and 2024, respectively. In 2023 and 2024, global N-type TOPCon cells shipment volumes by specialized manufacturers reached 44.3 GW and 123.3 GW, respectively. The table below sets forth the ranking of global N-type TOPCon cell specialized manufacturer in terms of shipment volume of N-type TOPCon cells in 2023 and 2024, respectively. During the Track Record Period, the Group's average selling price as well as its movement while tracking general market trends, consistently outperformed industry benchmarks. For an analysis of the comparison of the Group's performance against peers, see "Business — Our Business — Our Products and Services" in this prospectus.

	2023			2024		
Ranking	**Specialized Manufacturer**	**Shipment Volume[1], GW**	**Market Share**	**Specialized Manufacturer**	**Shipment Volume[1], GW**	**Market Share**
1	Our Company	20.6	46.5%	Our Company	30.4	24.7%
2	Manufacturer G[2]	5.8	13.1%	Manufacturer G[2]	18.7	15.2%
3	Manufacturer A[3]	3.8	8.6%	Manufacturer K[4]	16.8	13.6%

Source: Frost & Sullivan Analysis

Notes:

(1) The shipment volume represents the quantity of N-type TOPCon cells sold to external customers. Therefore, it excludes the quantity utilized for in-house PV module production.

(2) See Note (8) to "— Global PV Cell Manufacturer (including Specialized Manufacturer and Integrated Manufacturer) Ranking, 2023" for background information of Manufacturer G.

(3) See Note (2) to "— Global PV Cell Manufacturer (including Specialized Manufacturer and Integrated Manufacturer) Ranking, 2023" for background information of Manufacturer A.

(4) See Note (6) to "— Global PV Cell Specialized Manufacturer Ranking, 2023 & 2024" for background information of Manufacturer K.

The strong increase in market preference for N-type PV products has caused a profound industry-wide impact on nearly all market participants in the PV industry, including our industry peers mentioned above. The proportion of public tenders won by N-type PV modules, which primarily comprised N-type TOPCon modules, increased from 10% in the first quarter of 2023 to 58% in the fourth quarter in 2023. This trend continued into the first quarter of 2024, with N-type PV modules winning approximately 60% of the public tenders. To effectively capture opportunities associated with this shift in demand, many PV cell manufacturers have invested in R&D and in expanding production capacity for N-type cells.

For instance, according to Frost & Sullivan and based on public filings of other industry participants, Manufacturer A aims to complete the conversion of 38 GW of annualized production capacity from P-type PERC cells in 2024 and will add an additional 41 GW annualized production capacity of N-type TOPCon cell. Manufacturer B has actively embraced N-type technology, with N-type PV module shipments accounting for 62% of its total shipments in 2023. In 2023, Manufacturer C rapidly advanced the capacity upgrades and mass production of N-type TOPCon technologies, and Manufacturer D launched its new generation of advanced N-type TOPCon technology, significantly increasing the share of sales of N-type TOPCon products. Since 2023, Manufacturer E has accelerated the construction of N-type cell production capacity, with a N-type cell project of 57 GW annualized production capacity starting production throughout the year. In addition, Manufacturer F plans to initiate a project in 2024 to convert 25 GW annualized production capacity from P-type PERC cells to N-type TOPCon cells. The project is expected to commence production in the second half of 2024. Manufacturer H added new PV cell production capacity exclusively using the latest generation N-type TOPCon technology and plans to further increase N-type TOPCon capacity through equipment upgrades and transformations.

Competitive Landscape, PV Cells Market in Oman

In 2024, solar power cumulative installed capacity in Oman reached around 2 GW, which is expected to rise to 13 GW by 2030. Oman has set renewable energy consumption targets, aiming for a 20% increase in the proportion of renewable energy consumption by 2030 and a 35% increase by 2040 and has set an expected target to reach net-zero emissions by 2050. This proactive approach towards energy transformation and high enthusiasm for investments in renewable energies, including the PV industry, underscores Oman's commitment to sustainable development. Since the PV cell plants established in Oman are typically primarily aimed at serving the global PV cells market, the market size to consider is that of the global PV cells market. For details, see "— Global PV Cell Market" in this section.

MARKET ENTRY BARRIERS FOR PV CELL INDUSTRY

Technology Barriers

The PV cell industry is technology-intensive. The technology of PV cells requires frequent upgrades to achieve higher power conversion efficiencies and has undergone multiple technological transformations, including the transition from polycrystalline to monocrystalline, from P-type to N-type, and from small-sized cells to large-sized cells. A notable example of this complexity is the production process of N-type TOPCon cells, which involves a complex sequence of 12-14 steps. Each step significantly impacts the final product's performance and yield.

To achieve optimal results, manufacturers need to align their manufacturing process, equipment, and workforce, often requiring multiple adjustments and trials. Therefore, the capabilities and experience of specialized PV cell manufacturers in R&D, production management, talent accumulation and establishing efficient corporate management mechanisms bring huge advantages in the competition.

Scale Production Experience Barriers

Advanced manufacturing processes are fundamental for guaranteeing high PV cell product quality. The production of PV cells involves multiple technological steps, thereby amplifying differentiations among manufacturers and endowing early-movers with know-how advantage and technological leadership. The experience curve facilitates cost reduction, yield improvement, quality control and enhances efficiency for early-movers.

Capital Investment Barriers

PV cell production is capital-intensive, which necessitates significant investment in technological research and equipment for large-scale mass production. Moreover, due to the industry's characteristics, PV cell manufacturers require substantial liquidity for their operations. As a result, other players must possess robust financial resources to penetrate this market, which grants early-movers a protective barrier.

Supply Chain Barriers

Strong supply chain management capabilities are crucial for top PV cell manufacturers to ensure a steady supply of essential raw materials, such as silicon wafers and silver paste. Leading manufacturers benefit from established industrial chain layout, long-term supplier relationships, and the ability to negotiate lower prices through large-scale procurement. As pioneering manufacturers can work with suppliers to improve and conform product standards and have priority in securing the production capacity of mainstream suppliers, other players may encounter difficulties in establishing cooperative relationships within the supply chain, leading to higher procurement costs of raw materials.

Customer Barriers

Leading PV cell manufacturers have established a strong customer base by leveraging their leading technology and cost advantages to offer competitive and efficient cells, resulting in substantial and stable customer resources and a solid foundation for rapid and consistent performance growth. Furthermore, these manufacturers have the capability to work closely with downstream customers in the design and development of new products. In addition, some manufacturers may provide services to manufacture PV cells on behalf of customers to fulfill their special needs. Such service helps manufacturers to stay abreast of the diverse needs of customers, maintain and deepen relationship with existing customers, and optimize production quality from time to time. Customers who purchase PV cells may also purchase manufacturing services from manufacturers. As a result, other players face significant challenges to compete in the highly competitive market.

MARKET DRIVERS OF THE PV CELL MARKET

Carbon Neutrality and Energy Security Concerns

Solar power is increasingly vital in the global efforts toward carbon neutrality and national energy security given its adaptability, resource availability, commercial maturity and stability. Energy security concerns refer to the potential risks and vulnerabilities that can disrupt the stable and reliable supply of energy in a country, such as geopolitical instability, supply chain disruptions, or natural disasters. National energy security is the policy goal aimed at ensuring a consistent, affordable, and sustainable energy supply to maintain national economic stability and safeguard the welfare of its citizens. Driven by these advantages, its global cumulative installed capacity surpassed that of hydropower by 2023, and is expected to surpass that of natural gas in 2026, and coal-fired power in 2027, accounting for approximately 50% of the global cumulative installed capacity by 2050. In China, the government committed to increase the share of non-fossil fuels in primary energy consumption to around 25% by 2030, with solar and wind power cumulative installed capacity exceeding 1,200 GW. These targets reflect China's dedication to promote renewable energy in energy transition, with a focus on solar power.

Economic Viability, Technological Progress and Large-Scale Mass Production

Technological advancements have significantly improved the conversion efficiency of PV cells and reduced the cost of PV electricity, resulting in grid parity, which refers to the point at which the cost of solar-generated electricity is equal to or less than the price of power from the electric grid, and making solar power economically attractive. PV cell manufacturers are making remarkable progress in developing high-efficiency N-type PV cells such as N-type TOPCon cells and HJT cells. In general, even a 1% increase in power conversion efficiency can lead to a 5-7% reduction in electricity generation costs. These advancements in high-efficiency PV cells, combined with large-scale mass production and accumulated experience, have consistently reduced the cost of solar PV electricity by more than 85% between 2010 and 2020. As a result, solar power's share of global cumulative installed capacity is growing rapidly.

Integrated Energy Storage System Providing Complementary Solutions

Previously, solar power generation, along with other renewable energy sources, encountered difficulties in effectively utilizing the generated power, resulting in energy waste. Therefore, countries worldwide have been actively working towards the integration of solar and energy storage systems to store surplus electricity generated by the PV system and release it when the demand exceeds the system's capacity. This integration helps enhance the reliability and stability of the PV system by bridging the gap between power generation and consumption. Moreover, the energy storage system enables peak shaving, load shifting, and backup power, thereby optimizing the efficiency of power consumption in PV generation and making solar power more competitive.

FUTURE TREND OF PV CELL MARKET

Transition from P-type Cells to N-type Cells

Compared to P-type cells, N-type cells offer several advantages, including higher power conversion efficiency, better temperature tolerance, and a longer lifespan. As a result, N-type cells contribute to overall improved power generation. N-type TOPCon cells have entered large-scale production in the third quarter of 2022, and as the transition accelerated in late 2023, already largely exceed P-type PERC cells' market share in 2024 as P-type PERC cells reach their efficiency limit. Looking ahead, N-type cells will integrate with xBC technologies, which, alongside breakthroughs in perovskite cells, may lead to higher performance. These integrations and technological advancements will propel the industry towards more efficient and cost-effective PV solutions.

N-type TOPCon Cells will Continue Holding the Mainstream Position in the Market in the Near Future

N-type TOPCon cells are expected to continue being the mainstream PV cells in the near future due to the several advantages that they offer. Firstly, N-type TOPCon cells' production equipment and production processes are relatively established, which require lower investment cost than other N-type cells. In contrast, other N-type technologies such as HJT and xBC remain in the stage of technological R&D and improvement, which result in higher investment and production costs. Secondly, N-type TOPCon cells have lower manufacturing costs since they consume less high-cost materials like silver paste as compared with those of other N-type cells. As a result, N-type TOPCon cells have become the first N-type cells to be mass produced on a large scale, further enhancing its cost advantage compared with other N-type cells. In 2024, the shipment volume of N-type TOPCon-related cells reached 406.3 GW, account for approximately 67.1% of the total PV cell shipment, and it is expected to increase to 83.6% in 2025.

Transition from Small-Sized Cells to Large-Sized Cells

Large-sized PV cells have effectively increased PV module power, reduced transportation costs, and installation costs for PV power station, subsequently lowering the cost of electricity downstream. The market share of silicon wafers with a size of 182mm and above reached 82.8% in terms of sales volume in 2022, and this proportion further increased to 98.0% in 2023.

Chinese Specialized PV Cell Manufacturers will Continue to Dominate the Global Market

In the context of global energy transition, solar power installed capacity additions in overseas markets have surged, resulting in a growing demand for PV cells. Overseas solar power installed capacity additions is expected to grow at a CAGR of 14.6% from 2023 to 2030. However, China dominated global PV cell market, commanding a global market share of 90.1% in PV cell production capacity in 2023. Such market dominance is attributable to the various competitive advantages that Chinese specialized PV solar cell manufacturers possess, including cost competitiveness, technological advancements, and manufacturing capacity, which are expected to drive down the cost of solar power generation and bolster overseas expansion.

Sustainable Overseas Expansion of Chinese PV Cell Manufacturers

Solar power generation has become one of the primary energy production methods in many countries around the world. In terms of export, in the 2024, China's cumulative PV module exports reached 238.8 GW, a year-on-year increase of 12.8%, and cumulative PV cell exports reached 57.5 GW, a year-on-year increase of 46.3%. In terms of localized production, driven by considerations of energy security, economic development, and local employment, various countries are gradually establishing PV industry chains as well through measures including favorable regulations. Therefore, the global PV industry is becoming more decentralized, where various regional markets emerge and take on increasing shares.

Going forward, solar power cumulative installed capacity is expected to increase from 1,976.8 GW in 2024 to 6,437.1 GW by 2030 globally at a CAGR of 21.7%, and increase from 886.7 GW in 2024 to 2,937.5 GW in 2030 in China at a CAGR of 22.1%. Overseas solar power installed capacity additions is expected to grow at a CAGR of 15.0% from 2024 to 2030, higher than the expected CAGR of 6.3% in China in the same period, representing a high-growth market that attracts participation from established players. Among the expected 2,409.5 GW solar power cumulative installed capacity increase overseas from 2024 to 2030, around 638.5 GW, or 26.5% of which is expected to be in Europe, around 378.3 GW, or 15.7% of which is expected to be in the U.S., and around 250.6 GW, or 10.4% of which is expected to be in the Middle East and Africa.

However, because PV cell manufacturing represents the most technologically intensive sector in the PV industry value chain, the high technological barriers and significant requirements for talent and R&D led to relatively limited PV cell production capacity overseas. According to Frost & Sullivan, by the end of 2023, the overseas production capacity for PV modules was 183.1 GW, while the capacity for PV cells will only reach 102.2 GW, showing a significant gap that needs to be fulfilled by cross-border PV cell trade.

Therefore, Chinese PV cell manufacturers, leveraging their technology and cost advantages, are well-positioned to harness this opportunity through establishing production capacity overseas to directly serve overseas PV module manufacturers, which provides additional and sustained growth potential for their business operations. To harness the potential of overseas expansion, Chinese PV cell manufacturers can both sell their products to Chinese PV module companies with overseas exposure and directly sell PV cells to foreign PV module companies to tap into the rapid growing overseas market and achieve steady sales growth.

Capacity Clearance and Consolidation and Improvement in Supply-Demand Balance

Given current intensive market competition and PV cell market price trend, decrease in profitability has been observed across the industry, and the PV industry in China has been experiencing capacity clearance and consolidation, through which expansion of production capacity is expected to be halted. According to Frost & Sullivan, the current progress of capacity clearance and consolidation can be observed from the stagnation in production capacity addition and the decrease in the number of industry players in 2024, which is expected to reduce the supply of PV cells.

Stagnation in Production Capacity Addition

In 2024, global PV cell production capacity addition has decreased compared with 2023. In 2023, global PV cell production capacity significantly increased from 556 GW in March 2023 to 1,104 GW in December 2023. In comparison, from January to December 2024, net global PV cell production capacity addition has decreased to almost zero due to the phase out of P-type PERC cell production capacity attributable to the P-N transition, the termination of investment by certain enterprises, and the influence of industry association and government guidelines and proposals. Consequently, by the end of 2024, global PV cell production capacity had stagnated at around 1,100 GW, while PV cell shipments had already achieved 605.4 GW.

Although some N-type PV cell production capacities under construction may add to production in 2025, such additions could be cancelled or delayed and are likely to be offset by the phase-out of P-type PERC cell production due to the P-N transition and market exits. As a result, PV cell production capacity in 2025 is expected to decrease by 10% compared to the end of 2024. In 2024, approximately 170 GW of P-type PERC cell production capacity has been shut down globally, and around 140 GW of N-type TOPCon cell and module production capacity expansion plans have been terminated or delayed globally. Of the remaining 1,100 GW PV cell production capacity in end of 2024, 300 GW is for P-type PERC cells, which is expected to be largely eliminated in 2025 if current trends continue.

Decrease in Industry Player Number

Based on publicly available information, in the PV cell segment, where over 70 manufacturers compete globally, at least 23 of them have experienced bankruptcy, production halts, project terminations, or production scale-backs since the fourth quarter of 2023. In addition, due to the rapid growth in production capacity and the inventory levels at PV cell manufacturers, the utilization rate for global PV cell manufacturers has been declining continuously since the first quarter of 2023 and is expected to remain low from the fourth quarter of 2024 to the first quarter of 2025, before increasing again as the market consolidation and capacity clearance is expected to be completed around the second half of 2025.

Furthermore, unlike leading companies with ample working capital sufficiency, many second- and third-tier companies have halted production completely, and they face difficulties related to business sustainability beyond several quarters, potentially leading to bankruptcy or restructuring after this period, which may further reduce PV cell supply. According to Frost & Sullivan, leading PV cell enterprises had higher utilization rates on average than the rest of the market. In 2024, the average utilization rate for top 10 PV cell enterprises was 65.7%, compared with 54.4% for the rest of the market. This suggests that leading players like the Group may be better equipped to navigate the current period of market fluctuation.

Navigating the Evolving Regulatory Landscape

Evolving global regulations may also affect the competitive landscape of the global PV cell industry, such as through government incentives and trade restrictions.

For example, the United States issued an announcement in August 2024 to expand the duty-free quota for PV cells, which is expected to increase its demand for PV cell imports. However, it is also one of the several countries and regions that have restrictive policies on exported Chinese PV cells, such as tariffs and AD/CVD measures. While such restrictive policies may incentivize establishing production capacities in these countries and regions and benefit existing players therein, Chinese PV cell manufacturers may still access such markets through exercising extra prudence in establishing overseas production capacity. Recently, some proposals have been put forth to roll back certain of these policies. For example, in October 2024, the U.S. Department of Commerce initiated changed circumstances reviews to consider partially reversing the anti-dumping and countervailing duties on China's PV cells.

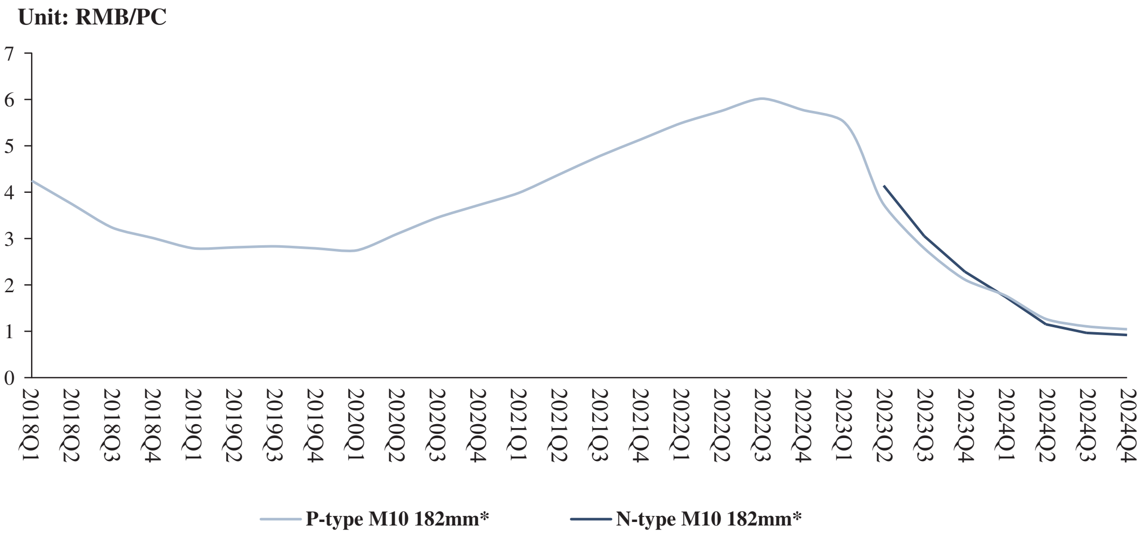
In addition, the EU's adoption of its EU Solar Energy Strategy, which aims to achieve a solar power cumulative installed capacity of 320 GW by 2025 and 600 GW by 2030, is expected to almost exclusively rely on PV cells manufactured by Chinese enterprises given the current status of the global PV industry, which benefits the growth of Chinese PV cell manufacturers.

Considering the overall size of the vast global PV cell market and given the technological and cost advantages of the Chinese PV industry, the adverse effects can be managed or mitigated. For example, while PV cell manufacturers cannot typically export PV cells to restricted markets through rerouting shipping because trade restrictions may target the country where certain production processes occurred instead of the country of shipment, they can export PV cells to restricted markets by leveraging the manufacturing capacity established in other countries, which further justifies expanding overseas footprint.

GLOBAL PV CELL AND CORE RAW MATERIAL PRICE FLUCTUATIONS ANALYSIS

Among various types of PV cell raw materials, silicon wafers are the largest cost component, typically accounting for around 60% of the total cost. Silver paste is the second largest component, accounting for around 15% of the total cost in the industry. Such percentages shifted given the price trends of these raw materials in 2024, silicon wafers and silver paste account for around 48% and 27% of the total cost, respectively.

Silicon Wafer Price (China)*, VAT – excluded

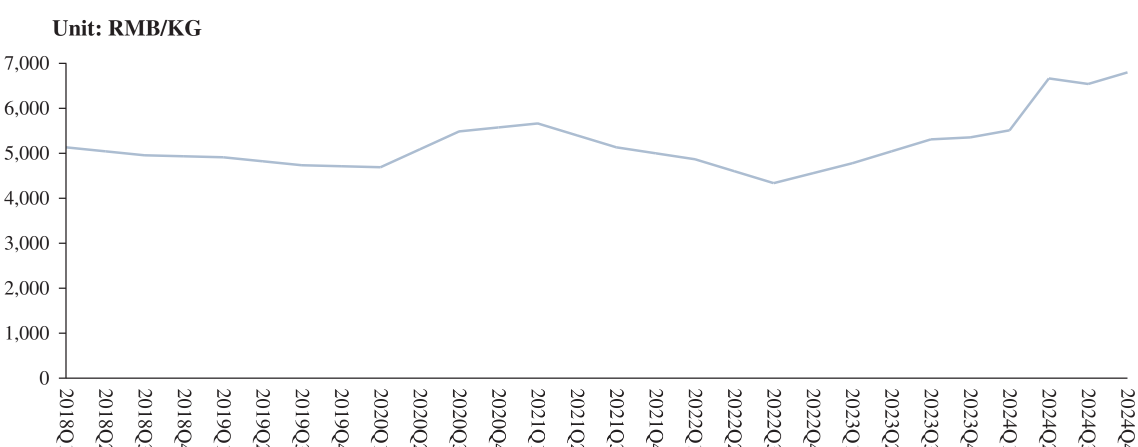


Source: Silicon wafer manufacturers' publicly disclosed price data, Frost & Sullivan Analysis

* Given the strong similarity among the price trends of different types of silicon wafers, the price trends of two of the mainstream silicon wafers are presented for illustration.

China's silicon wafer production capacity accounted for approximately 97.9% of the global market in 2023. Therefore, the price of silicon wafers in China generally determines the global price. Despite the recent rapid growth in solar power installed capacity additions, the price of silicon wafers has been declining. This suggests that the supply of silicon wafers exceeds demand since the end of 2022, and the oversupply condition alleviates the upward pressure on prices that would typically result from a shortage. The market is moving towards more balanced supply and demand in the medium to long term, with price stability becoming the main trend. For the price trend subsequent to the Track Record Period, see "Summary — Recent Developments" in this prospectus.

PV Cell Silver Paste Price (China)*, VAT – excluded



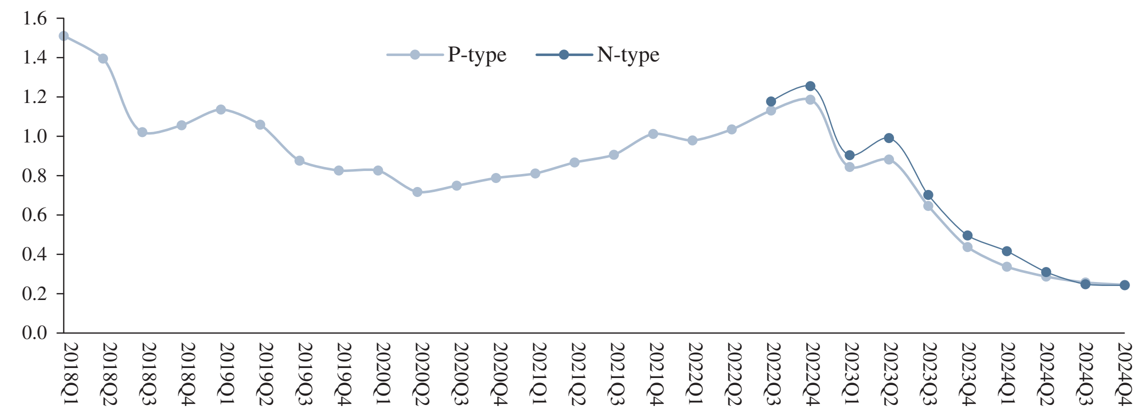
Source: PV Cell Silver Paste manufacturers' publicly disclosed price data, Frost & Sullivan Analysis

* Front silver paste for PV cell represents a substantial portion of the silver paste used to manufacture PV cells. As such, its price trend is representative of that of silver paste in general.

In recent years, benefiting from the support of national PV policies, China-produced silver paste for PV cells has experienced rapid growth, leading to a significant increase in its global market share. The penetration rate of domestically produced front silver paste was only 5% in 2015 but reached approximately 95% in 2023. As Chinese companies continue to enhance their competitiveness in technology and products, China-produced front silver paste is expected to continue to command a high market share. Given that global silver production exceeds demand, an ample supply of silver is expected, silver prices is not expected to experience significant increases, and the price of silver paste for PV cells will remain stable in the future. The selling price of PV cells has been mostly affected by raw material price fluctuation.

PV Cell Average Selling Price* (M10, 182mm), VAT – excluded

Unit: RMB/W



Source: PVInfoLink Consulting, Frost & Sullivan Analysis

* The average selling price is calculated as the average of the mode of the transacted price in the market (subject to adjustments) of all 30 days in a given month. Given the strong similarity among the price trends of different types of PV cells, the price trends of two of the mainstream PV cells are presented for illustration.

The historical selling prices of PV cells have been influenced by these trends in the supply and cost of key materials such as silicon wafers and silver paste. As the cost of silicon wafers has declined due to oversupply, and with silver paste prices remaining stable owing to an abundant supply of silver, manufacturers have been able to reduce the overall production cost of PV cells. These reduced input costs have, in turn, been reflected in the historical selling prices of PV cells, contributing to their decreasing trend in 2023. For the price trend subsequent to the Track Record Period, see "Summary — Recent Developments" in this prospectus.

The potential oversupply of PV cells in the PRC and other global markets is a significant concern that could have serious implications for the pricing and profitability of the Group's products. Since 2010, the PV industry experienced two periods of supply-demand rebalancing, which last around 2 years each. As production capacities expand globally and technological advancements make manufacturing processes more efficient, the market could face a surplus of PV cells. This oversupply situation tends to drive down prices, as manufacturers compete to offload inventory, which can lead to a race to the bottom in terms of pricing. While lower prices may boost adoption rates and expand the market on one hand, they can severely compress profit margins on the other, particularly for manufacturers that have invested heavily in quality and innovation. The challenge in these conditions is to differentiate one manufacturer's offerings from those of competitors, e.g., by emphasizing superior technology, reliability, and post-sales services. Additionally, strategic market segmentation and focusing on markets with less competition or higher barriers to entry could mitigate some of the adverse effects of oversupply. It is vital that the manufacturers continue to monitor these trends closely and adapt their strategies accordingly to maintain a competitive edge and ensure sustainable profitability.

This section sets forth a summary of the most significant rules and regulations that affect our business activities in China. This summary does not purport to be a complete description of all the laws and regulations which are applicable to our business and operations. The following summary is based on relevant laws and regulations in force as of the date of this document, which may be subject to change.

This section sets out a summary of the most significant rules and regulations affecting our business activities in China.

REGULATIONS RELATING TO FOREIGN INVESTMENT

The establishment, operation and management of our PRC companies are governed by the Company Law of the PRC (《中華人民共和國公司法》), as promulgated in 1993 and amended in 1999, 2004, 2005, 2013, 2018 and 2023 respectively, which applies to all PRC companies including foreign-invested companies, except where foreign-investment related laws provide otherwise. According to the Company Law of the PRC, companies established in the PRC are either limited liability companies or joint stock limited liability companies. The Company Law of the PRC was recently amended by the Standing Committee of the National People's Congress (the "SCNPC") on December 29, 2023 with respect to the registration, the capital contribution period and so on and came into force on July 1, 2024.

On March 15, 2019, the National People's Congress (the "NPC") approved the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which sets out the regulatory framework for foreign investments and pursuant to which (i) foreign natural persons, enterprises or other organizations (collectively, the "foreign investors") shall not invest in any sector prohibited as specified in the negative list for access of foreign investment, (ii) for any sector restricted by the negative list, foreign investors shall conform to the investment conditions provided in the negative list, and (iii) sectors not included in the negative list shall be managed under the principle of equality in treating domestic investments and foreign investments. It, together with its implementation rules, also sets forth necessary mechanisms to facilitate, protect and manage foreign investments and proposes to establish a foreign investment information report system where foreign investors or foreign-funded enterprises shall submit investment information to the competent departments of commerce through the enterprise registration system and the enterprise credit information publicity system.

The Measures for Foreign Investment Information Reporting (《外商投資信息報告辦法》), which was promulgated on December 30, 2019 and came into effect on January 1, 2020, sets out the details of the foreign investment information report system. Since January 1, 2020, with respect to foreign investors carrying out investment activities directly or indirectly in the PRC, foreign investors or foreign-funded enterprises shall submit investment information to the commerce authorities in accordance with these measures.

According 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)》) promulgated on September 6, 2024 and brought into effect on November 1, 2024, our business does not fall under such categories where foreign investment is restricted or prohibited.

Domestic industrial development mainly follows the relevant industrial structure guidelines proposed by the National Development and Reform Commission (the "NDRC"). Foreign investors and foreign-invested enterprises investing in China shall comply with the Catalogue of Industries for Encouraging Foreign Investment (2022 edition) (《鼓勵外商投資產業目錄(2022年版)》), which was promulgated by the NDRC and the MOFCOM on October 26, 2022 and came into effect on January 1, 2023. Pursuant to the Catalogue, the manufacturing of PV battery involved in our Company's operation falls within the scope of industries in which foreign investment is encouraged.

REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and last amended on December 30, 2022, the Notice by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) promulgated on January 3, 2023, and the Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《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 PRC on November 19, 2021 and effective as of January 1, 2022, a consignee or consignor of imported or exported goods and customs declaration enterprises that apply for filing shall obtain market entity qualifications and are not required to complete the record-filing registration procedures for foreign trade operators.

INDUSTRIAL POLICES

Domestic industrial development mainly follows the relevant industrial structure guidelines proposed by the NDRC and MIIT.

According to the Notice on Actively Promoting the Unsubsidized Grid Connection of Wind Power and Photovoltaic Power Generation at a Fair Price (《關於積極推進風電、光伏發電無補貼平價上網有關工作的通知》) which was promulgated by the NDRC and the NEA on January 7, 2019, the state will optimize the investment environment for projects of grid connection at a fair or low price and ensure priority power generation and full-amount guaranteed purchase.

According to Notice of issuing the Guiding Opinions on Energy Work in 2020 (《關於印發2020年能源工作指導意見的通知》) which was promulgated by the NEA on June 5, 2020, the state will maintain the reasonable scale and development of wind power and photovoltaic power generation. The state plans to promote the construction of centralized wind power, photovoltaic and offshore wind power in an orderly manner, and accelerate the development of distributed photovoltaic and decentralized wind power in central and eastern and southern regions.

According to Guiding Opinions on Promoting the Construction of New Infrastructure in the Field of Transport (《推動交通運輸領域新型基礎設施建設的指導意見》) which was promulgated by the Ministry of Transport on August 3, 2020, the state will promote new infrastructure construction in the transport sector to advance its transformation to digitalization and the use of artificial intelligence. Encouraging the installation of photovoltaic power generation facilities along highways such as service areas will be one of these measures.

According to Several Opinions on Promotion of the Sound Development of Power Generation with Non-hydropower Renewable Energy Resources (《關於促進非水可再生能源發電健康發展的若干意見》) which was promulgated by the Ministry of Finance, the NDRC and the NEA on January 20, 2020, the state will continuously drive down the prices of onshore wind power, PV power plants, and industrial and commercial distributed PV, actively support the development of household distributed PV, and give priority to the projects with low degree of subsidy, large extent of downgrade and high technical level through market competition.

According to the Guiding Opinions of the State Council on Accelerating the Establishment and Improvement of a Green, Low-carbon and Recycling Economic System (《國務院關於加快建立健全綠色低碳循環發展經濟體系的指導意見》) which was promulgated by the State Council on February 2, 2021, the state will promote the green and low-carbon transformation of the energy system, increase the proportion of renewable energy, and vigorously promote the development of photovoltaic power generation.

According to the Notice on Guiding to Increase Financial Support to Promote the Healthy and Orderly Development of Wind Power and Photovoltaic Power Generation Industries (《關於引導加大金融支持力度促進風電和光伏發電等行業健康有序發展的通知》) jointly promulgated by the NDRC, Ministry of Finance, NEA and People's Bank of China on February 24, 2021, the state will increase its support for photovoltaic enterprises through financial means to help enterprises tide over difficulties.

According to the Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Long-Range Objectives for 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) approved by the NPC and brought into effect on March 12, 2021, from 2021 to 2025, the state will promote the energy revolution, accelerate the development of non-fossil energy, vigorously increase the scale of photovoltaic power generation, and increase the proportion of non-fossil energy consumption in total energy consumption to about 20%.

According to the Notice of the Comprehensive Department of the National Energy Administration on Actively Promoting the Grid Connection and to the Greatest Extent and the Maximum Power Generation in Respect of New Energy Power Generation Projects (《國家能源局綜合司關於積極推動新能源發電項目能並盡並、多發滿發有關工作的通知》) promulgated by the NEA on October 15, 2021, the state will accelerate the construction of wind power and photovoltaic power generation to connect to the grid and increase the supply of clean electricity, which is conducive to relieve the tight situation of electricity supply, but also to help complete the dual control of energy consumption and promote the low-carbon transformation.

According to the 14th Five-Year Plan for Modern Energy System (《"十四五"現代能源體系規劃》) which was promulgated by the NDRC and the NEA on January 29, 2022, the PRC government will actively promote the large-scale exploitation and high-quality development of photovoltaic power and improve the pricing mechanism of photovoltaic power. Specifically, the PRC government will actively promote the construction of distributed photovoltaic projects in the eastern and central China and other regions and the construction of clean energy bases in western China.

According to the Opinions on Improving Systems, Mechanisms, Policies and the Measures for Green and Low-carbon Energy Transition (《關於完善能源綠色低碳轉型體制機制和政策措施的意見》) which was promulgated by the NDRC and the NEA on January 30, 2022, the state will speed up building a clean, low-carbon, safe, and highly-efficient energy system while deepening reforms of mechanisms and innovation in the energy sector.

According to the Notice on Promulgation of the Action Plan for Accelerating the Green and Low-Carbon Innovative Development of Electrical Equipment (《關於印發加快電力裝備綠色低碳創新發展行動計劃的通知》) jointly promulgated by the MIIT, the Ministry of Finance, Ministry of Commerce, State-owned Assets Supervision and Administration Commission of China State Council and State Administration for Market Regulation on August 24, 2022, the state will strive to build a clean, low-carbon, safe and efficient energy system, and seek to drive down the cost and advance the application of more mature new energy technologies such as efficient, low-cost PV battery, in an effort to achieve carbon peak and carbon neutrality.

According to the Notice on Matters Concerning Promoting the Sound Development of the Photovoltaic Industry Chain (《關於促進光伏產業鏈健康發展有關事項的通知》) which was promulgated by the NDRC and the NEA on September 13, 2022, the state will promote the construction of large-scale wind and solar photovoltaic bases to alleviate the capacity and price bottlenecks in the photovoltaic industry chain, enhance the supporting supply capacity of the photovoltaic power generation supply chain, and support the rapid development of clean energy in China.

Regulations Relating to Product Quality and Consumers Protection

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), which took effect on September 1, 1993 and was last amended on December 29, 2018, products for sale must satisfy relevant safety standards and sellers shall adopt measures to maintain the quality of products for sale. Sellers shall not mix impurities or imitations into products, or pass counterfeit goods off as genuine ones, or defective products as good ones or substandard products as standard ones. For sellers, any violation of state or industrial standards for health and safety or other requirements may result in civil liabilities and administrative penalties, such as compensation for damages, fines, confiscation of products illegally manufactured or sold and the proceeds from the sales of such products illegally manufactured or sold, and even revoking business licenses; in addition, severe violations may subject the responsible individual or enterprise to criminal liabilities. Consumers or victims who suffer injuries or property losses due to product defects may demand compensation from either the producer or the seller. Where the liability lies with the producer, the seller shall, after settling the claim, have the right to recover such claim from the producer, and vice versa.

According to the Consumers Rights and Interests Protection Law of the PRC (《中華人民共和國消費者權益保護法》), which took effect on January 1, 1994 and was last amended on October 25, 2013, business operators should guarantee that the products and services they provide satisfy the requirements for personal or property safety, and provide consumers with authentic information about the quality, function, usage and term of validity of the products or services. Where business operators have discovered any defect in the goods or services they provided, which may endanger personal or property safety, they shall forthwith report to relevant administrative authorities and notify consumers, and adopt measures such as suspension of selling, alerts, recalls, decontamination, destruction, and suspension of manufacturing or services. In the case where recall measures are adopted, the business operator shall bear necessary expenses incurred by consumers resulting from the recall of goods. Violations of the Consumers Rights and Interests Protection Law may result in a warning, the confiscation of illegal income, and the imposition of fines. In addition, the relevant business operator will be ordered to suspend its operations, have its business license revoked, and have criminal liability incurred in serious cases.

Regulations Relating to Work Safety

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) promulgated on June 29, 2002, last amended on June 10, 2021 with effect on September 1, 2021, business entities shall strengthen their work safety management, enhance work safety conditions, promote work safety standardization and improve work safety levels. Entities which cannot meet the safety conditions prescribed by laws, regulations and national or industry standards shall not engage in production or other business activities. To ensure work safety rules are observed in the production process, business entities shall establish and improve their work safety responsibility systems and work safety policies which specify responsible person(s) at each position, the scope of duties and evaluation criteria. Business entities shall provide their employees with labor protection equipment and work safety training. Where the primary person-in-charge of a business entity fails to perform his or her duties in respect of work safety, he or she would be subject to legal liabilities, depending on the seriousness of the relevant work safety accidents.

Regulations Relating to Land, Planning and Construction Permits

Land Use Rights

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 with effect from January 1, 2020, lands owned by the State might be transferred or allotted to construction entities or individuals in accordance with the law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), promulgated on November 24, 2014 and last amended on March 10, 2024 and brought into effect on May 1, 2024, the real estate registration shall be conducted by the real estate registration authorities of the people's government at or above the county level.

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and implemented on January 1, 2021, the creation, alteration, alienation, or extinguishment of a real right of the immovable property that is required by law to be registered becomes effective at the time when it is recorded in the register of immovable property. The real right certificate for immovable property is the proof of a right holder's entitlement to the real right in the immovable property.

The Interim Regulations on Real Estate Registration and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) promulgated on January 1, 2016 and last amended on May 9, 2024 and brought into effect on May 21, 2024 provide that, among others, the State implements a uniform real estate registration system and the registration of real estate shall be strictly administered and carried out in a stable and continuous manner that provides convenience for people.

Construction Land Planning Permit

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC on October 28, 2007, implemented on January 1, 2008 and amended on April 24, 2015 and April 23, 2019 respectively, a Construction Land Planning Permit is required for the right to use the State-owned land acquired by transfer and allocation.

If a construction entity which is authorized to use the land fails to obtain a Construction Land Use 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. Furthermore, the construction entity shall be obliged to compensate for any damage caused to any other relevant parties according to laws.

Construction Work Planning Permit

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), 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 Work 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.

For construction work that proceeds without the Construction Work Planning Permit or is in violation of the provisions of the Construction Work Planning Permit, a competent urban and rural planning administrative department at or above the county level can order termination; if the impact on the planning caused by such construction can be eliminated, the department shall order it to take remedial action within a prescribed time limit and pay a fine of no less than 5% but not exceeding 10% of the construction cost; if such impact cannot be eliminated by remedial action, the department shall order the construction entity to demolish its construction within a prescribed time limit. For construction work that cannot be demolished, the department shall not only confiscate it or seize any illegal income but also may impose a fine of no more than 10% of the construction cost.

Construction Work Commencement Permit

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the SCNPC on November 1, 1997, implemented on March 1, 1998 and amended on April 22, 2011 and April 23, 2019, a construction entity shall, prior to the commencement of a construction project, apply for a Construction Work Commencement Permit to a competent construction administrative department of the people's government at or above the county level of the place where the project is located pursuant to relevant regulations, except for small projects below the limit determined by the construction administrative authorities of the State Council.

According to the Regulations on the Administration of Construction Quality (《建設工程質量管理條例》) promulgated and implemented by the State Council on January 30, 2000 and amended on October 7, 2017 and April 23, 2019, a construction entity commencing the project without obtaining the construction work commencement permit or approvals for its construction commencement report, shall be ordered to terminate the construction work, carry out remedial actions within a prescribed time limit and pay a fine of no less than 1% but not exceeding 2% of the contractual project price.

Inspection and Acceptance on Completion of Construction Projects

According to the Regulations on the Administration of Construction Quality (《建設工程質量管理條例》) and the Administrative Measures for Recording of the Inspection and Acceptance on Construction Completion of Buildings and Municipal Infrastructures (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) promulgated and implemented by the former Ministry of Construction on April 7, 2000 and amended on October 19, 2009, a construction project shall not be delivered for use unless it has passed the acceptance checks. The construction entity should file a record to a competent construction administrative department of the people's government at or above the county level of the place where the project is located within 15 days from the day when the construction project passes the acceptance checks.

Where a construction entity illegally delivers the construction project for use without obtaining the acceptance checks or in circumstances where it failed to pass the acceptance checks or checks and accepts a substandard construction project as one which is up to standard, it shall be ordered to carry out remedial actions and also pay a fine of not less than 2% but not exceeding 4% of the contractual project price, and shall be obliged to pay compensation according to law if any losses have been caused. If the construction entity fails to file a record of passing the acceptance checks in respect of the project within 15 days from the day when the construction project passes such checks, it shall be ordered by the archiving organ to carry out remedial actions within a prescribed time limit and pay a fine of no less than RMB200,000 but not exceeding RMB500,000.

Regulations Relating to Environmental Protection

The PRC laws and regulations relating to environmental protection mainly include: the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "Environmental Protection Law") (revised on 24 April 2014 and implemented on 1 January 2015), Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》) (revised on 27 June 2017 and implemented on 1 January 2018), Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》) (revised and implemented on 26 October 2018), Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) (revised on 29 April 2020 and implemented on 1 September 2020), Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護稅法》) (revised and implemented on 26 October 2018), Implementation Regulation on the Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護稅法實施條例》) (revised on 25 December 2017 and implemented on 1 January 2018), Measures for Pollutant Discharge Permitting Administration (《排污許可管理辦法》)) (revised on December 25, 2023 and implemented on 1 July 2024), and Law of the PRC on Prevention and Control of Pollution from Environmental Noise (《中華人民共和國環境噪聲污染防治法》) (revised and implemented on 29 December 2018, and was abolished and replaced by Law of the PRC on Noise Pollution Prevention and Control (《中華人民共和國噪聲污染防治法》) which became effective on 5 June 2022).

Pursuant to the aforesaid laws and regulations, enterprises that discharge and dispose of toxic and dangerous substances such as wastewater, waste gas and solid wastes shall comply with the national and local standards of usage and shall declare to and register with the relevant environmental protection administration authorities and pay environmental protection tax according to law where applicable.

Pursuant to the Law on Environmental Impact Assessment of the PRC (《中華人民共和國環境影響評價法》), which came into effect on 1 September 2003 and was amended on 2 July 2016 and 29 December 2018 respectively, construction entities should prepare or fill in the environment impact reports, reporting forms or registration forms of the environment impact according to the degree of environmental impact caused by the construction projects as follows: (i) if the environmental impact may be significant, an environmental impact report shall be required, which shall thoroughly appraise the potential environmental impact; (ii) if the environmental impact may be gentle, an environmental impact report form of analysing or appraising the specific potential environmental impact shall be required; and (iii) if the environmental impact may be so slight that it is unnecessary to conduct an appraisal of the environmental impacts, an environmental impact registration form shall be filled in and submitted.

Pursuant to the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) effective as of 20 November 2017 and the Regulations on the Administration Construction Project Environmental Protection (《建設項目環境保護管理條例》), which was revised on 16 July 2017 and implemented on 1 October 2017, after the completion of a construction project for which an environmental impact report or an environmental impact report form is required, the construction entity shall, according to standards and procedures prescribed by the environmental protection administrative authorities, conduct environmental protection completion acceptance check and compile an acceptance check report. A construction project for which an environmental impact report or an environmental impact report form is required shall not be put into production or use until the environmental protection completion acceptance check has been passed.

Regulations Relating to Production and Operation of dangerous Chemicals

According to the Regulation on the Safety Administration of Hazardous Chemicals (《危險化學品安全管理條例》) promulgated by the State Council on January 26, 2002 and last amended on December 7, 2013, the chemicals listed in the catalog of hazardous chemical ("Hazardous Chemicals") shall be regulated by the catalog. The entities that produce, store, use and operate Hazardous Chemicals shall meet the safety conditions required by the law and administrative regulations as well as national standards and industrial standards, and obtain relevant licenses. For instance, a production enterprise shall obtain the hazardous chemical safety production license to produce Hazardous Chemicals. Construction projects newly built, reconstructed, expanded for the production of hazardous chemicals and for the storage of Hazardous Chemicals, shall be inspected for their safety conditions by the safety production supervision and administration departments.

The Regulations on the Administration of Precursor Chemicals (《易製毒化學品管理條例》) was promulgated by the State Council on August 26, 2005 and last amended on September 18, 2018. Pursuant to this law, the State Council applies the classified administration and licensing or filing system to the production, distribution, purchase, transportation and import and export of precursor chemicals. The precursor chemicals are classified into three categories which are specific in the Catalog of Classification and Types of Precursor Chemicals. Category I includes the major materials that can be used for producing drugs. Categories II and III include the chemical agents that can be used for producing drugs.

According to the Measures for the Public Security Administration of Explosive Dangerous Chemicals (《易製爆危險化學品治安管理辦法》) promulgated on 6 July 2019 and implemented since 10 August 2019, the entities selling or purchasing explosive dangerous chemicals shall, within five days after the sales or purchases, file with the public security authorities at the county level where they are located, the varieties and quantities of the explosive dangerous chemicals sold or purchased, as well as information on the direction of the flow, through the information system on explosive dangerous chemicals.

Regulations Relating to Energy Conservation

The Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) was promulgated by the SCNPC on November 1, 1997 and last amended and brought into effect on October 26, 2018. Pursuant to this law, the State shall implement an energy conservation assessment and audit system for fixed asset investment projects. For projects which do not meet the compulsory energy conservation standards, the developer shall not commence construction; where the construction is completed, the project shall not be put into production or use. For government investment projects which do not meet the compulsory energy conservation standards, the agency in charge of examination and approval pursuant to the law shall not grant approval for construction. Detailed measures shall be formulated by the department regulating energy conservation under the State Council jointly with other relevant State Council departments.

The Measures for the Energy Conservation Review of Fixed Asset Investment Projects (《固定資產投資項目節能審查辦法》) came into effect on June 1, 2023. The review opinions on energy conservation of a fixed asset investment project are an important basis for the commencement of construction, acceptance upon completion as well as operation and management of such project. For a government-invested project, the project owner shall obtain the review opinions on energy conservation issued by the energy conservation review authority prior to submitting its feasibility study report for the project. For an enterprise-invested project, the project owner shall obtain the review opinions on energy conservation issued by the energy conservation review authority prior to the commencement of construction. For a project which has not undergone the energy conservation review or fails to pass the energy conservation review, the project owner shall not commence construction, or the project shall not be put into production or use if it is already completed. The administrative departments for energy conservation of the local people's governments at or above the county level shall, in light of the actual circumstances of the local energy conservation, strengthen the overall guidance and overall coordination of the work of energy conservation review, implement the regulation and control of the total energy consumption and intensity, enhance the management of obligatory target for the reduction of energy consumption intensity, effectively increase the flexibility of the management of total energy consumption, control fossil energy consumption, and resolutely curb the blind development of high-energy-consumption, high-emission and low-level projects.

Regulations Relating to Fire Prevention

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》), which was promulgated on April 29, 1998 and last amended on April 29, 2021, the construction entities shall apply to the administrative authority of housing and urban-rural construction for fire protection acceptance check upon completion of the construction projects that are subject to fire protection acceptance check as stipulated by the administrative authority of housing and urban-rural construction of the State Council. For other construction projects, the construction entities shall file with the administrative authority of housing and urban-rural construction after the acceptance, and the administrative authority of housing and urban-rural construction shall conduct random inspection.

Regulations Relating to Data, Cyber and Information Security

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "Cybersecurity Law"), which became effective on June 1, 2017. According to the Cybersecurity Law, 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 law 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 PRC (《中華人民共和國數據安全法》) was released by the SCNPC on June 10, 2021 and became effective on September 1, 2021. The PRC Data Security Law 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 PRC 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.

On December 28, 2021, the Cyberspace Administration of China (the "CAC") and certain other PRC regulatory authorities published the Cybersecurity Review Measures (《網絡安全審查辦法》), which became effective on February 15, 2022. Pursuant to the measures, critical information infrastructure operators (the "CIIO") that purchase network products and services and network platform operators engaging in data processing activities that affect or may affect national security must be subject to the Cybersecurity Review.

The Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) the "Cyber Data Security Regulations") promulgated by State Council on September 24, 2024, which became effective on January 1, 2025, stipulates that where data processors carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "PIPL") was promulgated by the SCNPC on August 20, 2021 and became effective on November 1, 2021. The PIPL 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.

The CAC promulgated the Security Assessment Measures for Data Provision Abroad (《數據出境安全評估辦法》) (the "Security Assessment Measures"), which came into effect on September 1, 2022. The Security Assessment Measures specifies the circumstances where a cross-border data transfer is subject to security assessment.

The MIIT promulgated the Administrative Measures on Data Security in the Field of Industry and Information Technology (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), effect on January 1, 2023. The Measures applies to the data processing activities in the field of industry and information technology carried out within the territory of China, and sets out a series of data security protection obligations for data processors in such field, such as establishing a full life-cycle data security management system, appointing data security management personnel, and conducting filings for the important data and core data processed by the data processors.

The CAC promulgated the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》) (the "Provisions"), which came into effect on March 22, 2024. The Provisions specifies the circumstances where it is not required to apply for security assessment for data to be provided abroad, to conclude a standard contract for personal information to be provided abroad or to pass the certification for personal information protection.

Regulations Relating to Intellectual Property

Patent

Patents in the PRC are principally protected under the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated on March 12, 1984, came into effect on April 1, 1985, and was last amended on October 17, 2020 with effect from June 1, 2021, as well as the Implementation Rules for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, came into effect on July 1, 2001, and was last amended on December 1, 2023 with effect from January 20, 2024. According to the PRC Patent Law and its implementation rules, the duration of a patent right for inventions, utility models and designs shall be 20 years, 10 years and 15 years, respectively, all commencing from the application date.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》), promulgated on September 7, 1990 and last amended on November 11, 2020 and brought into effect on June 1, 2021, specifies that works of Chinese citizens, legal persons or other organizations, namely ingenious intellectual achievements in the fields of literature, art and science that can be presented in a certain form, whether published or not, shall enjoy the copyright. The copyright holder can enjoy multiple rights, including the right of publication, the right of authorship, and the right of reproduction.

The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》) (the "Software Copyright Measures"), promulgated by the National Copyright Administration and brought into effect on February 20, 2002, regulates the registration of software copyright, exclusive licensing contracts for software copyright and transfer contracts. The National Copyright Administration shall be the competent governmental authority for the national administration of software copyright registration and the Copyright Protection Center of China (the "CPCC") is designated as the software registration authority. The CPCC shall grant registration certificates to the Computer Software Copyrights applicants pursuant to the provisions of both the Software Copyright Measures and the Computer Software Protection Regulations (《計算機軟件保護條例》).

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated on August 23, 1982, came into effect on March 1, 1983, and last amended on April 23, 2019 with effect from November 1, 2019, as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted by the State Council on August 3, 2002, came into effect on September 15, 2002, and was revised on April 29, 2014 with effect from May 1, 2014, registered trademarks are trademarks approved and registered by the Trademark Office of China National Intellectual Property Administration, including commodity trademarks, service trademarks, collective trademarks, and certification marks. A trademark registrant enjoys exclusive rights to use a registered trademark, which is protected by the law. The Trademark Law and its implementation regulations set forth an application for trademark registration, which shall be filled in based on the published classification of commodities and services. The description of commodities or services shall be filled in based on the class number and description in the classification of commodities and services; where the commodities or services are not listed in the classification of commodities and services, a statement on the commodities or services shall be attached.

Domain Name

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), promulgated on August 24, 2017 and brought into effect on November 1, 2017, the principle of "first to file" is adopted for domain name registration services. The applicant for domain name registration shall provide the agency of domain name registration with true, accurate and complete information about the domain name holder's identity for registration purpose and enter registration agreements with domain name registration service providers. Upon the completion of the registration process, the applicant will become the holder of the relevant domain name. The Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》), which was promulgated on November 27, 2017 and came into effect on January 1, 2018, stipulates the obligations of Internet information service providers and other entities to combat terrorism and maintain network security.

Regulations Relating to Employment, Social Insurance and Housing Fund

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated in 1994 and last amended in 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated in 2007 and amended in 2012, and the Implementation Regulations of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was issued by the State Council on September 18, 2008 and came into effect on the same day, employers must execute written labor contracts with full-time employees. All employers must comply with local minimum wage standards. Employers must establish a system for labor safety and sanitation that strictly abide by state standards and provide relevant education to its employees. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated on October 28, 2010 and amended on December 29, 2018, and the Interim Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) recently amended by the State Council and effective on March 24, 2019, an employer is required to make contributions to social insurance schemes for its employees, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. If the employer fails to make social insurance contributions in full and on time, the social insurance authorities may demand the employer make payments or supplementary payments for the unpaid social insurance premium within a prescribed time limit together with a 0.05% surcharge of the unpaid social insurance premium from the due date. If the payment is not made within such time limit, the relevant administrative authorities will impose a fine ranging from one to three times the total outstanding amount.

According to the Reform Plan of the State Tax and Local Tax Collection Administration System (《國稅地稅徵管體制改革方案》), which was promulgated on July 20, 2018, commencing from January 1, 2019, all the social insurance premiums, including the premiums of basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance, shall be collected by the tax authorities. According to the Notice on Conducting the Relevant Work Concerning the Administration of Collection of Social Insurance Premiums in a Steady, Orderly and Effective Manner (《關於穩妥有序做好社會保險費徵管有關工作的通知》) promulgated by the General Office of the State Administration of Taxation on September 13, 2018 and the Urgent Notice on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated by the General Office of the Ministry of Human Resources and Social Security on September 21, 2018, all the local authorities responsible for the collection of social insurance are strictly forbidden from conducting self-collection of historical unpaid social insurance contributions from enterprises. The Notice on Implementing the Several Measures to Further Support and Serve the Development of Private Economy (《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》), promulgated by the SAT on November 16, 2018, repeats that tax authorities at all levels may not organize self-collection of arrears of taxpayers including private enterprises from the previous years. The Notice of General Office of the State Council on Promulgation of the Comprehensive Plan for the Reduction of Social Insurance Premium Rate (《國務院辦公廳關於印發降低社會保險費率綜合方案的通知》), promulgated on April 1, 2019, requires steady advancement of the reform of the system of social security fees collection. In principle, the basic pension insurance for enterprise employees and other insurance types for enterprise employees shall be collected temporarily according to the existing collection system to stabilize the payment method. It also emphasizes that the historical unpaid arrears of the enterprise shall be properly treated. In the process of reformation of the collection system, the relevant governmental body is not allowed to conduct self-collection of historical unpaid arrears from enterprises, neither is it allowed to adopt any method of increasing the actual payment burden of small and micro enterprises to avoid causing difficulties in the production and operation of the enterprises.

According to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》), which was promulgated on April 3, 1999 and last amended on March 24, 2019, employers are required to make contributions to housing provident funds for their employees. Any entity fails to make payment of housing provident fund within the time limit or has shortfall in payment of housing provident fund will be ordered to make the payment or makeup the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court.

Regulations Relating to Tax

Enterprise Income Tax

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》)(the "EIT Law"), which became effective on January 1, 2008 and was last amended on December 29, 2018, and the Regulations on the Implementation of EIT Law (《中華人民共和國企業所得税法實施條例》) which was promulgated by the State Council on December 6, 2007, came into effect on January 1, 2008 and was last amended on December 6, 2024, enterprises are classified as resident enterprises and non-resident enterprises. Enterprises which are established in China in accordance with PRC laws or established pursuant to foreign laws with their "de facto management bodies" located in the PRC are deemed a "resident enterprise" and subject to an enterprise income tax rate of 25% on their global income. Non-resident enterprises are subject to (i) an enterprise income tax rate of 25% on their income generated by their establishments or places of business in the PRC and their income derived outside the PRC which are effectively connected with their establishments or places of business in the PRC; and (ii) an enterprise income tax rate of 10% on their income derived from the PRC but not connected with their establishments or places of business located in the PRC. Non-resident enterprises without establishment or place of business in the PRC are subject to an enterprise income tax of 10% on their income derived from the PRC. High and new technology enterprises that need the support of the country are entitled to enjoy the reduced enterprise income tax rate of 15%.

Value-added Tax ("VAT")

According to the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值税暫行條例》), which was promulgated on December 13, 1993 and last amended on November 19, 2017, together with the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), which was promulgated on December 25, 1993, came into effect on the same day and was amended on December 15, 2008 and October 28, 2011 with effect from November 1, 2011, entities and individuals engaged in selling goods or labor services of processing, repair or maintenance, selling services, intangible assets or immovables within the PRC or importing goods to the PRC are subject to the payment of value-added tax. Pursuant to the Notice of the Ministry of Finance of the PRC and the SAT on Adjusting Value-Added Tax Rates (《財政部、税務總局關於調整增值税税率的通知》) effective on May 1, 2018, a taxpayer who was previously subject to a 17% tax rate on VAT-taxable sales activities shall have the applicable tax rate adjusted to 16%. According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》), which came into effect on April 1, 2019, for VAT-taxable sales or imported goods of a VAT general taxpayer previously subject to VAT tax rate of 16%, the tax rate shall be adjusted to 13%.

Regulations Relating to Foreign Exchange

According to the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated on January 29, 1996 and amended on January 14, 1997 and August 5, 2008, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the State Administration of Foreign Exchange (the "SAFE") or its designated banks is obtained.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《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 on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign exchange capital and external debts and funds recovered from overseas listing) may convert from foreign currency into RMB on a self-discretionary basis. The ratio of the discretionary exchange rate of foreign exchange receipts under the domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

According to the Notice of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was promulgated on October 23, 2019 and amended by SAFE Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) which was promulgated on December 4, 2023, foreign-invested enterprises engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to the law on the condition that the current Special Administrative Measures for Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

Regulations Relating to Dividend Distribution

The principal regulations governing dividends distributions by companies is the Company Law of the PRC (《中華人民共和國公司法》). PRC companies are required to set aside as general reserves at least 10% of their after-tax profit, until the cumulative amount of their reserves reaches 50% of their registered capital. PRC companies are not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Regulations Relating to Overseas Listing

On February 17, 2023, the China Securities Regulatory Commission (the "CSRC") issued the Trial Administrative Measures of the 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》), which came into force on March 31, 2023. The Trial Measures regulates overseas securities offering and listing activities by domestic companies in direct or indirect form. The Trial Measures provides that (i) Chinese companies that seek to offer and list securities in overseas markets shall fulfill the filing procedures with the CSRC and report relevant information to the CSRC, and the filing shall be submitted within three working days after the application for an initial public offering is submitted, and (ii) in the event that Chinese companies that have directly or indirectly listed securities in overseas markets intend to conduct follow-on offerings in overseas markets, such companies shall fulfill the filing procedures with and report relevant information to the CSRC, and such filing shall be submitted within three working days after such follow-on offering is completed. Any overseas offering and listing made by an issuer that meets both of the following conditions will be determined as indirect: (i) more than 50% of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent accounting year is accounted for by the Chinese domestic companies; and (ii) the main parts of the issuer's business activities are conducted in the PRC, or its main places of operations are within the PRC, or the senior managers in charge of its operation and management are mostly Chinese citizens or domiciled in the PRC. The determination as to whether or not an overseas offering and listing by domestic companies is indirect, shall be made on a substance over form basis. Moreover, an overseas offering and listing is prohibited if (i) it is prohibited by PRC laws, (ii) it may endanger national security as reviewed and determined by competent PRC authorities under the State Council in accordance with law, (iii) in recent three years, the Chinese operating entities or their controlling shareholders or actual controllers have committed relevant prescribed criminal offenses, (iv) domestic companies that are suspected of committing crimes or major violations of laws and regulations are 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 controlling shareholders or by other shareholders that are controlled by the controlling shareholders or actual controllers.

On February 24, 2023, the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Archives Rules") which came into force on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. According to the Archives Rules, during an overseas offering and listing, if a domestic company needs to provide or publicly disclose to securities companies, securities service providers and overseas regulators, any materials that contain relevant state secrets or that have an adverse impact on the national security or public interests, the domestic company should complete the relevant approval/filing and other regulatory procedures.

LAWS AND REGULATIONS OF THE GROUP'S MAJOR OVERSEAS MARKETS

India and Turkey are the Company's two primary overseas markets. According to the "Going Global" public service platform ("走出去"公共服務平台) (http://fec.mofcom.gov.cn/) and the foreign trade practical enquiry service website (外貿實務查詢服務網站) (https://wmsw.mofcom.gov.cn/wmsw/) of the Ministry of Commerce of the PRC and to the best of the Company's knowledge, the relevant laws and regulations of India and Turkey on foreign trade are as follows:

1. INDIA

The major laws relating to foreign trade in India include the Customs Act, 1962, the Customs Tariff Act, 1975, the Foreign Trade (Development and Regulation) Act, 1992, Foreign Trade Development Regulation Amendment Act, 2021, the Foreign Exchange Management Act, 1999, Special Economic Zones Act, 1995, Central Goods and Services Tax (CGST) Act, Integrated Goods and Services Tax (IGST) Act and the Union Territory Goods and Services Tax (UTGST) Act.

A. Trade Management System of India

India has adopted a system of registration of foreign trade rights, which classifies imported and exported products into general, restricted, monopolised and prohibited categories. All foreign trade enterprises are allowed to deal in general products; the trade in restricted products is governed by a permit system, which includes import permits for live animals, beef and beef offal, pork, live fish, bird eggs, textiles, gemstones, plants and seeds, certain pesticides, pharmaceuticals and chemicals, electronic products and genetic products, etc.; monopoly of state enterprises on crude oil, minerals and food, etc.; prohibition of the import of wild animals and products thereof, ivory, animal fat products and hazardous waste products, etc.. PV cells do not fall into the above categories of products that require permits, monopoly of state enterprises or prohibited imports in India.

B. Tariffs and Quotas of India

As of the Latest Practicable Date, the tariff rates for photovoltaic products imported by India from China can be divided into two categories: 1) for PV cells that are not assembled into modules or panels, the tariff rate is 25.0 per cent CIF (in U.S. Dollars); and 2) for PV cells that are assembled into modules or panels, the tariff rate is 40.0 per cent CIF (in U.S. Dollars). The tariff rate imposed by India on PV cells imported from the Company is subject to the first of the foregoing tariff rates.

As of the Latest Practicable Date, India has not imposed anti-dumping duties, countervailing duties and safeguard duties on the Company's imports of PV cells, nor has it imposed quota restrictions.

2. TURKEY

The main laws and regulations related to foreign trade in Turkey include the Foreign Trade Regulations Law, the Customs Law, the Inward Processing Regime, Law on the Prevention of Unfair Competition in Imports, the Value Added Tax Law (VAT), the Free Zones law and others.

A. Trade Management System of Turkey

Turkey restricts the import of narcotics, cannabis, opium, ozone-depleting substances, eggs of silkworms and any kind of soil, stems, leaves, poles, natural fertilisers used in agriculture, as well as game consoles, products violating the International Convention for the Protection of Industrial Property Rights, and so on, in 11 categories of products, due to the considerations of the environment, public safety, health and other factors. According to the Turkish Gazette of Foreign Trade Standards 2005, Turkey implements import permits for the following products: fresh and dried fruits and vegetables, pulses, edible vegetable oils and agricultural products such as cotton, solid fuels, wastes, scrap metals, pharmaceutical products, medicines, detergents, foodstuffs, agricultural and animal products, veterinary products, certain chemicals, tobacco and products and alcoholic beverages. In 2004, Turkey enacted the Decree-Law on Import Control and Enforcement and the Regulation on Import Control and Enforcement as the legal basis for the control and enforcement of imported products. PV cells are not included in the above mentioned products for which Turkey requires permits or prohibits imports.

B. Tariffs and Quotas of Turkey

As of the Latest Practicable Date, Turkey's tariff rates on imports of PV cells from China can be divided into two categories: 1) for photovoltaic (solar) modules and panels, the import tariff is 0 per cent, the value-added tax (VAT) is 18.0 per cent CIFD (in Euros), and the anti-dumping duty is 25.0 USD/m^2; 2) for solar cells, the import tariff is 0 per cent, and the value-added tax (VAT) is 18.0 per cent CIFD (in Euros). The tariff rate imposed by Turkey on PV cells imported from the Company is subject to the second rate mentioned above.

As of the Latest Practicable Date, Turkey has not imposed anti-dumping duties, countervailing duties and safeguard duties on the PV cells imported from the Company, nor has it imposed quota restrictions.

OVERVIEW

We are a leading specialized manufacturer of PV cells serving many world-leading customers, the majority of which are based in China. We have been continuously focusing on the research and development (R&D), production, and sales of high-efficiency PV cells (the "**PV Cells Business**"). Our PV Cells Business was acquired and consolidated in our Group in September 2021 through acquiring Jietai Technology together with its subsidiaries from its then shareholders. Since our acquisition of the PV Cells Business, we have maintained competitive position across different generations of mainstream PV cells. According to Frost & Sullivan, based on the shipment volume in 2024, among specialized manufacturers, our N-type TOPCon cells' market share reached approximately 24.7% and ranked first globally, and our PV cells' market share reached approximately 17.9% and ranked second globally. Prior to the acquisition of the PV Cells Business, the original principal business of our Company was R&D, manufacturing and sales of car plastic accessories (the "**Discontinued Business**"), which was discontinued in June 2022.

The origins of our Company can be traced back to the establishment of our Company in April 2003 by Mr. Xu (our executive Director and the spouse of Ms. Lu, our executive Director and chairperson of the Board) and two other individuals, who were independent third parties. Shortly after the establishment and prior to having substantial business in May 2003, Ms. Lu became a Shareholder and, together with Mr. Xu controlled approximately 88.67% equity interest of our Company. For further information about Ms. Lu and Mr. Xu, please see "Directors, Supervisors and Senior Management — Board of Directors — Executive Directors." Both Ms. Lu and Mr. Xu belong to the Yang Family, i.e. the members of our Single Largest Group of Shareholders. Since then, the Yang Family together with their controlled entities have always been our Single Largest Group of Shareholders in the Company. As of the Latest Practicable Date, Yang Family was able to exercise approximately 22.61% voting rights in our Company. For details of Yang Family, please see section headed "Relationship with our Single Largest Group of Shareholders."

BUSINESS DEVELOPMENT MILESTONES

The following table sets forth certain development milestones of our Group:

Year	Milestones
2003	Our Company was established
2012	We converted into a joint-stock liability company
2017	Our Company's A Shares were listed on the Shenzhen Stock Exchange (stock code: 002865.SZ)
2021	We acquired Jietai Technology and entered into the PV technology industry
	Our subsidiary Chuzhou Jietai was established
	We were awarded as National High-Tech Enterprise by Jiangxi Provincial Department of Science and Technology, Jiangxi Provincial Department of Finance, Jiangxi Provincial Tax Service, State Taxation Administration
2022	We were awarded as National Green Factory by Ministry of Industry and Information Technology of the PRC
	We launched our Chuzhou Plant, one of the first production plants in the world to achieve large-scale mass production of N-type TOPCon cells
	We ranked first among specialized manufacturers in terms of shipment volume of N-type TOPCon cells
	Our subsidiary Huai'an Jietai was established
2023	We were awarded as "Top 500 Global New Energy Enterprises" by China Energy Economics Research Institute
	We launched our Huai'an Plant which primary manufactures N-type TOPCon cells
	We continued to rank first among specialized manufacturers in terms of shipment volume of N-type TOPCon cells in the six months ended June 30, 2023
2024	We established our subsidiaries in Hong Kong and Oman
	We were awarded as "Top 500 Global New Energy Enterprises" by China Energy Economics Research Institute
	We received the highest rating — Dark Green from S&P Global

OUR GROUP

As of the Latest Practicable Date, our Group comprised of our Company and our nine subsidiaries. Our Company served as the centralized management platform of our Group where we run our overall business operation and our subsidiaries focus on daily business operation of our Group. The details of our subsidiaries as of the Latest Practicable Date are set forth below:

	Place of Establishment	Date of Establishment	Registered Share Capital/ Share Capital	Equity Interest attributable to our Group	Principal Business Activities
Jietai Technology	PRC	December 6, 2019	RMB902 million	100%	The R&D, manufacturing, and sales of PV cells
Hongye New Energy	PRC	August 24, 2020	RMB1,250 million	100%(1)	The R&D, manufacturing, and sales of PV cells
Chuzhou Jietai	PRC	December 14, 2021	RMB1,200 million	100%	The R&D, manufacturing, and sales of PV cells
Huai'an Jietai	PRC	October 13, 2022	RMB1,500 million	100%	The R&D, manufacturing, and sales of PV cells
Minghong New Energy	PRC	August 24, 2020	RMB100 million	100%	The R&D, manufacturing, and sales of PV cells(2)
Jietai New Energy Technology (HK) Limited (捷泰新能源科技(香港)有限公司) ("**Jietai HK**")	Hong Kong	March 25, 2024	HK$7.8 million	100%	Production, sales, import and export of PV equipment and components(2)
Jietai New Energy Technology OM (FZC) SPC ("**Jietai FZC**")	Oman	July 17, 2024	OMR50,000	100%	Production, sales, import and export of PV equipment and components(2)
Jietai New Energy Investment (HK) Limited (捷泰新能源投資(香港)有限公司) ("**Jietai Investment**")	Hong Kong	August 28, 2024	HK$1 million	100%	Trading and investment(2)
Jietai New Energy Technology (Suzhou) (捷泰新能源科技(蘇州)有限公司) ("**Jietai Suzhou**")	PRC	September 13, 2024	RMB10 million	100%	Production, sales, import and export of PV equipment and components(2)

Note:

(1) As of the Latest Practicable Date, the registered shareholders of Hongye New Energy including, our Company, Jietai Technology and Shangrao Economic and Technological Development Zone Urban Construction Engineering Management Co., Ltd. (上饒經濟技術開發區城市建設工程管理有限公司) ("**Shangrao Chengjian**"). However, Hongye New Energy is an indirectly wholly-owned subsidiary of the Company in substance. Pursuant to the relevant financing arrangements, the registered shareholder Shangrao Chengjian is in fact a creditor without shareholder's right. For details, see "— Corporate Development and Major Shareholding Changes of Our Group — Our Subsidiaries — Hongye New Energy" of this section.

(2) As of the Latest Practicable Date, Minghong New Energy, Jietai HK, Jietai FZC, Jietai Investment and Jietai Suzhou have not commenced operation.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES OF OUR GROUP

Our Company

Establishment of Our Company

Our Company was established in the PRC on April 3, 2003. Upon establishment, the registered capital of our Company was RMB15.0 million, which was subscribed by Xu Xingrang, Mr. Xu and Li Xinhua as to 60%, 20% and 20%, representing RMB9.0 million, RMB3.0 million and RMB3.0 million of the registered capital of our Company, respectively. Each of Xu Xingrang and Li Xinhua is an Independent Third Party.

Major Subsequent Capital Changes and Equity Transfers after Establishment and Prior to Listing on the Shenzhen Stock Exchange

Shortly after the establishment and prior to the capital paid-in, Ms. Lu and Mr. Xu acquired 68.67% unpaid registered capital from the other two individuals in aggregate and were able to control approximately 88.67% equity interest of our Company on May 15, 2003. Both Ms. Lu and Mr. Xu belong to the Yang Family and our Single Largest Group of Shareholders. Since then and until the completion of the A Share listing on the Shenzhen Stock Exchange in April 2017, our Company underwent several rounds of share transfers and capital injection, and the Yang Family was able to control over 90% equity interests in our Company.

Immediately prior to the capital increase of our Company on June 20, 2012, our Company was owned as to approximately 62.07% and 37.93% by Hainan Jindi and Suzhou Longxin Plastic Electrical Printing Co., Ltd. (蘇州隆新塑料電器印刷有限公司) ("**Suzhou Longxin**"), respectively, with the registered capital of RMB32,222,200. Both Suzhou Longxin and Hainan Jindi were subsidiaries of Yang Family Investment, which was in turn owned by the Yang Family.

1. Capital Increase in June 2012 by Ms. Lu and Independent Third Parties

On April 28, 2012, the then Shareholders of our Company resolved to increase the registered capital of our Company from RMB32,222,200 to RMB37,467,674.7. The increased registered capital of RMB5,245,474.7 was subscribed by Ms. Lu and five other Independent Third Party subscribers, at a total consideration of RMB95.2 million. The consideration was based on arm's length negotiation among the then Shareholders and subscribers.

Upon the completion of such capital increase on June 20, 2012, the shareholding of our Company was as follows:

Shareholders[1]	**Registered capital**	**Equity interest**
	(RMB'000)	*(%)*
Hainan Jindi[2]	20,000.0	53.38
Suzhou Longxin[3]	12,222.2	32.62
Ms. Lu	1,873.4	5.00
Haima Automobile Co., Ltd. (海馬汽車有限公司) (formerly known as Haima Car Co., Ltd. (海馬轎車有限公司)) ("**Haima Automobile**")	1,498.7	4.00
Xiamen Dachen Jusheng Venture Capital Partnership (Limited Partnership) (廈門達晨聚聖創業投資合夥企業(有限合夥)) ("**Dachen Jusheng**")	705.3	1.88
Shenzhen Dachen Chuangtai Equity Investment Enterprise (Limited Partnership) (深圳市達晨創泰股權投資企業(有限合夥)) ("**Dachen Chuangtai**")	418.7	1.12
Shenzhen Dachen Chuangheng Equity Investment Enterprise (Limited Partnership) (深圳市達晨創恒股權投資企業(有限合夥)) ("**Dachen Chuangheng**")	402.2	1.07
Shenzhen Dachen Chuangrui Equity Investment Enterprise (Limited Partnership) (深圳市達晨創瑞股權投資企業(有限合夥)) ("**Dachen Chuangrui**")	347.1	0.93
Total	**37,467.7**	**100.00**

Notes:

(1) Each of Haima Automobile, Dachen Jusheng, Dachen Chuangtai, Dachen Chuangheng and Dachen Chuangrui is an Independent Third Party.

(2) Hainan Jindi was owned 80%, 10% and 10% by Yang Family Investment, China Auto Parts and Accessories Corporation (中國汽車零部件工業有限公司) ("**CAPAC**") and Guangzhou Tianxingjian Investment Co., Ltd (廣州天行健投資有限公司) (together with CAPAC, the "**Former Jindi Investors**"), both being Independent Third Parties, respectively.

(3) Suzhou Longxin was a wholly owned subsidiary of Yang Family Investment, which was in turn wholly owned by the Yang Family.

2. Equity Transfer in June 2012

For the purpose of internal shareholding restructuring among the entities owned by the Yang Family, on June 28, 2012, an equity transfer agreement was entered into by and between Suzhou Longxin and Yang Family Investment, pursuant to which Suzhou Longxin transferred its entire equity interest in our Company to Yang Family Investment at a consideration of RMB12,222,200 which was determined based on the then registered capital of our Company.

3. Conversion into Joint Stock Limited Company

Pursuant to the shareholders' resolutions on August 10, 2012 and the promoters' agreement dated August 10, 2012, the then existing Shareholders of our Company agreed to convert our Company into a joint stock limited liability company with a share capital of RMB90,000,000. Pursuant to the promoters' agreement, the net asset value of our Company as of June 30, 2012 amounted to RMB287,505,542.76, of which (i) RMB90,000,000 was converted into 90,000,000 Shares of RMB1.0 par value each, which were subscribed by and issued to the then Shareholders of our Company in proportion to their respective equity interest in our Company; and (ii) the remaining amount of RMB197,505,542.76 was converted to capital reserve of our Company. Upon the completion of registration with the then Haikou Administration for Industry and Commerce (海口市工商行政管理局) on August 21, 2012, our Company was converted into a joint stock company with limited liability.

Upon the completion of the joint-stock reform, the shareholding structure of our Company was as follows:

Shareholders	**Number of Shares**	**Equity interest**
		(%)
Hainan Jindi	48,041,370	53.38
Yang Family Investment	29,358,630	32.62
Ms. Lu	4,500,000	5.00
Haima Automobile	3,600,000	4.00
Dachen Jusheng	1,694,160	1.88
Dachen Chuangtai	1,005,840	1.12
Dachen Chuangheng	966,150	1.07
Dachen Chuangrui	833,850	0.93
Total	**90,000,000**	**100.00**

Listing on the Shenzhen Stock Exchange

With the approval of the CSRC, we completed our initial public offering of 30,000,000 A Shares and became listed on the Shenzhen Stock Exchange (stock code: 002865.SZ) on April 25, 2017 and raised approximately RMB223.4 million from the A Share Offering after deducting the underwriting commissions and offering-related expenses.

Upon completion of the A Share Offering, our Company had a registered capital of RMB120,000,000, divided into 120,000,000 A Shares, among which 75% A Shares and 25% A Shares were held by the then existing Shareholders immediately prior to such initial public offering and new public A Shareholders, respectively.

Issuance of Shares pursuant to the Convertible Bonds

On December 6, 2018, with the approval of the CSRC, our Company issued convertible bonds (the "**Convertible Bonds**") in the principal amount of RMB320 million effective from December 10, 2018 with the maturity date on December 10, 2024. The Convertible Bonds shall bear increasing interests ranged from 0.6% per annum in the first year to 3% per annum in the sixth year. The bondholders had the right to convert their Convertible Bonds into A Shares during the period from June 14, 2019 to December 10, 2024 at the initial conversion price of RMB21.74 per A Share which was subject to adjustments (including but not limited to rights issue, dividends distribution, new issuance of Shares and other dilutive events, etc.).

Pursuant to the redemption condition set forth in the offering circular of the Convertible Bonds, the Company shall be entitled to redeem all outstanding Convertible Bonds if the balance of the Convertible Bonds is below RMB30 million. On January 27, 2022, our Company exercised its redemption rights to redeem all outstanding Convertible Bonds with the balance amount of RMB733,300 and canceled such Convertible Bond. Upon such cancellation, no further Shares are able to be issued pursuant to the Convertible Bonds.

During the vesting period from June 14, 2019 to January 27, 2022, our Company issued 21,524,273 A Shares to the holders of the said Convertible Bond upon the exercise of conversion by such bondholders.

Share Transfers relating to the First Acquisition of Jietai Technology

In connection with the first acquisition of 51% equity interest of Jietai Technology by our Company (the "**First Acquisition of Jietai Technology**"), on July 16, 2021, Yang Family Investment entered into a share transfer agreement with Hainan Zhanhong, pursuant to which, Yang Family Investment agreed to transfer 6,627,400 A Shares at the consideration of RMB25.73 per Share (no less than 90% of closing price on the date immediately preceding the date of this agreement). On the same day, Yang Family Investment and Hainan Jindi entered into a share transfer agreement with Shangrao Economic and Technological Development Zone Industrial Development Investment Co., Ltd. (上饒經濟技術開發區產業發展投資有限公司) ("**Shangrao Development Zone**") (a stated-owned entity and was ultimately controlled by Shangrao Economic and Technological Development Zone Management Committee (上饒經濟技術開發區管理委員會)), pursuant to which, Yang Family Investment and Hainan Jindi agreed to transfer 3,971,769 A Shares and 14,769,231 A Shares, respectively, to Shangrao Development Zone, at a price of RMB25.73 per Share. As a result of such transfers of Shares, Shangrao Development Zone and Hainan Zhanhong held approximately 14.1% and 5% equity interests in our Company, respectively. Such share transfers were completed on October 11, 2021 and December 14, 2021, respectively. For details of the First Acquisition of Jietai

Technology, see "— Our Subsidiaries — Jietai Technology" in this section. For the purpose of realizing the investment returns in our Group from its early investments in 2020, Hainan Zhanhong, being a former employee incentive platform of Jietai Technology, disposed A Shares of the Company held by them in the secondary market from time to time. Though Hainan Zhanhong ceased to a Shareholder in the Company as of November 28, 2024, almost all of its general and limited partners still remain as the employees of the Group. In particular, among all of these partners in Hainan Zhanhong, our Directors and senior management members including Mr. Zhang Manliang (張滿良), Mr. Zheng Hongwei (鄭洪偉), Ms. Huang Falian (黃發連) and Ms. Chen Pingxian (陳平仙) still hold equity interests in our Group including A Shares and/or outstanding options. As such, Hainan Zhanhong ceasing to be a Shareholder does not have any material negative effect on our Group's operation and stability of our senior management team and employees.

Issuance of Shares pursuant to Dividends Distribution in Specie

On April 14, 2023, our Company distributed dividends of 0.398 Share and RMB0.5971 per ordinary Share to then existing Shareholders. As a result, our Company issued an aggregate 56,609,710 A Shares for satisfying such dividends distribution in specie to all then Shareholders.

Allotment of Shares pursuant to the Non-public Offering

On April 28, 2023, with the approval of the CSRC, our Company commenced a non-public offering. 27,760,000 A Shares were issued and allotted to 13 placees, most of which were institutional investors including Goldman Sachs International and UBS AG. The offering was priced at RMB100 per A Share which was determined after arm's length negotiation.

According to a capital verification report issued by an independent auditor dated June 1, 2023, the consideration for the non-public offering had been fully settled by the 13 placees as of May 31, 2023.

The proceeds from the non-public offering were used for settling the outstanding payment under the subsequent acquisition of 49% equity interest of Jietai Technology by our Company in June 2022 (the "**Second Acquisition of Jietai Technology**"), N-type cells research program (高效能N型太陽能電池研發中試項目), repayment to bank loan and general working capital.

Issuance of Shares Pursuant to Employee Incentive Schemes

Other than the major shareholding changes in the Company as disclosed above, pursuant to the Employee Incentive Schemes and relevant administration measures, the Company also from time to time issued and allotted Shares to eligible participants. For the details of the Employee Incentive Schemes, please refer to "— Our Employee Incentive Schemes" under this section and "Appendix VI — Statutory and General Information — Employee Incentive Schemes."

As of November 30, 2024, our Company had a share capital of RMB229,151,752 divided into 229,151,752 A Shares with a par value of RMB1.00 each. Upon completion of the Global Offering and assuming the Over-allotment Option is not exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes, it is expected that the shareholding of holders of the A Shares will be diluted to 78.32%.

Our Subsidiaries

Jietai Technology

Jietai Technology (formerly known as Jiangxi Zhanyu New Energy Technology Co., Limited (江西展宇新能科技有限公司)) was established in the PRC on December 6, 2019 by Jiangxi Uniex with the initial registered capital of RMB2 million which was increased to RMB902 million on December 26, 2019. Following a series of shareholding changes, immediately prior to the First Acquisition of Jietai Technology by our Company, Jietai Technology was owned as to 81.32%, 3.65% and 15.03% by Shangrao Hongfu Photovoltaic Industry Center (Limited Partnership) (上饒市宏富光伏產業中心(有限合夥)) ("**Shangrao Hongfu**") (a state-owned entity and controlled by Shangrao State-owned Assets Supervision and Administration Commission (上饒市國有資產監督管理委員會) and Shangrao Economic and Technological Development Zone Management Committee (上饒經濟技術開發區管理委員會)), Hainan Zhanhong and Supor Group Co., Ltd. (蘇泊爾集團有限公司) ("**Supor**"), respectively. Supor is an Independent Third Party.

On July 16, 2021, through open bidding on Jiangxi Assets and Equity Exchange (江西省產權交易所), our Company acquired 47.35% equity interest in Jietai Technology from Shangrao Hongfu at a consideration of approximately RMB1,331.0 million. The consideration was based on valuation report issued by an independent valuer (the "**2021 Valuation Report**"). On July 16, 2021, pursuant to an asset purchase agreement entered into between the Company and Hainan Zhanhong, the Company acquired 3.65% equity interest in Jietai Technology from Hainan Zhanhong at a consideration of RMB102.6 million based on the 2021 Valuation Report. Upon the completion of such 51% equity transfers in aggregate to the Company in September 2021, Jietai Technology become a non-wholly owned subsidiary of our Company. The total consideration for the First Acquisition of Jietai Technology was approximately RMB1,433.6 million, among which (i) approximately RMB584.8 million was borrowed from Yang Family Investment and Hainan Jindi without any interest, (ii) RMB584.0 million was borrow from the commercial banks and (iii) the rest of approximately RMB264.8 million was from our Company's self-owned capital. The total consideration was fully settled in March 2022. In connection with the First Acquisition of Jietai Technology, Hainan Zhanhong provided a profit guarantee that the net profit of Jietai Technology shall no less than RMB210 million, RMB270 million and RMB310 million for the years ended December 31, 2021, 2022 and 2023, respectively, or RMB790 million for the three years in aggregate (the "**Profit Guarantee**"). As of the Latest Practicable Date, the Profit Guarantee has been fulfilled.

To align the Company's interests with the transferors' including Shangrao Hongfu (the former controlling shareholder of Jietai Technology) and Hainan Zhanhong (the employee shareholding platform of Jietai Technology), and to achieve synergy between the Company and Jietai Technology and sustainable business growth of the Group, the members in the Single Largest Group of Shareholders transferred certain A Shares to Shangrao Development Zone (an affiliate of Shangrao Hongfu, under common control by Shangrao Economic and Technological Development Zone Management Committee (上饒市經濟技術開發區管理委員會)) and Hainan Zhanhong. For details of the share transfers, see "— Corporate Development and Major Shareholding Changes of Our Group — Our Company — Share Transfers relating to the First Acquisition of Jietai Technology" in this section.

On June 15, 2022, through open bidding on Jiangxi Assets and Equity Exchange (江西省產權交易所), our Company acquired 33.97% equity interest in Jietai Technology from Shangrao Hongfu at a consideration of approximately RMB1,053.1 million. The consideration was based on valuation report issued by an independent valuer (the "**2022 Valuation Report**"). On June 15, 2022, pursuant to an asset purchase agreement entered into between the Company and Supor, the Company acquired 15.03% equity interest in Jietai Technology from Supor at a consideration of RMB465.9 million based on the 2022 Valuation Report. Upon the completion of such 49% equity transfers in aggregate to the Company, Jietai Technology has become a wholly owned subsidiary of our Company since July 2022. The total consideration for the Second Acquisition of Jietai Technology was approximately RMB1,519.0 million, among which approximately RMB672.1 million was from the proceeds of our non-public offering in May 2023 and the rest of the approximately RMB846.9 million was our Company's self-owned capital which was then fully replaced by part of the proceeds raised from the non-public offering of A Shares according to the applicable PRC laws and regulations. For details of the non-public offering of A Shares, see "— Corporate Development and Major Shareholding Changes of Our Group — Our Company — Allotment of Shares pursuant to the Non-public Offering" in this section. The total consideration was fully settled in June 2023.

Hongye New Energy

Hongye New Energy was established by Jietai Technology on August 24, 2020 with initial registered capital of RMB600 million.

On November 12, 2020, Shangrao Economic and Technological Development Zone Urban Construction Engineering Management Co., Ltd. (上饒經濟技術開發區城市建設工程管理有限公司) ("**Shangrao Chengjian**") entered into a subscription agreement and its supplement agreement ("**Chengjian Agreements**") with Jietai Technology and Hongye New Energy, pursuant to which, Shangrao Chengjian agreed to subscribe an additional registered capital of RMB500 million, representing 45.45% of the enlarged registered capital in Hongye New Energy, at a consideration of RMB500 million (the "**Subscription**"). Further, pursuant to the Chengjian Agreements, (i) during the six-year term commencing from the completion of the Subscription (the "**Investment Period**"), Shangrao Chengjian shall be entitled to annual interest income each year with reference to the benchmark lending rate of banks in the same period (the "**Annual Interests**"), which shall be payable by end of April in next year; (ii)

Shangrao Chengjian is not entitled to any shareholder dividends distributed by Hongye New Energy and all such dividends shall be payable to Jietai Technology; (iii) Shangrao Chengjian shall not involve in any daily operation and management of Hongye New Energy; and (iv) upon expiring of the Investment Period and without any condition, Jietai Technology or its designated party is obligated to re-acquire the entire 45.45% equity interests from Shangrao Chengjian at the original consideration of RMB500 million plus all unpaid Annual Interests incurred during the Investment Period.

As such, Jietai Technology still held 100% of its beneficial interest in Hongye New Energy after the Subscription, and Shangrao Chengjian, as the registered shareholder for the 45.45% equity interest of Hongye New Energy, is in fact a creditor without shareholder's right. Upon the expiration of the Investment Period, Jietai Technology shall refund RMB500 million plus unpaid Annual Interests to Shangrao Chengjian. Based on the principal terms of the Chengjian Agreements, considering that Shangrao Chengjian invested in Hongye New Energy for the purpose of obtaining stable Annual Interests return without participating in business operation of Hongye New Energy, as a result, such arrangement under Chengjian Agreements is in fact a provision of debt disguised as an equity investment (明股實債). As confirmed with the Company, prior to making investment in Hongye New Energy, Shangrao Chengjian had obtained all necessary approvals from competent authorities. As such, as advised by our PRC Legal Advisor, Chengjian Agreements are legal and effective and in compliance with applicable mandatory laws and regulations at the time such arrangement established. Considering that there is no imminent due date for refund (i.e. refund in late 2026) and the Company believes it has sufficient financial resources to fulfill the repayment obligation, there would be no material negative impact on the Group's operations and financial performance.

On February 18, 2021, the Company and Hongye New Energy entered into a capital increase agreement, pursuant to which the Company agreed to subscribe an additional registered capital of RMB150 million at a consideration of the same amount. Immediately after the completion of such subscription, Hongye New Energy was held by Jietai Technology, Shangrao Chengjian and the Company as to 48%, 40% and 12%, respectively.

After Jietai Technology became a wholly owned subsidiary of the Company in June 2022 and pursuant to the Chengjian Agreements above, Hongye New Energy has become a wholly owned subsidiary of the Group.

Pursuant to a share pledge agreement dated February 14, 2022, Jietai Technology pledged its owned RMB60 million registered capital in Hongye New Energy to Jiangxi State-owned Assets Venture Investment Management Co., Ltd (江西國資創業投資管理有限公司) ("**Jiangxi Venture**") to secure the loan of a principal amount of RMB20 million with a term of three years ended on February 13, 2025 provided by Jiangxi Venture to Hongye New Energy. Upon the repayment of such loan, the share pledge will be released.

Other Subsidiaries

As of the Latest Practicable Date, there had been no shareholding changes in Minghong New Energy, Chuzhou Jietai, Huai'an Jietai, Jietai HK, Jietai FZC, Jietai Investment and Jietai Suzhou since their respective establishments.

MAJOR DISPOSAL OF OUR GROUP DURING THE TRACK RECORD PERIOD

Background

Since 2020, our Company had been exploring and intending to enter into emerging industries with promising prospect and strong profitability. Upon conducting an in-depth market research, the management of the Company decided to tap into PV Cells Business and acquired Jietai Technology and its subsidiaries in September 2021. Considering that the continuing operation of the Discontinued Business would divert the management's attention as well as other resources away from the PV Cells Business, the Company disposed the Discontinued Business in June 2022.

Disposal of Suzhou Drinda Automobile Technology Co., Ltd. (蘇州鈞達車業科技有限公司) ("Suzhou Drinda"), Hainan Xinsu Mould Plastic Industrial Trade Co., Ltd. (海南新蘇模塑工貿有限公司) ("Hainan Xinsu") and Assets Relating to the Discontinued Business

On March 12, 2022, an asset sale agreement entered into and between our Company and Yang Family Investment, a member of our Single Largest Group of Shareholders, pursuant to which Yang Family Investment acquired entire equity interest of two wholly-owned subsidiaries of our Company, namely Suzhou Drinda and Hainan Xinsu, together with all assets relating to the car accessories business of our Company at a total consideration of approximately RMB1,056.9 million. The consideration was based on valuation reports issued by the independent valuers. Upon the completion of such disposal in June 2022, each of Suzhou Drinda and Hainan Xinsu ceased to be a subsidiary of our Company and our Company has not conducted any business relating to car accessories.

Our PRC Legal Advisor advised that, the abovementioned major acquisition and disposal of our Group during the Track Record Period has passed the review process of the Shenzhen Stock Exchange and the respective approval procedures were in compliance with the applicable PRC laws and regulations. As confirmed with the Directors, the Discontinued Business was in compliance with all applicable PRC laws and regulations in all material aspects during the Track Record Period and prior to the date of the disposal in June 2022. During the Track Record Period and until the Latest Practicable Date, save as disclosed above, we did not conduct any other acquisition, disposal or merger.

ACTING IN CONCERT

As of the Latest Practicable Date, Yang Family Investment was owned as to 20.00%, 20.00%, 20.00%, 20.00%, 11.62% and 8.38% by Ms. Lu, Mr. Xu Yong (徐勇), Ms. Lu Huifen (陸惠芬), Mr. Lu Xuyang (陸徐楊), Mr. Xu Weidong (徐衛東) and Ms. Lu Yuhong (陸玉紅), respectively.

On November 30, 2013, all the members of Yang Family (including Ms. Lu (directly holding 2.31% voting rights of our Company as of the Latest Practicable Date), Mr. Xu, Mr. Lu Xuyang (陸徐楊), Mr. Yang Renyuan (楊仁元), Ms. Lu Huifen (陸惠芬), Mr. Xu Weidong (徐衛東), Ms. Lu Yuhong (陸玉紅), Mr. Xu Yong (徐勇), and Ms. Lu Xiaowen (陸小文)) entered into an Acting-in-Concert Agreement which was supplemented by agreements dated April 23, 2020 and April 23, 2023, pursuant to which the members of Yang Family agreed and would continue to act in concert by aligning their votes via controlling the decisions and actions of Hainan Jindi when exercising an aggregate of approximately 20.30% voting rights at the shareholders' meetings in our Company as of the Latest Practicable Date. Ms. Lu shall also act in concert with the Yang Family when she exercise the 2.31% voting right attached to Shares directly held by her as of the Latest Practicable Date. The Acting-in-Concert Agreement shall remain effective until April 24, 2026 and Yang Family intends to renew the Acting-in-Concert Agreement upon its expiration.

Among the members of Yang Family, Mr. Yang Renyuan (楊仁元), Mr. Xu and Ms. Lu Xiaowen (陸小文) do not directly hold any equity interests in Yang Family Investment by themselves as of the Latest Practicable Date. Mr. Yang Renyuan (楊仁元) is the spouse of Ms. Lu Huifen (陸惠芬). Mr. Xu is the spouse of Ms. Lu. Ms. Lu Xiaowen (陸小文) is the spouse of Mr. Xu Yong (徐勇). As such, each of Mr. Yang Renyuan (楊仁元), Mr. Xu and Ms. Lu Xiaowen (陸小文) was deemed to be interested in 20.00%, 20.00% and 20.00% equity interests in Yang Family Investment held by Ms. Lu Huifen (陸惠芬), Ms. Lu and Mr. Xu Yong (徐勇) (the "**Yang Shareholders**"), respectively, which were considered as their respective matrimonial property. The voting decisions from the Yang Shareholders relating to the Company via Hainan Jindi are made together with their respective spouses. Further, Mr. Yang is the director of Hainan Jindi and Yang Family Investment and Mr. Xu is an executive Director of the Company. Mr. Xu and Mr. Yang are entitled to participate in the decision-making process relating to management and operation of Yang Family Investment, Hainan Jindi or the Company (as applicable). As such, to align the Yang Family's common interests in the Company as a whole, all the members of Yang Family including Mr. Yang Renyuan (楊仁元), Mr. Xu and Ms. Lu Xiaowen (陸小文) executed the Acting-in-Concert Agreement.

OUR EMPLOYEE INCENTIVE SCHEMES

For the purpose of attracting and retaining talents and motivating our employees, we have established certain Employee Incentive Schemes. Below sets forth the effective schemes as of the Latest Practicable Date:

(i) on December 1, 2021, our Shareholders passed a resolution to implement Employee Incentive Scheme 2021 to grant up to 3,305,000 options to eligible participants to subscribe A Shares. These options have a vesting period of no more than 48 months since the date of the grant. As of the Latest Practicable Date, 4,038,234 options (taking into account the adjustment pursuant to the Dividends Distributions) had been granted. No other option would be granted under Employee Incentive Scheme 2021. Out of such granted options, 1,474,557 options (excluding 210,275 options held by departed employees and subject to cancellation) are yet to be exercised.

(ii) on June 13, 2022, our Shareholders passed a resolution to implement Employee Incentive Scheme 2022 to grant up to 2,853,000 options to eligible participants to subscribe A Shares. These options have a vesting period of no more than 48 months since the date of the grant. As of the Latest Practicable Date, 3,927,201 options (taking into account the adjustment pursuant to the Dividends Distributions) had been granted. No other option would be granted under Employee Incentive Scheme 2022. Out of such granted options, 1,429,135 options (excluding 16,776 options held by departed employees and subject to cancellation) are yet to be exercised.

(iii) on February 2, 2023, our Shareholders passed a resolution to implement Employee Incentive Scheme 2023-A to grant up to 3,642,500 options to eligible participants to subscribe A Shares. These options have a vesting period of no more than 48 months since the date of the grant. As of the Latest Practicable Date, 4,056,384 options (taking into account the adjustment pursuant to the Dividends Distributions) had been granted. No other option would be granted under Employee Incentive Scheme 2023-A. Out of such granted options, 2,422,035 options are yet to be exercised.

(iv) on October 13, 2023, our Shareholders passed a resolution to implement Employee Incentive Scheme 2023-B to grant up to 4,230,000 options to eligible participants to subscribe A Shares. These options have a vesting period of no more than 48 months since the date of the grant. As of the Latest Practicable Date, 4,068,120 options had been granted which are all outstanding and yet to be exercised. No other option would be granted under Employee Incentive Scheme 2023-B. Out of such granted options, 2,904,780 options (excluding 128,400 options held by departed employees and subject to cancellation) are yet to be exercised.

For the details of the Employee Incentive Schemes, please refer to "Appendix VI — Statutory and General Information — Employee Incentive Schemes."

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE PROPOSED LISTING ON THE STOCK EXCHANGE

To the best knowledge of the Directors, we have been operating in compliance with the Shenzhen Stock Exchange Listing Rules in all material aspects since our A Share Offering, except for the incident which indicated that our Company failed to strictly comply with the Regulatory Guidelines for Listed Companies No. 5 — Registration and Management System for Insider Information of Listed Companies (《上市公司監管指引第5號 — 上市公司內幕信息知情人登記管理制度》) as disclosed in the section headed "Directors, Supervisors and Senior Management — Other Information about Ms. Lu and Ms. Zheng Tong (鄭彤)." As of the Latest Practicable Date, we had not been informed by the Shenzhen Stock Exchange of any material breach of its listing rules. Save for the increase in share capital of the Company in October 2024 as a result of the exercise of options under the incentive Scheme 2022, which have not yet completed the registration with the competent market supervision administration, our PRC Legal Advisor has confirmed that the above-mentioned capital increases, equity transfers, joint-stock reform, share transfers, issue and allotment of Shares and our initial public offering and listing of our A Shares have been properly and legally completed and all requisite regulatory approvals have been obtained in accordance with the PRC laws and regulations. Based on the filings on the website of the Shenzhen Stock Exchange, the information available in the public domain and the independent due diligence performed by the Joint Sponsors, the Joint Sponsors do not disagree with the above confirmation provided by the Directors with regard to the Company's compliance record on the Shenzhen Stock Exchange in all material respects since its A Share Offering and there are no material issues in relation to its compliance record since its A Share Offering that should be brought to the investors' attention.

Our Directors believe that the proposed Listing will be in the interests of our Group's business development strategies, and would be beneficial to us and our Shareholders as a whole for the following reasons:

(i) the Listing will provide an additional fund raising platform for our Company and give us the access to a wider pool of finance for our future expansion. The Stock Exchange is a compelling listing and fundraising venue for us to attract potential international investors and business partners; and

(ii) a listing status on the Stock Exchange will further enhance our ability to broaden customer base, further advance our international strategies and our international brand-awareness, and recruit, motivate and retain talents to support our long-term and sustainable growth.

PUBLIC FLOAT

Upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised and the options granted under the Employee Incentive Schemes are not exercised), to the best knowledge of our Company, (i) Yang Family will directly and indirectly through Hainan Jindi control approximately 17.71% of the total issued Shares, (ii) Mr. Zhang Manliang (張滿良) (our executive Director and general manager) will directly control approximately 0.06% of the total issued Shares, and (iii) Mr. Zheng Hongwei (鄭洪偉) will directly control approximately 0.06% and Ms. Zheng Tong (鄭彤) (our executive Director, secretary of the Board and joint company secretary) will directly control approximately 0.01%. Therefore, the Shares held by Yang Family, Mr. Zhang Manliang (張滿良), Mr. Zheng Hongwei (鄭洪偉) and Ms. Zheng Tong (鄭彤) will not count towards the public float for the purpose of Rule 8.08 of the Listing Rules.

Further, Modern Direct Investment is one of our cornerstone investors and the 15,637,000 H Shares (calculated based on (a) rounded down to the nearest whole board lot of 100 H Shares; and (b) the Offer Price of HK$24.50 per H Share (being the midpoint of the indicative Offer Price range)) to be subscribed for by it in the Global Offering, details of which are set out in the section headed "Cornerstone Investors" of this prospectus, will not count towards the public float. Modern Direct Investment is a close associate of Shangrao Development Zone, an existing Shareholder of our Company. As Modern Direct Investment and Shangrao Development Zone collectively will hold over 10% of our total issued Shares immediately following completion of the Global Offering (taking into account the 22,244,267 A Shares held by Shangrao Development Zone, representing approximately 7.60% of our total issued Shares upon the Listing (assuming that the Over-allotment Option is not exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes), which will not be converted into H Shares and listed upon completion of the Global Offering), the 15,637,000 H Shares (calculated on the above-mentioned basis) to be subscribed for by Modern Direct Investment will not count towards the public float of the Company under Rule 8.08 of the Listing Rules.

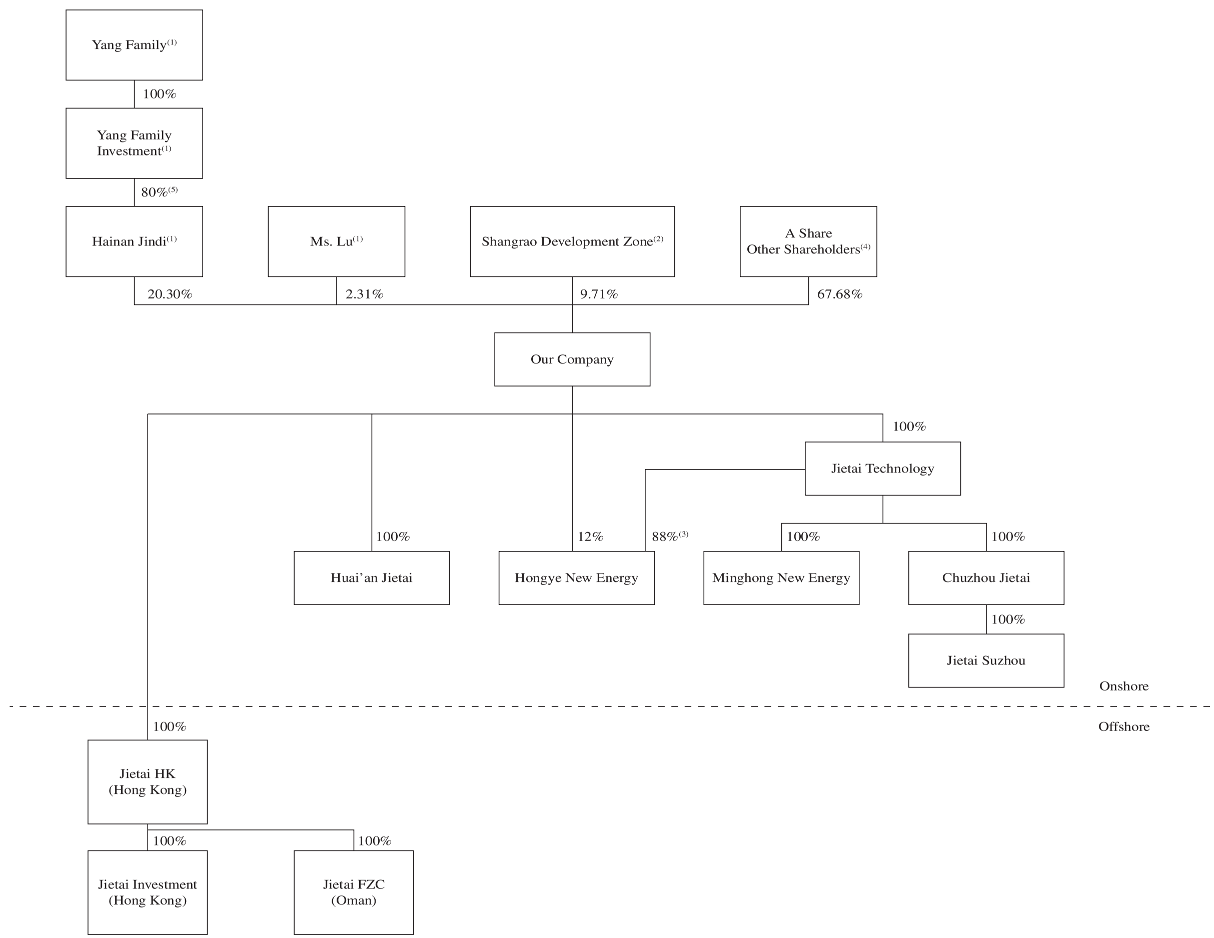
Save as disclosed above, to the best of our Directors' knowledge, none of the other Shareholders is a core connected person of our Company upon Listing, is accustomed to take instructions from core connected persons of our Company in relation to the acquisition, disposal, voting or other disposition of their Shares, or was financed directly or indirectly by core connected persons of our Company for their acquisition of Shares.

Immediately following completion of the Global Offering, assuming that (i) 63,432,300 H Shares are allotted and issued in the Global Offering; and (ii) the Over-allotment Option are not exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes, our Company will have 292,584,052 issued Shares upon completion of the Global Offering, the total number of Shares held by the public (on all regulated market(s) including the Hong Kong Stock Exchange) represents approximately 67.55% of our total issued Shares upon Listing. Based on the minimum Offer Price of HK$20.40 and assuming no exercise of the Over-allotment Option and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes, we expect that the market capitalization of our H Shares will be HK$1,294.0 million immediately following the completion of the Global Offering and the total number of H Shares held by the public represents approximately 15.35% of our total issued Shares upon the Listing (excluding treasury Shares).

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding Structure Immediately Prior to the Global Offering

The following chart sets forth our shareholding structure and subsidiaries immediately prior to the Global Offering (without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes):



Notes:

(1) Our Single Largest Group of Shareholders.

(2) As of the Latest Practicable Date, 100% equity interest of Shangrao Development Zone was indirectly owned by Shangrao Economic and Technological Development Zone Management Committee (上饒經濟技術開發區管理委員會).

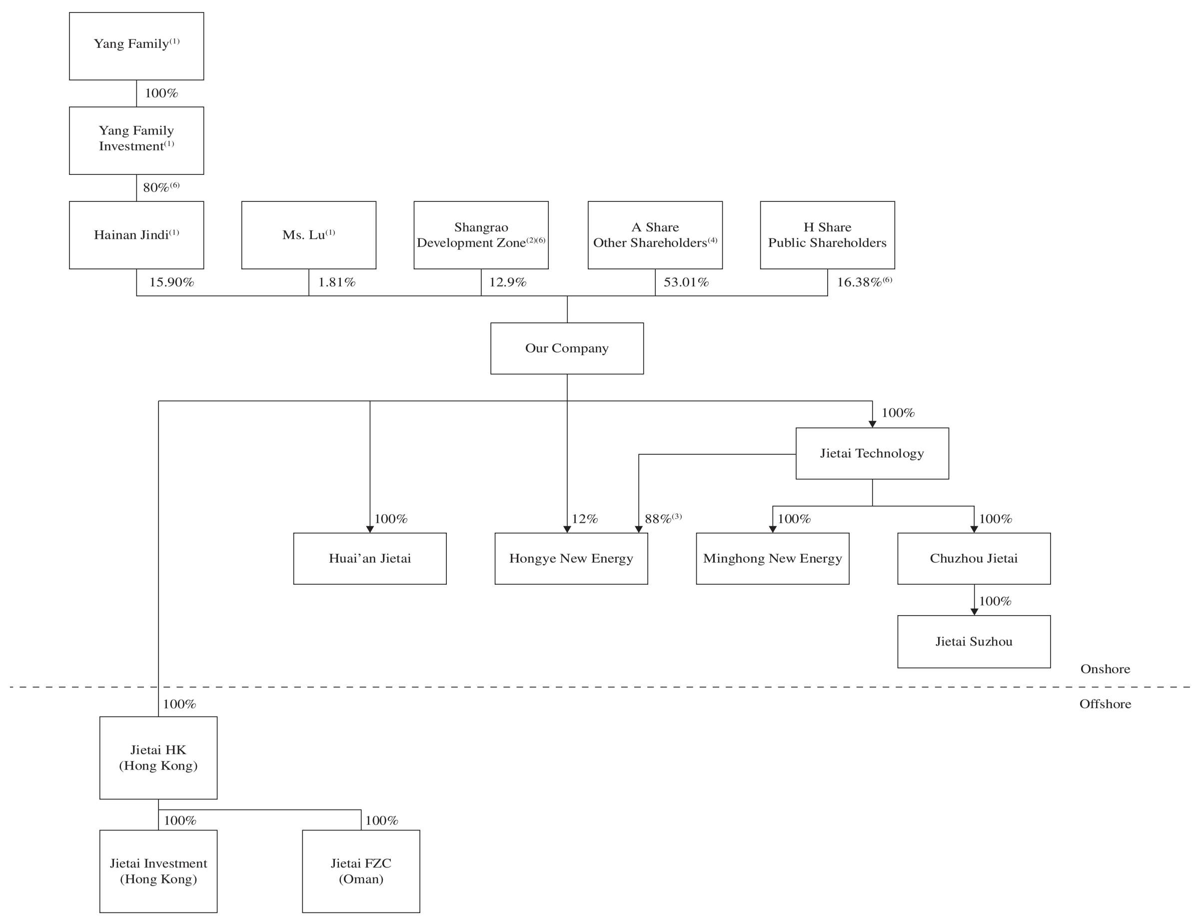
(3) As of the Latest Practicable Date, the registered shareholders of Hongye New Energy including, our Company, Jietai Technology and Shangrao Chengjian, an Independent Third Party. Pursuant to the relevant financing arrangements, the registered shareholder Shangrao Chengjian is in fact a creditor without shareholder's right. Therefore, Hongye New Energy is an indirect wholly-owned subsidiary of the Company in substance. For details, see "— Corporate Development and Major Shareholding Changes of Our Group — Our Subsidiaries — Hongye New Energy" in this section.

(4) Include three Directors, namely, Mr. Zhang Manliang (張滿良), Mr. Zheng Hongwei (鄭洪偉) and Ms. Zheng Tong (鄭彤), who holds 0.08%, 0.07% and 0.01% equity interest of our Company, respectively.

(5) As of the Latest Practicable Date, Mr. Chen Bingkun (陳炳坤) and his controlled entity Haikou Mingda Enterprise Management Partnership (Limited Partnership) (海口銘達企業管理合夥企業(有限合夥)) (formerly known as Heze Mingda Enterprise Management Partnership (Limited Partnership) (荷澤銘達企業管理合夥企業(有限合夥))) hold the remaining equity interests in Hainan Jindi as to 10% and 10%, respectively, which were transferred from the Former Jindi Investors in 2021.

Shareholding Structure Immediately Following the Completion of the Global Offering

The following chart sets forth our shareholding structure and subsidiaries immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes:



Notes:

see notes (1), (2), (3) and (5) of the sub-section headed "— Shareholding Structure immediately prior to the Global Offering" above for details.

(4) Include three Directors, namely, Mr. Zhang Manliang (張滿良), Mr. Zheng Hongwei (鄭洪偉) and Ms. Zheng Tong (鄭彤), who holds 0.06%, 0.06% and 0.01% equity interest of our Company, respectively.

(6) Immediately following the completion of the Global Offering, assuming an Offer Price of HK$24.50 per H Share (being the mid-point of the Offer Price range stated in the prospectus, 15,637,000 H Shares (calculated based on (a) rounded down to the nearest whole board lot of 100 H Shares) will be subscribed for by a cornerstone investor, i.e. Morden Direct Investment, which is a close associate of Shangrao Development Zone. Morden Direct Investment and Shangrao Development Zone collectively will hold over 10% of our total issued Shares immediately following completion of the Global Offering. The Shares held by Morden Direct Investment and Shangrao Development Zone will not count towards the public float of the Company under Rule 8.08 of the Listing Rules.

OVERVIEW

We are a leading specialized manufacturer of PV cells. We have been continuously focusing on the R&D, production, and sales of high-efficiency PV cells. Leveraging our R&D innovation and key technologies, we maintained competitive position across different generations of mainstream PV cells, including both N-type TOPCon cells and P-type PERC cells. In particular, we have been leading the global PV cell industry transition from P-type PERC cells towards N-type cells, achieving cost-efficient large-scale mass production while advancing technology innovation. According to Frost & Sullivan, based on the shipment volume in 2024, among specialized manufacturers, our N-type TOPCon cells' market share reached approximately 24.7% and ranked first globally, and our PV cells' market share reached approximately 17.9% and ranked second globally.

The following milestones serve as testaments to our leadership position in the PV cell industry:

- In September 2021, we entered the PV cell industry, experiencing rapid growth. We strategically acquired Jietai Technology, a globally top-ten ranked company in PV cell shipment volume from 2018 to 2021, which is endowed with decade-long experience in PV cell R&D, production and sales and extensive talent and technology.

- In August 2022, through persistent investment in R&D, we led the industry in achieving breakthroughs in the latest generation of N-type TOPCon cell technology, increasing the mass production conversion efficiency of PV cells from approximately 23.5% for P-type PERC cells to over 24.5% for N-type TOPCon cells. Additionally, our Chuzhou Plant began large-scale mass production, making us the world's first specialized PV cell manufacturer to possess such capabilities for N-type TOPCon cells.

- In 2023, building on our leading large-scale mass production capabilities, we continued innovating and optimizing in TOPCon processes. By improving and integrating several key technologies into mass production, such as LP stack wafer deposition process and laser improvement technology, we further elevated our N-type TOPCon cell conversion efficiency to over 25.5%, maintaining our technological edge in the industry. Simultaneously, our Chuzhou Plant's expansion and our Huai'an Plant were successfully launched, increasing our aggregated annualized production capacity for N-type TOPCon cells to approximately 43.3 GW as of June 30, 2024, strengthening our industry leadership. In the end of 2023, our N-type TOPCon Mono 1 raised the mass production conversion efficiency of PV cells to 26.0%.

- Subsequently in 2024, we had achieved significant R&D advancements in various key areas. Through introducing our key technologies such as J-Rpoly, gradient filming and super multi-busbar technologies, we debuted N-type TOPCon MoNo 2, our new product line, which further raised the mass production conversion efficiency of PV cells to over 26.0%, reaffirming our industry-leading position. We also started to apply front metal area composite optimization in our production processes, which reduces composite loss in the front metal area. Furthermore, through self-developing and applying half-cut edge passivation, we further improved the bifacial ratio and enabled higher power output of PV modules. Our annualized production capacity was around 44.4 GW as of December 31, 2024, all of which was for N-type TOPCon cells.

In addition to our leadership in PV cell technology and production, we have also achieved impressive results in technology accumulation, talent motivation, and ESG management.

- ***Technology accumulation***. We have established deep R&D collaborations with numerous renowned domestic and international institutions, including the University of New South Wales in Australia, Zhejiang University, Ningbo Institute of Materials Technology and Engineering of the Chinese Academy of Sciences, and National University of Singapore. We focus on the R&D of cutting-edge technologies such as next-generation HJT and perovskite tandem PV cells and xBC, and we are primarily focused on the R&D of N-type TBC cells, ensuring our core competitive advantage in the PV cell industry.

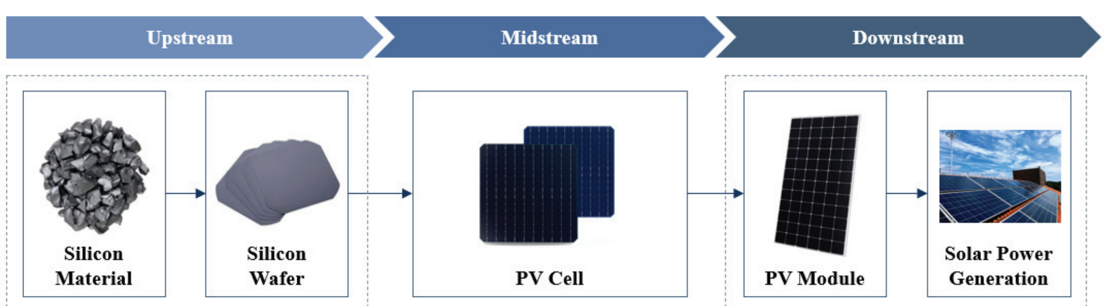
- ***Talent motivation***. We have established an effective incentive mechanism for employees, deeply aligning their interests with ours, continually keeping them motivated, and retaining our core talents. We have adopted Employee Incentive Schemes covering more than 400 core R&D, production, and management talents. For details, see "Appendix VI — Statutory and General Information — Employee Incentive Schemes."

- ***ESG management***. We were recognized among the Top 500 Global New Energy Companies by China Institute of Energy Economics Research in 2023. We have obtained the TÜV NORD SA8000 social responsibility management system certification and the SGS carbon footprint international verification. Our Shangrao Plant has been rated as a national-level green factory, and our PV cells have received the ISO14067:2018 international carbon footprint certification. As of December 31, 2024, we had shipped approximately 76.2 GW of our PV cells, which, compared with coal-fired power generation, was equivalent to saving 11.8 million tons of coal and planting 141,000 trees, reducing 28.0 million tons of CO_2, 860,000 tons of SO_2, 430,000 tons of NO_x and 7.5 million tons of dust emissions.

Our Industry

Given growing public concern on the trend of global climate change and increasing depletion of fossil energy, vigorous development of renewable energy has become a global consensus. Solar power generation, i.e., the conversion of solar radiation into electrical energy using PV cells, has become the fastest-developing renewable energy source because of its environmental friendliness, cost efficiency, widespread distribution, and high safety. Compared with other renewable energy sources, such as wind power and hydropower, solar power is more suitable for different scales, has widely available resources and minimal geographical limitations. Therefore, it is expected to become the largest source of global renewable energy in terms of cumulative installed capacity by 2027.

China supports the solar energy industry for a variety of reasons, including ensuring its own energy security, which in turn benefits the growth of our business. Against the backdrop of the rapid development of the global PV industry, the Chinese PV industry leads the world in growth due to numerous advantages such as a complete upstream and downstream supply chain, low production costs, and an abundant pool of talent in photovoltaics. In 2022, China dominated global PV market, commanding market shares of 87.0% in silicon material, 97.9% in silicon wafers, 86.7% in PV cells, and 80.8% in PV modules in terms of production capacity. As a participant in China's PV cell production value chain, we are able to benefit from an integrated supply chain, economies of scale, synergistic growth with the leading players in the globe, the PV industry's national support and promotion of healthy development and large-scale application, allowing us to grow both domestically and internationally.



The PV industry value chain encompasses upstream suppliers of raw materials like silicon material, silicon wafer and silver paste, midstream manufacturers focusing on the crucial development and production of PV cells, and downstream players producing PV modules for integration into solar power systems in various settings like power plants and residences. PV cells are the core technological component of the PV industry. The history of the PV industry has seen several technological revolutions, all originating from technological upgrades in PV cells. This is primarily because higher PV cells conversion efficiency directly elevates the conversion efficiency of PV modules, which leads to more solar power generation and in turn decreases cost of electricity downstream. Therefore, PV cell manufacturing represents the most technologically intensive sector in the PV industry value chain.

However, the conversion efficiency of mainstream P-type PERC cells is nearing its theoretical cap, which limits future cost reduction possibilities of solar power generation. As such, the PV industry has been pivoting to the R&D of next-generation N-type cells, i.e., PV cells that consists of a P-type silicon layer over a N-type silicon layer. Among the N-type cells, N-type TOPCon cells, a type of advanced N-type cells featuring a tunnel oxide passivated contact, have higher theoretical conversion efficiency than P-type PERC cells and relatively low investment costs than other N-type cells. Therefore, N-type TOPCon cells are expected to be the most popular among various N-type cell technologies. According to Frost & Sullivan, N-type TOPCon cells achieved a global market share in all PV cells of 23.2% by 2023 and is expected to achieve a global market share of 67.9% by 2024. Please see "Industry Overview" in this prospectus for more details on P-type PERC and N-type TOPCon cells.

The following table presents a comparison of different PV cells' statistics and commercialization levels in 2024 in the PV industry:

	P-type	N-type		
	PERC	**TOPCon**	**HJT(2)**	**N-type xBC(2) (including TBC and HBC(3))**
Theoretical Conversion Efficiency Cap	24.5%	28.7%	28.5%	29.1%
Mass Production Conversion Efficiency(1)	23.5%	25.5%	25.7%	26.1%
Equipment Investment	Low	Slightly high	High	High
BOM (Bill of Materials) Cost	Low	Slightly high	High	High
Commercialization Level	Mature	Large-scale mass production	Initial mass production	Initial mass production

Source: Frost & Sullivan

Notes:

(1) Mass production conversion efficiency refers to the percentage of the solar energy shining on a PV cell that is converted into usable electricity, and theoretical conversion efficiency can often be positively correlated to mass production conversion efficiency and determines the latter's maximum potential value. The mass production conversion efficiency presented in this table is the average mass production conversion efficiency reported in the industry.

(2) Not yet ready for large-scale mass production in the PV industry in 2024. Compared with PV cells already in large-scale mass production, they have smaller shipment volumes and still face challenges related to production yield and manufacturing costs, which contribute to N-type TOPCon cells' projected mainstream position until at least 2030. See "Industry Overview — Global PV Cell Market — Global PV Cell Market in the P-N Transition" and "Industry Overview — Future Trend of PV Cell Market — N-type TOPCon Cells will Continue Holding the Mainstream Position in the Market in the Near Future" for detailed reasons thereto and future shipment volume trends of PV cells. In 2024, the shipment volume of HJT and N-type xBC cells in aggregate only accounted for approximately 7.4% of the global PV cell shipment volume in the same period, compared with approximately 66.9% for N-type TOPCon cells.

(3) N-type TBC cells refer to N-type xBC cells incorporating TOPCon technology. N-type HBC cells refer to N-type xBC cells incorporating HJT technology. xBC is a platform technology that can integrate with, but not replace, other PV cells to derive various sub-categories and produce superior performance in certain application scenarios, e.g., rooftop installations, as electricity is expected to be generated efficiently on the frontside. However, xBC cells are less advantageous in application scenarios where PV cells are typically expected to efficiently utilize sunlight from both sides, e.g., solar power stations.

Our Products and Services

We are a component supplier within the PV supply chain. Our product, PV cells, serve as the most vital component within PV modules. These modules can then be integrated into PV systems, which are subsequently deployed in various settings, including power plants, factories, buildings, and residences and primarily used for solar power electricity generation. Leveraging our innovation capability and operational efficiency, we provide N-type TOPCon and P-type PERC cells to many world-leading customers, the majority of which are based in China. During the Track Record Period, we mainly offered the following three key products:

- ***N-type 210-N TOPCon Monocrystalline Cell***. Launched in 2023, this cell features 18 busbars on both sides and a thickness of 130μm ± 13μm. Its dimensions are 210mm * 210mm ± 0.5mm. It has a front side efficiency of ≥26.0% and a bifacial ratio of ≥80.0%.

- ***N-type 182/183-N TOPCon Monocrystalline Cell***. Launched in 2022, it has 16 busbars on both sides and a thickness of 130μm ± 13μm. Its dimensions are 182mm * 182mm ± 0.5mm. It has a front side efficiency of ≥26.0% and a bifacial ratio of ≥80%. It also has a version with dimensions of 182.2mm * 183.75mm ± 0.5mm with similar performance launched in 2024.

- ***P-type 182-P PERC Monocrystalline Cell***. Launched in 2021, it features 10 busbars on both sides and a thickness of 170μm ± 17μm. Its dimensions are 182mm * 182mm ± 0.5mm. It has a front side efficiency of ≥23.8% and a bifacial ratio of ≥70%.

Based on these key products, we have been able to meet various market demands via customization, e.g., adjusting the number of busbars and size of the PV cells and tweaking other technical specifications to better serve customer needs. See "— Our Business — Our Products and Services."

During the Track Record Period, we also provided manufacturing services on behalf of our customers to fulfill their special needs, primarily of P-type PERC cells from time to time. Such business effectively supplemented our primary PV cell production business because we benefited from enhanced utilization of our production plants, broadened access towards most recent technical needs and market trends, and the opportunities to expand and deepen strategic cooperation with our customers. For details, see "Business — Our Business — Others."

Our R&D Capabilities and Technologies

We are a leader in the innovation of PV cells, demonstrated by our leading positions both in the PV cell market and the rapid P-N transition.

In the era of polycrystalline PV cells, which lasted until 2017, our subsidiary's predecessor optimized production management and enhanced cost-efficiency through improvements in production line intelligence and automation, achieving industry-leading product efficiency and production cost savings. It was the first in the industry to launch high-efficiency black silicon PV cells with a conversion efficiency of over 19.1%, higher than the industry average of around 18% at the time, making it one of the world's largest supplier of black silicon PV cells at that time. Subsequently, the monocrystalline era started in 2018. In this era, we developed monocrystalline P-type PERC cells with over 23.8% efficiency. Our product performance was at an internationally advanced level, and our non-silicon cost efficiency continued to lead the industry. We led the industry in completing the upgrade from 166mm to 182mm production lines, promoting the industry upgrade from small to large-sized PV cells. In the era of N-type TOPCon cells that dawned in 2022, we became among the world's first specialized PV cell manufacturers to conduct R&D and achieve large-scale mass production of N-type TOPCon cells, once again leading a technological revolution in the industry. Our identification of N-type TOPCon technology was supported by our R&D capabilities and industry insight. In 2020, Jietai Technology had already noticed competing technologies available in the industry that claimed to be promising candidates as the next generation of PV cell technology after P-type PERC cells. The key candidates in the industry were N-type TOPCon cells and N-type HJT cells. As such, Jietai Technology leveraged its R&D capabilities to explore the feasibility of both technological development routes, initiating R&D in 2020 and starting expansion of production capacity for large-scale production in 2021 for N-type TOPCon cells, and also engaged in the R&D of N-type HJT cells. As N-type TOPCon cell technology matured at a more rapid pace than N-type HJT cells within the industry in general and in its own testing in particular, Jietai Technology, leveraging its experience and industry insight, formed the professional judgment that N-type TOPCon cells are more likely to become ready for large-scale mass production in the near future. As such, Jietai Technology and subsequently our Group concentrated the efforts on developing N-type TOPCon cells, which achieved large-scale mass production in 2022. In December 2023, our mass production conversion efficiency of N-type TOPCon cells exceeded 26.0%, which reached the highest large-scale mass production conversion efficiency in the current PV cell industry.

Such a continued leadership position is attributable and testifies to the effectiveness of the measures and strategies that we have adopted to stay abreast of the technology developments, among which the key element is our continuous innovation, which is in turn realized primarily through our persistent adherence to our forward-thinking R&D philosophy of "researching one generation ahead, pilot testing the next, and mass-producing the current" and our persistent exploration of advanced technologies in the industry. Meanwhile, leveraging our R&D team, we have been able to effectively implement our R&D philosophy. As of December 31, 2024, our R&D team consists of 827 employees. Our executive Director and general manager, Mr. Zhang Manliang, brings a wealth of experience in process R&D, having held various positions in technology, R&D, production management, and business management in multiple leading PV companies and boasts approximately 15 years of experience in PV cell R&D and production. Moreover, we maintain close collaborations with renowned domestic and international research institutions, such as the University of New South Wales in Australia, Zhejiang University, Ningbo Institute of Materials Technology and Engineering of the Chinese Academy of Sciences, and National University of Singapore, in establishing a comprehensive R&D system and continuing to carry out R&D for TOPCon, HJT and perovskite tandem PV cells and xBC other cutting-edge technologies in the PV industry, and continue to maintain our technological leadership. Guided by our time-tested R&D philosophy, we have been able to not just understand, but incorporate cutting-edge technology efficiently and at competitive costs at a large scale as we expertise in applying our technical capabilities, large-scale mass production capacity, strategic supply chain cooperation, and significant industry know-how, which have helped us successfully navigate multiple generations of PV cell technologies before and including the P-N transition.

In the current P-N transition, our R&D capabilities have achieved a series of technological breakthroughs that translated into improved performance of our PV cells. As of the Latest Practicable Date, our key technologies applicable to N-type TOPCon cells and their main functions are as follows:

- ***LP stack wafer deposition process***: lower the cost in low pressure chemical vapor deposition, allowing our N-type TOPCon cells to possess great cost advantage.

- ***Laser improvement technology***: increase the short-circuit current (I_{sc}), open-circuit voltage (V_{oc}) and fill factor of our N-type TOPCon cells, as it reduces recombination in the front metal area of the N-type TOPCon cells.

- ***J-Rpoly***: improves the cell's I_{sc} and V_{oc}.

- ***Gradient filming technology***: reduces front-side recombination and reflection losses.

- ***Super Multi-Busbar Technology***: shorten the current transmission distance between the busbars, thereby reducing resistive losses, allowing for increased conversion efficiency.

- ***Ultra-dense Fine Fingers Technology***: reduces lateral transmission resistive losses, elevating conversion efficiency and increasing cost efficiency through saving silver paste.

- ***Front metal area composite optimization***. By optimizing the silver paste, the composite loss in the front metal area is further reduced.

We have also been developing certain technologies that may further improve the performance of our current and future PV cells to maintain our market leadership in the P-N transition and beyond:

- ***Ultra-fine finger technology***. It aims to achieve higher conversion efficiency and reduce silver paste consumption through using even finer fingers.

- ***Half-cut edge passivation***. By depositing a passivation film layer on the affected cell edge, we can reduce or even repair damage caused by laser, further improving the bifacial ratio and enabling higher power output of PV modules.

- ***Wave back surface field***. By modulating the thickness and properties of the passivation layers between rear metal fingers, we can form an optically inhomogeneous rear structure, improving bifacial ratio and improving conversion efficiency.

- ***Crystal silicon/perovskite stacked solar cells***. We are also experimenting stacking N-type TOPCon cells with perovskite tandem PV cells so that each layer can absorb different segments of the solar spectrum, allowing them to capture more solar power, potentially achieving approximately 30% conversion efficiency.

Our Production

We are the largest specialized manufacturer of N-type TOPCon cells in the world based on the shipment volume in 2024, according to Frost & Sullivan. Based on the shipment volume in 2024, among specialized manufacturers, our N-type TOPCon cells' market share reached approximately 24.7% and ranked first globally, and our PV cells' market share reached approximately 17.9% and ranked second globally. During the Track Record Period, we experienced growth in production capacity. As of December 31, 2024, our annualized production capacity for PV cells was approximately 44.4 GW, all of which was for N-type TOPCon cells. Such production capacity is underpinned by our two production plants:

- ***Chuzhou Plant***. A pioneer in large-scale N-type TOPCon cell production, it had an annualized production capacity of approximately 22.2 GW N-type TOPCon cells as of December 31, 2024. Specializing in large-size 182/183mm and 210mm N-type TOPCon cells, this plant is a testament to our leadership in PV technology. Notably, we completed constructing our Chuzhou Plant in only approximately five months.

- ***Huai'an Plant***. It had an annualized production capacity of approximately 22.2 GW N-type TOPCon cells as of December 31, 2024. Operational since April 2023, it focuses on 182/183mm and 210mm N-type TOPCon cells. Remarkably, we completed constructing our Huai'an Plant in only approximately four months. As of the Latest Practicable Date, the expanded Huai'an Plant had been in production.

During the Track Record Period, we also operated our P-type PERC cell-focused Shangrao Plant, which manufactured large-size 182mm P-type PERC cells before its cessation of production as of June 30, 2024.

For details regarding our production plants, please see "— Our Production — Our Plants" in this section.

Leveraging our production capabilities, we work closely with various industry leading enterprises to jointly develop new products, equipment and materials. For example, we experimented jointly developing production equipment to obtain improved results, and we strived to increase cost efficiency by collaborating with our suppliers to optimize the composition of silver paste. For details, see "— Research and Development — Joint Research and Product Development" in this section. Such undertakings propelled our participation in the R&D of the entire supply chain, allowing us to continue our initiative of fueling the transformation of the entire industry.

Our Customers

Customers in different regions and application scenarios around the world have various requirements for PV cells. As an independent and specialized PV cell manufacturer, we possess the capability to provide effective PV cell solutions for customers with international presence and serve the PV market.

We have established long-term and stable partnerships with globally leading PV module manufacturers in the industry. Such partnerships were forged through years of cooperation and made possible by the excellent performance and reliability of our PV cells, which have been widely recognized and appreciated in both domestic and international markets. Among the top ten PV module manufacturers in the world in terms of shipment volume, nine were our customers during the Track Record Period, including Jinko, JingAo Solar, LONGi, Trina Solar and Chint New Energy.

While our customers' worldwide footprints have taken our PV cells around the globe, we have also been proactively undertaking strategic expansion into the overseas market as PV module encapsulation becomes increasingly globalized. Therefore, we were able to achieve significant geographical revenue diversification. In 2023 and 2024, we successfully developed customers in regions including Southeast Asia and Europe, while collaborating with overseas customers and continuously building a global customer sales system. Our revenue from sales outside China increased from RMB31.2 million in 2022 to RMB874.6 million in 2023, and further to RMB2,373.2 million in 2024. The proportion of our overseas revenue increased from 0.3% in 2022 to 4.7% in 2023, and further to 23.9% in 2024, marking the initial success of our global strategy.

In cooperating with our customers, we have signed cooperation framework agreements with several of our key customers. The total PV cells committed for purchase under our cooperation framework agreements in 2025 covered around 90% of our PV cell annual production capacities as of the Latest Practicable Date. Even if our customers' orders subsequently exceed the minimum purchase amount, we expect that as we expand our production capacity, we will be able to provide the committed quantity under the framework agreements in 2024. For details of the arrangement of our framework agreement as well as its monthly supplemental agreement, see "— Supply-Demand of Raw Materials." As we aim to provide our customers with holistic solution for their needs of PV cells, we also offer various services to help our customers realize the full potential of our products in their PV modules.

In addition, through customization and joint product research and development, we have not only been capable of keeping up with the evolving and diversified needs for adaptive products of our customers with international presence, but also assisting the optimization of their own PV modules. Through joint efforts, we are able to continuously cement our customer relationship, realizing sustainable and synergistic growth that transcends geographical boundaries.

Our Suppliers

Our suppliers are renowned manufacturers in various sectors of the PV industry. We have established long-term, stable, and amicable relationships with our suppliers. Such enduring relationship, combined with our robust supply chain management system, industry leading position and advanced technological capabilities, further cement our operational stability and success.

Our supply chain management capabilities and foresight in navigating market challenges helped us secure various vital raw materials for PV cell production. For example, while silicon wafers experienced relatively high prices and supply shortages in 2022, our robust relationships with these suppliers enabled us to secure silicon wafers in a timely manner at reasonable prices, maintaining stable production and achieving an impressive utilization rate of 94.8%. We also endeavored to ensure the stable supply of other key raw materials, such as silver pastes, screens and quartz pieces, achieving stable supply in an acceptable price range during the Track Record Period.

We also work with renowned industry equipment manufacturers. Our relationship with these suppliers entails routine equipment procurement, custom purchasing, and joint R&D. Together, we modify the specifications and technical standards for key equipment to achieve optimal output in our production lines. This collaborative approach not only ensures that we can leverage the latest and most efficient technology to serve our customers but also strengthens our position as a leader in the PV industry.

Our Performance

Our revenue grew from RMB11,085.7 million in 2022 to RMB18,610.8 million in 2023, and decreased to RMB9,923.9 million in 2024. Our net profit from continuing operation increased from RMB616.9 million in 2022 to RMB815.6 million in 2023. Primarily due to the industry-wide continued decrease in PV cell price for 2024, we incurred a net loss of RMB591.1 million for 2024.

Reflecting our operational efficiency and market demand, our PV cell sales volumes grew from 10.7 GW in 2022 to 30.0 GW in 2023, and further to 33.7 GW in 2024. This significant increase in sales volume demonstrates our ability to grow as we continue meeting the evolving needs of the market.

OUR STRENGTHS

We are a leader in specialized PV cell manufacturing, spearheading the industry's development in N-type TOPCon cells

We now possess a market-leading position in specialized PV cell manufacturing. According to Frost & Sullivan, based on the shipment volume in 2024, among specialized manufacturers, our N-type TOPCon cells' market share reached approximately 24.7% and ranked first globally, and our PV cells' market share reached approximately 17.9% and ranked second globally. As of December 31, 2024, our annualized production capacity for PV cells was approximately 44.4 GW, all of which was for N-type TOPCon cells.

Our market leadership is attributable to our strategic foresight in the great opportunities that the transition from P-type to N-type cells engenders. Such insights were gained from our vigilant observation and keen understanding of industry trends. Solar power is expected to become the largest source of global renewable energy in terms of cumulative installed capacity by 2027. Global solar power cumulative installed capacity is expected to increase from 1,976.8 GW in 2024 to 6,437.1 GW by 2030 at a CAGR of 21.7%. In China, the solar power cumulative installed capacity is expected to increase from 886.7 GW in 2024 to 2,937.5 GW in 2030 at a CAGR of 22.1%. The generation of such solar power requires PV cells as they determine the conversion efficiency and lifespan of PV modules, which eventually affects the cost of solar power generation. A 1% increase in conversion efficiency can lead to a 5-7% reduction in electricity generation costs. However, given that the conversion efficiency of mainstream P-type PERC cells is approaching its theoretical cap, which limits the room for future cost reduction, next-generation PV cells with higher conversion efficiency are in great demand. Among the current candidates, N-type cells, especially N-type TOPCon cells, have higher theoretical conversion efficiency than P-type PERC cells, low light induced degradation ("**LID**"), low power temperature coefficient and relatively low investment costs than other N-type cells. In addition, compared with other N-type PV cells, N-type TOPCon cells consume less expensive raw materials like silver paste, incur lower manufacturing costs, have a proven track record, and have higher mass production scalability. Given these advantages, N-type TOPCon cells are expected to benefit immensely from the current PV industry transition and is expected to achieve a global market share in terms of shipment volume in all PV cells of 83.1% in 2025, according to Frost & Sullivan.

Our leadership in the PV cell industry and rich experience enable us to continue leading the PV industry's transition. We have been continuously focusing on the R&D, production, and sales of high-efficiency PV cells. As one of the trailblazers in China's polycrystalline and monocrystalline cell eras, Jietai Technology and its predecessor have been one of the leading PV cell manufacturers globally. We have thusly been able to harness over a decade of industry experience and benefit from an immense pool of talents, technology and know-how that propelled such consistent achievements. For example, our accurate prediction of technological trends led us to become the world's first specialized PV cell manufacturer to mass-produce N-type TOPCon cells in August 2022 by establishing and operating our Chuzhou Plant. In addition, we have also achieved high mass production conversion efficiency, exceeding 26.0% in December 2023.

Our industry leadership is attributable to our rapid growth. In 2022, our PV cell sales volume amounted to 10.7 GW, and increased to 30.0 GW in 2023. Our revenue grew from RMB11,085.7 million in 2022 to RMB18,610.8 million in 2023. Revenue amounted to RMB9,923.9 million for 2024. Our net profit from continuing operation increased from RMB616.9 million in 2022 to RMB815.6 million in 2023. Net loss amounted to RMB591.1 million for 2024.

We possess R&D capabilities and technologies, continuously driving the industry's transformation and upgrades, as well as optimizing PV cell efficiency and costs

Through sustained R&D investment and technology accumulation, the technological expertise that we possess has led the industry through various stages, continually driving technological upgrades. In the past decade, upgrades and iterations in PV cell technology from polycrystalline to monocrystalline and from P-type to N-type have been strengthening the economics of solar power generation, propelling rapid development in the PV industry, and we have been veterans of such changes. During the polycrystalline era, which lasted until 2017, Jietai Technology's predecessor achieved industry-leading production efficiency and cost-effectiveness through intelligent and automated workshop improvements. It introduced high-efficiency black silicon PV cells with over 19.1% conversion efficiency, through which it became one of the largest global suppliers of black silicon PV cells at that time. In the monocrystalline era, which started in 2018, we developed monocrystalline P-type PERC cells with over 23.8% efficiency, a performance level at the international forefront. We also led the industry in transitioning from 166mm to 182mm PV cell production lines, leading the industry transition from small to large cell sizes. Now, in the N-type era, we became the first to develop and mass-produce N-type TOPCon cells, leading another wave of industry technological transformation.

Our increase in R&D has been highly effective in upgrading and iterating our PV cells, which improved efficiency and reduced costs. In terms of improving efficiency, we achieved advancements in LPCVD and laser improvement technologies, which allowed us to rapidly raise our N-type TOPCon cell mass production conversion efficiency from around 25% at the end of 2022 to over 26% in December 2023. Such N-type TOPCon cells exhibit superior LID and potential induced degradation ("**PID**") resistance, low power temperature coefficient, and strong performance in low irradiance environment, placing their overall performance at the industry forefront. Our R&D capabilities also allowed us to continually trial new technologies for N-type TOPCon cells. In addition, we have adopted a series of technologies that reduced silver paste usage, optimized design, and achieved printing technology improvements for our N-type TOPCon cells, which allowed for further cost reduction. Additionally, our smart factories integrate automated production, data visualization, and other features, achieving a yield rate of about 97%, higher than the industry average and effectively reducing waste and manufacturing costs.

Our relentless R&D efforts have yielded a wealth of intellectual properties that safeguard our market lead. Our notable R&D achievements include low pressure ("**LP**") stack wafer deposition process and laser improvement technology, contributing to enhanced product performance, cost reduction and improved conversion efficiency. We have also received multiple national honors and certifications, including Global Top 500 New Energy Enterprises by Shanxi Provincial Energy Administration and China Energy News, and Top 500 Global New Energy Companies by China Institute of Energy Economics Research. While we have already achieved significant milestones, we remain committed to continuously exploring technological frontiers and actively pursuing various technological paths. Upholding a forward-thinking "researching one generation ahead, pilot testing the next, and mass-producing the current" R&D philosophy, we have been conducting R&D in HJT and perovskite tandem PV cells and xBC to continuously enhance our product competitiveness, and we are primarily focused on the R&D of N-type TBC cells. As of the Latest Practicable Date, we have already achieved important milestones in TBC, and we have conducted pilot-scale experiment for N-type TBC cells, though they have not entered into large-scale mass production. Given the current limitations in process technology maturity and cost aspects of the R&D and production equipment for N-type HJT and xBC cells, the headroom for N-type TOPCon cell conversion efficiency improvements and the mainstream status of N-type TOPCon cells in the foreseeable future, we remain primarily focused on optimizing our N-type TOPCon cells to continue our industry leadership whilst staying vigilant on new developments in our industry, hence we do not expect our operational and financial performance to be materially adversely affected by other N-type cells. Through these measures, we can stay well-equipped to adapt to any potential changes related thereto. For risks related to technological changes, please see "Risk Factors — Risks Relating to Our Business and Industries — Technological changes in the PV cell industry could render our products in production or under R&D and our production facilities uncompetitive or obsolete, which cannot be accurately predicted nor fully mitigated" in this prospectus.

We have built a R&D team and been collaborating closely with universities and external research institutions to widen our lead in R&D. Our R&D team, consisting of 827 members, represents 26.1% of our workforce as of December 31, 2024. With expertise in chemical engineering, electricity, and backgrounds from various international advanced enterprises, our team unites to overcome technical challenges. Our executive Director and general manager, Mr. Zhang Manliang, has approximately 15 years of experience in PV cell R&D and production. We cooperate with the University of New South Wales, Australia, Zhejiang University, Ningbo Institute of Materials Technology and Engineering of the Chinese Academy of Sciences, and National University of Singapore, among others, on cutting-edge technologies like TOPCon process upgrades, xBC, and perovskite tandem PV cells. These collaborations ensure we maintain our technological leadership. To promote high stability and further motivate innovation, we have issued to our R&D team several rounds of stock option incentive plans.

We possess leading production capacity and supply chain management expertise that can meet the huge market demand

Our industry-leading production capacity and advantageous product mix have us optimally positioned in current and future competition. While we were already among the firsts to achieve large-scale mass production of N-type TOPCon cells, we have been constantly expanding our production capacity using our technological edge to widen our first-mover advantage, allowing us to achieve cost reduction and efficiency enhancements. In addition, given that N-type TOPCon cells comprise over 80% of our production capacity and our N-type TOPCon cells' market share reached approximately 24.7% and ranked first globally based on the shipment volume in 2024, among specialized manufacturers, according to Frost & Sullivan, we are best positioned to meet the immense market demand during the industry's transition from P-type to N-type technology. As of December 31, 2024, we possessed approximately 44.4 GW N-type TOPCon annualized production capacity at our Chuzhou and Huai'an Plants.

Our production capacity is complemented by our extensive production management experience in product quality assurance. Leveraging years of industry experience and the ISO9000 quality management system, we effectively oversee daily production activities at all three plants, ensuring their independent, efficient, stable, and orderly operations. Each plant employs advanced automated production lines with collaborative robots equipped with visual inspection modules, AGV logistics robots, and automated warehousing systems, achieving automated production, production data visualization, and networked workshop management. This ensures that our production costs and product quality remain industry-leading.

As a pioneer in N-type TOPCon cells, we have also been able to set technological, raw material, and equipment standards, effectively promoting the efficiency, integration and development of industry supply chain. Leveraging our production capacity, we have established long-term stable partnerships with upstream raw material suppliers, which materialize in long-term agreements that work to ensure timely and stable raw material supply. In addition, as one of the few companies capable of developing and producing N-type TOPCon cells via large-scale mass production, we have fostered cooperative relationships with equipment suppliers. They may benefit from collaborating with us through jointly designing, developing, and optimizing their equipment to enhance their competitiveness in the N-type TOPCon cells market. Therefore, our experience accumulated from equipment installation, commissioning, and optimization has enabled us to maintain a technological edge.

We continually refine our supply chain structure and maintain long-term, close cooperation with suppliers, ensuring timely access to sufficient raw materials and key equipment under favorable commercial terms. For example, silicon wafers, typically accounting for approximately 60% of PV cell production costs, are the main cost component of PV cells. Despite high market prices and supply shortages in 2022, our long-standing relationships with leading silicon wafer suppliers enabled us to procure silicon wafers at reasonable prices, allowing us to maintain a high utilization rate of 94.8%. Other key raw materials, including quartz pieces and screens, are also limited in the market, posing barriers for new entrants and expansion bottlenecks for existing manufacturers. However, our long-term, stable relationships with key suppliers of such key raw materials ensure timely and sufficient supply at appropriate prices. Furthermore, some major suppliers offer us favorable terms like payment after delivery, helping us maintain healthy cash flow. Additionally, we have been able to establish relationships with upstream specialized high-tech equipment suppliers given that we could share with them valuable insights derived from our industry-leading experience in developing and producing N-type TOPCon cells. Therefore, we can custom purchase and co-develop equipment with them, setting equipment specifications and technical standards. Our expertise in equipment installation, commissioning, use, maintenance, and production line layout also ensures stable equipment supply and shortens procurement and production preparation times.

Our supply chain management expertise allows us to ensure quick inventory turnover, achieve high production capacity utilization rate, and realize rapid production capacity expansion. Adhering to a "sales-driven production" principle and relying on precise market analysis, we plan production accordingly. Timely inventory monitoring and precise production scheduling, coupled with demand for our products, keep our raw material, semi-finished product and finished product inventory age short. In the meantime, our high production capacity utilization rates enable us to magnify economies of scale. In 2022, 2023 and 2024, our utilization rates were 94.8%, 96.2% and 81.6%, respectively. This not only reflects the market demand for our products but also helps us continuously reduce production costs. Furthermore, our ability to rapidly expand capacity meets the significant market demand for high-quality PV cells. For example, it only took us approximately five and four months to construct our Chuzhou Plant and Huai'an Plant, respectively, testifying to our ability to rapidly expand our production capacity and convert cutting-edge PV cell R&D accomplishments into products to maintain our industry leadership.

Our leadership in high-efficiency PV cells accumulated a quality and stable customer base, establishing a solid growth foundation

As a leader in specialized PV cell manufacturing, we have been able to focus our resources on the research and development, production and manufacturing of PV cells, the most technologically intensive sector in the PV industry. Throughout the years, this allowed us to build exceptional product delivery and customer service capabilities through serving customers across various markets and scenarios. For instance, our PV cells have been sold across Europe and Asia, meeting local quality standards and functioning well in various scenarios, including offshore, building-integrated and distributed in different environments. By catering to PV module manufacturers' varying demands for size, conversion efficiency, LID, and power temperature coefficients, we stay vigilant to industry trends and keep reinventing ourselves to quickly adapt to significant changes in PV cell technology. This ensures we remain at the forefront of PV cell technology, able to deliver a large volume of high-quality, efficient PV cells, meeting the robust and diverse demand from PV module manufacturers. For more information on our R&D capabilities, see "Business — Research and Development" in this prospectus.

Our commitment to serving our customers has been rewarded with a portfolio of high-quality, stable customer base. As of the Latest Practicable Date, among the top ten PV module manufacturers in the world in terms of shipment volume, nine were our customers during the Track Record Period, including Jinko, JingAo Solar, LONGi, Trina Solar and Chint New Energy, all known for their leading roles in PV module manufacturing and trading. Benefiting from the PV industry's rapid growth, our main customers have significantly increased their capacity and procurement needs, which in turn boosted our own sales.

To further expand our customer base, we are undertaking overseas expansion. Overseas solar power installed capacity additions is expected to grow at a CAGR of 14.6% from 2023 to 2030, with the overseas PV market flourishing and PV module encapsulation capacity becoming increasingly globalized. To harness this potential, we have been actively exploring overseas opportunities. As a result, our overseas revenue increased from RMB31.2 million in 2022 to RMB874.6 million in 2023, and further to RMB2,373.2 million for 2024. The proportion of our overseas revenue increased from 0.3% in 2022 to 4.7% in 2023 and further to 23.9% in 2024, with sales across Europe and Asia. Additionally, we are collaborating with overseas customers, continuously building a global sales system to enhance our global competitiveness.

Supported by our customers relationship, we have been able to achieve high growth, stable profit margins, and robust cash flow. As of the Latest Practicable Date, we have signed cooperation framework agreements with several of our key customers. The total PV cells committed for purchase under these agreements in 2025 covered around 90% of our PV cell annual production capacities as of the Latest Practicable Date. Additionally, despite rising upstream silicon wafer prices (net of tax) from RMB5.0/pc in 2021 to RMB5.8/pc in 2022, we were able to largely pass on such cost increases to our customers, achieving gross profit margins at 11.0% and 9.1% in 2022 and 2023, respectively. We had a negative gross profit margin of 0.9% for 2024. Furthermore, our settlement method with customers is predominantly payment before delivery, with some customers even paying months before delivery to secure orders, improving our operating cash flow.

Our experienced team, visionary management and ESG commitment foster our sustainable growth

Our senior management team, deeply rooted in the PV cell industry, has a profound understanding of industry trends and accurately guides our development. Our executive Director and General Manager, Mr. Zhang Manliang, boasts approximately 15 years of experience in PV cell R&D and production and held various positions in technology, R&D, production management, and business management in multiple leading PV companies. Since December 2020, he has served as our Director and deputy general manager, and as an executive Director and general manager since April 2021. Under his leadership, we successfully completed the construction of an approximately 18 GW N-type TOPCon cell production line at our Chuzhou Plant, becoming among the firsts to achieve large-scale mass production of N-type TOPCon cells. Additionally, our management team possesses diverse skills and backgrounds, complementing each other and providing extensive experience in areas like corporate finance, governance, financial management, sales, and R&D.

We have an experienced and effective corporate team. As of December 31, 2024, we had 3,163 employees. Our manufacturing staff is well-versed in the manufacturing process of PV cells and possesses a wealth of production know-how. Our sales team, spread across various regions, quickly responds to customer needs, and our international sales team conducts in-depth market research to understand industry trends and maintain close communication with overseas customers. To meet the increasing demands for talents that correspond with our rapid high-quality development, we have also been intensifying our efforts to attract outstanding personnel with R&D, manufacturing, administrative, and financial and legal expertise.

We emphasize employee development and talent cultivation. Therefore, we are progressively improving our training system focused on enhancing capability and managing talents, as we believe in the importance of promoting the mutual growth of employees and the company. In addition, we have established long-term incentive mechanisms through equity incentives. We have been adhering to a people-centric approach, prioritizing talents in corporate development. We organize diversified and systematic training programs, devising plans based on employee needs and company development, including technical training for production personnel, capability enhancement for finance staff, and service and skill training for sales personnel every year. These efforts provide human resource support for continuous development and performance improvement. We also respect and encourage employees to grow with us and share our achievements. Especially, we maintain Employee Incentive Schemes for our employees, having covered more than 400 employees as of December 31, 2024. For details, please see "Appendix VI — Statutory and General Information — Employee Incentive Schemes." The vesting conditions for our equity incentives are increasingly challenging, encouraging employees to maintain competitiveness and rapid growth.

As a public company listed on the Shenzhen Stock Exchange (002865.SZ) since 2017, we foster a corporate culture emphasizing ESG, committing ourselves to enhancing ESG management and integrating it into daily operations. For example, we use eco-friendly production technologies, processes, and equipment, achieving green factory construction and obtaining the ISO14001 Environmental Management System Certification. We also conduct regular and random inspections and assessments to promptly address environmental hazards. Moreover, we continuously improve production processes and equipment, enhancing our waste management capabilities, and rigorously implementing policies for wastewater, emissions, and solid waste management, strictly limiting pollution emissions. Recognizing the importance of climate issues, we strive for low-carbon operations and energy conservation. We calculate and monitor the carbon footprint of our PV cells throughout their lifecycle, fostering low-carbon technology innovation and quantifying our products' carbon reduction effects. As of December 31, 2024, we had shipped approximately 76.2 GW of our PV cells, which, compared with coal-fired power generation, was approximately equivalent to saving 11.8 million tons of coal, planting 141,000 trees, reducing 28.0 million tons of CO_2, 860,000 tons of SO_2, 430,000 tons of NO_x and 7.5 million tons of dust emissions. Additionally, we actively fulfill corporate responsibilities, protecting employees' rights and interests. Our recruitment and employment procedures comply with relevant laws and regulations, establishing comprehensive training systems and promotion mechanisms for employees. We actively promote employee safety and health management, creating a vibrant work and life environment for our staff. Furthermore, given our substantial experience in operating as a public company, we have established a robust governance structure. Since our listing, we have operated in a stable and compliant manner, developing a comprehensive corporate governance system, including the Board, various Board Committees, and functional corporate teams at various levels. As we commit to continuously and proactively improve our robust governance structure in view of evolving regulatory, market and ESG requirements, we endeavor to achieve sustainable growth that benefit all stakeholders of our business.

OUR STRATEGIES

In cementing and further advancing our leadership position, we plan to continue our technology-driven development, realize steady increase in our PV cell conversion efficiency and achieve sustainable growth in production and market share both domestically and overseas. To that end, we will undertake continuous R&D innovation, expand overseas presence, strengthen supply chain and further enhance our talent pool.

Continuously strengthen technological R&D, enhance product competitiveness, drive cost reduction and efficiency improvement in PV cells, and maintain our lead in both technology and scale

We focus on the core technology of PV cells and will build core competitiveness through continuous R&D, intensifying our efforts around developing high performance PV cells. Based on the existing upgrades and optimizations of N-type TOPCon cells, we will continue to explore industry-leading technologies such as HJT and perovskite tandem PV cells and xBC, where we primarily focus on N-type TBC cells. Simultaneously, by cultivating and introducing R&D talents and cooperating with domestic and international research institutions, we aim to establish a globally leading R&D organization and mechanism, ensuring our sustained leadership in the industry.

We plan to establish our R&D centers to intensify our R&D efforts and comprehensively enhance our R&D capabilities. Our future technological R&D will balance “consolidation” and “innovation”, i.e., fortifying our existing advantages by increasing the efficiency and reducing the costs of N-type TOPCon cells, plus pushing the envelope of scientific innovation in the PV cell industry, e.g., exploring mass production possibilities for PV cells incorporating xBC and other types of PV cells, thereby continue pioneering the industry development both in quality and production capacity.

In terms of efficiency improvement, we endeavor to approach the 28.7% theoretical cap of N-type TOPCon cells’ conversion efficiency for our mass-produced N-type TOPCon cells. In December 2023, our mass-produced N-type TOPCon cells reached a conversion efficiency of over 26.0%, which leaves headroom to grow. We believe such increases are within reach, as our optimization of N-type TOPCon cells has historically achieved a 1.0% increase of conversion efficiency per year in 2022 and 2023. Building on our pioneering mass production capacity of N-type TOPCon cells, we are continually increasing R&D investments and pursuing technological upgrades to scale and industrialize these laboratory achievements to comprehensively enhance the conversion efficiency of our PV cells.

Regarding cost reduction, we will continue optimizing production processes, improve workflow, increase output, and reduce labor and manufacturing costs. We will further optimize electrode patterns, printing materials, and processes to reduce silver paste consumption, thereby lowering non-silicon costs. By trialing thinner 125μm silicon wafers and optimizing processes, we plan to reduce the consumption of key raw materials, thereby lowering raw material costs. We believe such measures will lay a solid foundation for further production capacity expansion.

In exploring new technological frontiers, we will continue R&D in HJT and perovskite tandem PV cells and xBC and strive for mass production of PV cells equipped with these technologies. Our primary focus is on the R&D of xBC as xBC cells have a higher conversion efficiency, averaging 26.1%, with a theoretical cap of 29.1%, surpassing that of N-type TOPCon cells. They exhibit superior LID and PID resistance but are challenging to mass-produce, suitable primarily for distributed scenarios, with high technical difficulty and expensive investment in equipment, making them less commercially viable compared to N-type TOPCon cells. Having achieved important milestones in TBC, we plan to purchase equipment for xBC cell R&D and production lines, aiming to achieve mass production of xBC cells. In addition, the theoretical conversion efficiency cap of perovskite tandem PV cells is up to 40%, which holds promising application prospects. We are conducting R&D in technologies like HJT and perovskite tandem PV cells as well.

Catalyze global market development and capitalize on market opportunities through overseas expansion

Till 2030, the global PV market is expected to continue to maintain rapid growth, continuing to drive the expansion of the PV cell market. By 2030, the global shipment volume of PV cells is expected to reach 1,233.6 GW at a CAGR of 12.2% from 2025 to 2030, with the overseas market expected to grow at a CAGR of 24.3% during the same period. As we have already experienced initial success of our global strategy, evidenced by our rapid growth in overseas revenue during the Track Record Period, we plan to continuously expand our advanced production capacity and build a global sales network fully harness the potential.

To explore the opportunities for overseas production capacity expansion through diverse means, we have entered into an agreement and a MOU to facilitate our establishment of Overseas Plant in Oman. We plan to reach an overseas annualized production capacity of around 10 GW in the near future to better serve our existing and prospective overseas clientele, which will be completed in two phases. We expect to construct a production plant for the first phase, which will possess an annualized production capacity of approximately 5 GW and start commercial production in 2026, and we will determine the means of production capacity expansion for the second phase in a later stage. See "Future Plans and Use of Proceeds" for details. Through overseas production capacity expansion, we aim to delve deeper into high-demand PV markets in Europe and North America and better cover emerging markets as well. Benefiting from the cost and technological advantages of China's mature supply chain, we expect our products to possess high competitiveness that would further increase our profits and solidify our performance.

Complementary to our planned expansion in production capacity, we also continue to adhere to our customer-first service philosophy and meet the differentiated demands of customers with international presence. In doing so, we will actively shape our brand image as a leading global PV cell enterprise, deepen industry exchanges, and increase brand promotion efforts to enhance our global recognition. We will first continue to track our customers' development strategies and keep abreast of their international expansion plans, ensuring that our PV cells meet their diverse needs. We believe that leveraging our combined strengths, we can embark on the journey of overseas market exploration together and achieve mutual growth. In addition, we plan to establish our own sales companies in Asia, Europe, and other regions, forming localized sales teams and marketing network to help us quickly understand and cater to local market demands. We will also actively participate in local industry exhibitions and academic exchanges to increase our brand exposure in the local PV industry. Furthermore, we will conduct targeted advertising campaigns, which we expect to deepen our brand recognition among downstream PV module manufacturers. We intend to allocate a portion of our net proceeds from the Global Offering in addition to our working capital in furtherance of these market penetration efforts. For details, please see "Future Plans and Use of Proceeds — Use of Proceeds." For the risks related thereto, see "Risk Factors — Risks Relating to Our Business and Industries — Our past and future initiatives designed to maintain and expand our production capacity to meet demand efficiently expose us to inherent risks, which may prevent us from realizing the full benefits of, and incur significant costs relating to, any such initiatives," and "Risk Factors — Risks Relating to Disputes and Regulatory Compliance — Any potential changes in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations."

Further integrate supply chain resources to enhance manufacturing capabilities

We are intensifying cooperation with upstream suppliers, such as signing long-term partnership agreements or framework cooperation agreements, to secure critical raw materials like silicon wafers, quartz pieces, and screens. This ensures stability and continuity in our supply chain.

We also plan to introduce more advanced production equipment and broadly implement robots in our production processes. This move towards increased automation and intelligence in various production stages aims to further improve production quality and efficiency and also prepares us for the mass production of higher efficiency PV cells. Furthermore, we are upgrading our ERP system to closely integrate production processes with it. By utilizing big data, decision analysis, and innovative support systems, we aim to standardize, digitize, and informatize our factory operations, leading to more efficient and streamlined manufacturing.

Strengthen our team and continue to introduce and cultivate talents

We place high importance on talent cultivation and motivation, striving to make ourselves a platform for shared employee benefits, allowing our employees to grow and develop together with us. We will further stabilize core talent and stimulate employee vitality through various measures, including stock incentives, welfare improvements, and cultural construction.

We are committed to continually attracting high-level R&D talent to fuel our technological research and development efforts. To accommodate our business expansion, we also plan to enlarge our production and management teams.

To achieve organic growth, we plan to establish and strengthen a comprehensive internal training system that enhances employee skills and conveys our corporate culture. We will optimize this system so that it will assist our employees in fully realizing their potential. In addition, to attract and motivate top talents in the industry, we will implement competitive compensation mechanisms and other incentive schemes.

OUR BUSINESS

During the Track Record Period, we primarily engaged in the R&D, production and sales of high-efficiency PV cells, including both (i) tunnel oxide passivated contact ("**TOPCon**") cells, a kind of N-type cells, and (ii) monocrystalline passivated emitter rear cells ("**PERC**"). In particular, we hold a leading industry position in terms of N-type TOPCon cells, ranking first among specialized manufacturers in terms of shipment volume in 2022 and 2023 globally. In addition, in recognition of our innovation and large-scale mass production capabilities, we have been engaged by customers to provide manufacturing services, primarily for P-type PERC cells, where we manufactured PV cells in accordance with customer specifications utilizing raw material provided by them for a fee. During the Track Record Period, there was a small overlap between customers who purchased our manufacturing services and customers who purchased our PV cells. Such overlap is in line with industry norms.

The following table sets out breakdowns of our revenue, gross profit and gross profit margin. For details, see "Financial Information" in this prospectus.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue						
N-type TOPCon	2,057,893	18.6	13,494,740	72.5	9,276,609	93.5
P-type PERC	8,872,274	80.0	4,227,624	22.7	380,161	3.8
Others	155,546	1.4	888,430	4.8	267,124	2.7
Total	**11,085,713**	**100.0**	**18,610,794**	**100.0**	**9,923,894**	**100.0**

Note: Others mainly represented the manufacturing service we provided during the Track Record Period.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Gross profit/(loss)						
N-type TOPCon	194,159	16.0	1,851,588	71.5	(55,635)	65.4
P-type PERC	958,498	78.9	429,637[(1)]	16.6	(16,728)	19.7
Others[(2)]	62,686	5.1	309,075	11.9	(12,695)	14.9
Total	**1,215,343**	**100.0**	**2,590,300[(1)]**	**100.0**	**(85,058)**	**100.0**

(1) Does not include impairment loss of property, plant and equipment of RMB894.2 million.

(2) Others mainly represented the manufacturing service we provided during the Track Record Period.

	Year Ended December 31,		
	2022	2023	2024
	%	%	%
Gross profit/(loss) margin			
N-type TOPCon	9.4	13.7	(0.6)
P-type PERC[(1)]	10.8	10.2[(1)]	(4.4)
Others[(2)]	40.3	34.8	(4.8)

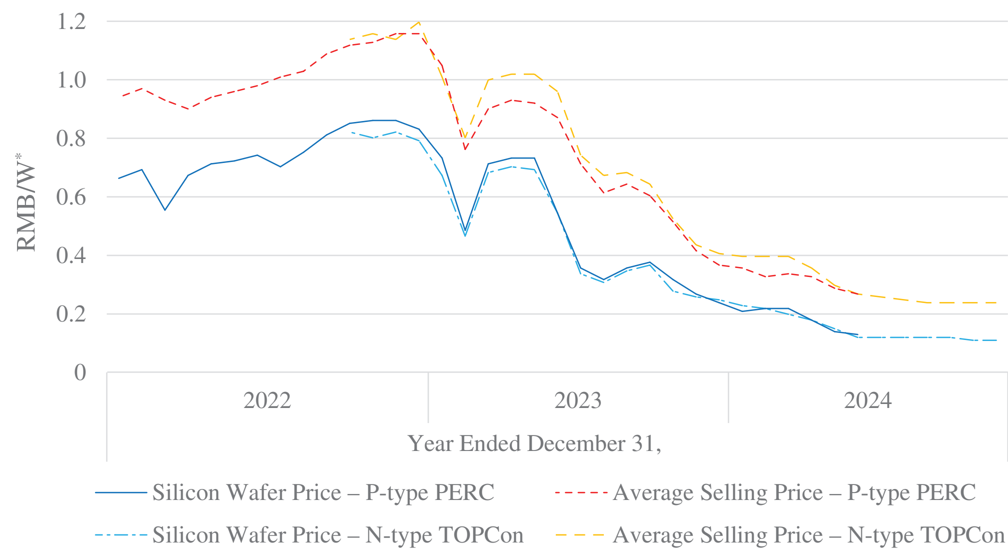
(1) Does not include impairment loss of property, plant and equipment of RMB894.2 million.

(2) Others mainly represented the manufacturing service we provided during the Track Record Period.

We mainly adopt a floating price model based on the market spot price of PV cells consistent with the industry practice, and also considering the competitiveness of our products, prevailing supply-demand situation in the market, competition landscape, and strategic relationship with respective customer. For details of the movement of our gross profit and gross profit margin during the Track Record Period, see "Financial Information — Description of Major Components of Our Results of Operations — Gross Profit and Gross Profit Margin."

Silicon wafer price's fluctuation has been affecting our gross profit margin. Such a correlation is substantially consistent with our historical performance, where lower silicon wafer price typically correlates to lower price of PV cells and smaller price difference between the two, which reduces our profitability measured in gross profit margin.

The following graph demonstrates the relationship between silicon wafer price and the average selling price of our PV cells in mass production in 2022, 2023 and 2024, both net of tax.



* As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, we have converted silicon wafer unit price from RMB/pc to RMB/W based on conversion coefficients that were calculated based on a weighted average of the wattage that a piece of silicon wafer would generate after being manufactured into PV cells that were sold in a respective period.

As shown in the graph, the difference between silicon wafer price and the average selling price of our PV cells in mass production showed a generally decreasing trend since the fourth quarter of 2023, which adversely affected our profitability.

N-type TOPCon cells

The prices and price differences below are presented on a net of tax basis.

		Year Ended December 31,		
		2022	**2023**	**2024**
Silicon Wafer price	*RMB/W**	0.79	0.39	0.15
Average Selling Price	*RMB/W*	1.14	0.67	0.31
Silicon Wafer – PV Cell Price Difference	*RMB/W**	0.35	0.28	0.16
Gross Profit/(loss) Margin	*%*	9.4	13.7	(0.6)

* As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, we have converted silicon wafer unit price from RMB/pc to RMB/W based on conversion coefficients that were calculated based on a weighted average of the wattage that a piece of silicon wafer would generate after being manufactured into PV cells in a respective period.

For N-type silicon wafers and the gross profit margin of N-type TOPCon cells, the above table shows that the gross profit margin initially increased from 9.4% in 2022 to 13.7% in 2023. As disclosed in "Financial Information — Description of Major Components of Our Results of Operations — Gross Profit/(Loss) and Gross Profit Margin — N-type TOPCon Cells", we recorded a lower gross profit margin in 2022 mainly because our N-type TOPCon cells, after being firstly introduced to the market in August 2022, were at an early stage of commercialization leading to a higher cost of sales, which partially offset the effects of high price difference at that time. The increase in the gross profit margin in 2023 compared with 2022 despite the decrease in silicon wafer and PV cell price difference was also attributable to our increase in revenue brought about by our ability to charge customers a higher premium for N-type TOPCon cells due to the recognition of our industry-leading product quality and advanced technology specifications, and decrease in non-silicon costs, including our direct labor costs per watt of N-type TOPCon cells as we achieved economies of scale and improved our production efficiency.

The gross profit margin of N-type TOPCon cells then decreased to negative 0.6% in 2024. The decrease was mainly due to the decrease in the average selling price of our N-type TOPCon cells, which reduced the price difference between silicon wafers and N-type TOPCon cells because average selling price decreased, and some non-silicon costs increased, e.g. silver paste. The correlation between the prices of silicon wafers and N-type TOPCon cells remained substantially the same until the Latest Practicable Date. According to Frost & Sullivan, the decrease in our average selling price was in line with the drop in the prevailing market price in the PV cells industry. For detailed analysis on quarterly gross profit margin, see "— Business Sustainability."

P-type PERC cells

The prices and price differences below are presented on a net of tax basis.

		Year Ended December 31,		
		2022	2023	2024
Silicon Wafer price	*RMB/W*[(1)]	0.78	0.50	0.18
Average Selling Price	*RMB/W*	1.06	0.75	0.32
Silicon Wafer – PV Cell Price Difference	*RMB/W*[(1)]	0.28	0.25	0.14
Gross Profit Margin	%	10.8	10.2[(2)]	(4.4)

(1) As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, we have converted silicon wafer unit price from RMB/pc to RMB/W based on conversion coefficients that were calculated based on a weighted average of the wattage that a piece of silicon wafer would generate after being manufactured into PV cells that were sold in a respective period.

(2) Does not include impairment loss of property, plant and equipment of RMB894.2 million.

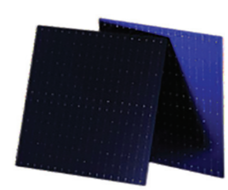
For P-type silicon wafers and the gross profit margin of P-type PERC cells, the above table shows that the gross profit margin decreased from 10.8% in 2022 to 10.2% in 2023. The gross profit margin of P-type PERC cells decreased mainly because we recorded a decrease in the average selling price of our P-type PERC cells, which reduced the price difference between silicon wafers and PV cells. The gross profit margin decreased to -4.4% in 2024. The negative gross profit margin was mainly attributable to the decreased average selling price as a result of the declined market price during the industry-wide P-N transition, which resulted in a decreased price difference between silicon wafers and PV cells. The correlation between the prices of silicon wafers and P-type PERC cells remained substantially the same until June 2024, when we ceased the production of P-type PERC cells.

Our net profit from continuing operation increased from RMB616.9 million in 2022 to RMB815.6 million in 2023. Net loss amounted to RMB591.1 million for 2024.

Our Products and Services

Leveraging our technological advantages and manufacturing capabilities, both our N-type TOPCon cells and P-type PERC cells enjoy outstanding conversion efficiency, quality and endurance, as well as pricing strength. In recognition of our industry leading positions and successful track record of offering quality products, we sold N-type TOPCon cells and P-type PERC cells to many world-leading PV module manufacturers during the Track Record Period. As we possess technological advantages that could increase conversion efficiency and lower the cost of our PV cells, we are able to form and maintain a competitive edge.

The table below sets out the highlights of our key products:

	N-type TOPCon		P-type PERC
Product Name	210-N TOPCon monocrystalline cell	182/183-N TOPCon monocrystalline cell	182-P PERC monocrystalline cell
Picture			
Commercialized Year	2023	2022, 2024	2021
Key specifications			
No. of Busbars on the front and back	18	16	10
Thickness	130μm ± 13μm	130μm ± 13μm	170μm ± 17μm

	N-type TOPCon		P-type PERC
Size	210mm * 210mm ± 0.5mm	182mm * 182mm ± 0.5mm, 182.2mm * 183.75mm ± 0.5mm	182mm * 182mm ± 0.5mm
Conversion Efficiency	front side efficiency ≥26.0% bifacial ratio ≥80%		front side efficiency ≥23.8% bifacial ratio ≥70%
Power Temperature Coefficient	-0.30%/K		-0.38%/K
Voltage Temperature Coefficient	-0.25%/K		-0.36%/K
Annual Degradation Rate	First-year: approximately 1%; subsequent: lower than 2% annually		First-year: approximately 2%; subsequent: lower than 3%

In addition to these key products, during the Track Record Period, we also developed and sold PV cells with customized specifications to address specific demands from customers based on aforementioned key products. For example, given that some PV modules of our customers require rectangular PV cells, we are able to alter the design and manufacturing of our existing PV cells so that the size of the customized PV cells can meet the requisite specification, e.g. 182mm * 191mm, 182 mm * 199mm, and 182mm * 210mm. In addition, we are able to change the number of busbars (10-12BB) on the PV cells and tweak certain other technical specifications as well per customer demand.

The table below sets out details on sales volume of our PV cells during the Track Record Period:

	Year Ended December 31,					
	2022		2023		2024	
	GW	*%*	*GW*	*%*	*GW*	*%*
Sales Volume						
N-type TOPCon . .	1.8	16.8	20.4	68.0	30.4	90.2
P-type PERC	8.3	77.7	5.7	19.0	1.2	3.6
Others*	0.6	5.5	3.9	13.0	2.1	6.2
Total	**10.7**	**100.0**	**30.0**	**100.0**	**33.7**	**100.0**

* Others mainly represented manufacturing services during the Track Record Period.

The significant increases in the sales volume of N-type TOPCon cells from 2022 to 2023 and further to 2024 were attributable to the completion and ramp-up of commercial production of our Chuzhou and Huai'an Plants. See "— Our Production — Our Plants." As we are a specialized PV cell manufacturer, the entirety of our shipment volume is sold to our customers. Therefore, our shipment volume equals our sales volume.

For details of the movement of our sales volume during the Track Record Period, see "Financial Information — Description of Major Components of Our Results of Operations — Revenue."

Our sales volume increased from 10.7 GW in 2022 by 180.4% to 30.0 GW in 2023, before increasing by 12.3% to 33.7 GW in 2024. Such an increase was primarily attributed to the following factors:

Early-mover advantage in P-N transition: During the Track Record Period, we were among the firsts to achieve large-scale mass production of N-type TOPCon cells, which allowed us to leverage early-mover advantage in adopting and implementing newer, more efficient PV technologies. In 2023, we, together with other industry participants, recorded a significant shift in customer demand from P-type PERC cells to N-type TOPCon cells. Our industry peers also experienced similar change in customer demand to a similar degree. Our accurate prediction of technological trends led us to become the world's first specialized PV cell manufacturer to mass-produce N-type TOPCon cells in August 2022 by establishing and operating our Chuzhou Plant. Our sales volume in terms of N-type TOPCon cells increased from 1.8 GW in 2022 to 20.4 GW in 2023, and further increased to 30.4 GW in 2024. The transition from P-type PERC cells to N-type TOPCon cells, which partly results from N-type TOPCon cells' higher efficiency compared to P-type PERC cells, has positioned us at the forefront of the industry and allowed us to capture greater market share.

Production Capacity Expansion: Recognizing immense market demand for N-type TOPCon cells in the P-N transition, we rapidly scaled up our large-scale mass production capabilities during the Track Record Period. By establishing new and expanding existing production facilities and streamlining our manufacturing processes, we have significantly increased our production output. Our industry-leading production capacity and product mix of both N-type TOPCon cells and P-type PERC cells have us optimally positioned in current and future competition. While we were already among the firsts to achieve large-scale mass production of N-type TOPCon cells, we have been constantly expanding our production capacity using our technological edge to reinforce our early-mover advantage, allowing us to achieve further cost reduction and efficiency enhancements. As of December 31, 2024, we possessed approximately 44.4 GW N-type TOPCon annualized production capacity at our Chuzhou and Huai'an Plants.

We are dedicated to maintaining our technological leadership and production excellence. Our ongoing investments in technology and capacity expansion are expected to continue yielding results and contribute to stable future growth. However, the sustainability of our growth in sales volume will also depend on market conditions, regulatory policies, and the competitive landscape. See "Risk Factors — Risks Relating to Our Business and Industries — We recorded net loss in 2024. Our past growth may not be indicative of our future performance, and we may not be able to sustain our growth rate and may incur net loss in the future even after 2024."

The table below sets out details on average selling price (net of tax) of our PV cells during the Track Record Period:

	Year Ended December 31,		
	2022	2023	2024
	RMB/W	*RMB/W*	*RMB/W*
Average Selling Price			
N-type TOPCon	1.14	0.67	0.31
P-type PERC	1.06	0.75	0.32
Others*	0.26	0.22	0.13

* Represents our manufacturing service fee divided by our manufacturing service sales volume.

The fluctuation of average selling prices of our PV cells during the Track Record Period was primarily attributable to the corresponding market price fluctuation of silicon wafers in the same year. For details of the movement of our average selling price during the Track Record Period, see "Financial Information — Description of Major Components of Our Results of Operations — Revenue." For details of the movement of our average selling price subsequent to Track Record Period, see "Summary — Recent Developments."

During the Track Record Period, our average selling price as well as its movement were generally in line with the prevailing market price. The average selling price, calculated as the total annual revenue divided by the total annual sales volume, of our N-type TOPCon cells were RMB1.14 per watt, RMB0.67 per watt and RMB0.31 per watt in 2022, 2023 and 2024, respectively, and the average selling price of our P-type PERC cells were RMB1.06 per watt, RMB0.75 per watt and RMB0.32 per watt in 2022, 2023 and 2024, respectively. The average arithmetic selling price of our N-type TOPCon cells, calculated as an arithmetic average of the average selling prices of all 12 months in a given year, were RMB1.30 per watt, RMB0.85 per watt and RMB0.30 per watt in 2022, 2023 and 2024, respectively, and the average arithmetic selling price of our P-type PERC cells were RMB1.19 per watt, RMB0.79 per watt and RMB0.32 per watt in 2022, 2023 and 2024, respectively. In comparison, the arithmetic prevailing market price, calculated as the average of the mode of the transacted price in the market (subject to adjustments) of all 12 months in a given year, of N-type TOPCon cells, were RMB1.22 per watt, RMB0.77 per watt and RMB0.30 per watt in 2022, 2023 and 2024, respectively, and the arithmetic prevailing market price of P-type PERC cells were RMB1.08 per watt, RMB0.70 per watt and RMB0.28 per watt in 2022, 2023 and 2024, respectively. For the monthly movement of the prevailing market price, see "Industry Overview — Global PV Cell and Core Raw Material Price Fluctuations Analysis."

During the Track Record Period, we continuously improved the manufacturing workflow and raw material utilization, successfully improving raw material consumption and waste management efficiency during the manufacturing process. Leveraging our technological strength, we have successfully implemented comprehensive measures for production efficiency improvement, including adopting advanced production technology and equipment and implementing industry-leading production processes and techniques. For details of our research and development capabilities, see "— Research and Development." For details of our capacity for large-scale mass production, see "— Our Production."

Others

During the Track Record Period, in recognition of our technology and production capabilities, upon request by our customers, we have been engaged by customers to provide manufacturing services, primarily for P-type PERC cells, where we manufactured PV cells in accordance with customer needs utilizing silicon wafers provided by them for a fee, though to a very limited extent, we also provided and plan to continue to provide such service for the manufacturing of N-type TOPCon cells per customer demands and market condition. Such business effectively supplemented our primary PV cell production business because we benefited from enhanced utilization of our production plants, broadened access towards most recent technical needs and market trends, and the opportunities to expand and deepen strategic cooperation with our customers. In determining manufacturing service arrangement, we consider the prevailing and expected utilization rate of our production plants, our backlog and production schedule, strategic relationship with relevant customers, our fee rate, as well as market conditions of relevant PV cells. In 2022, 2023 and 2024, revenue from our manufacturing services amounted to RMB155.5 million, RMB888.4 million and RMB267.1 million, respectively. During the Track Record Period, there was a small overlap between customers who purchased our manufacturing services and customers who purchased our PV cells. Offering such manufacturing service is in line with industry norms.

Discontinued Operation

Prior to June 2022, we used to engage in the research and development, manufacturing and sales of car plastic accessories, e.g., automotive instrument panel assemblies, front and rear bumper assemblies, door trim panels, and pillars ("**Discontinued Business**"). In line with our business development strategy, on March 12, 2022, we entered into a transfer agreement with Yang Family pursuant to which we agreed to sell and Yang Family agreed to acquire 100% equity interest of our principal subsidiaries that engaged in the Discontinued Business, as well as all assets relating to the Discontinued Business. Since the completion of the disposal in June 2022, we have been fully focusing on our PV cell business.

For the period from January 1, 2022 to the date of the disposal, Discontinued Business recorded a loss of RMB10.4 million. From the beginning of the Track Record Period up to the time of disposal, the Discontinued Business did not have any material non-compliance. For more information related to our Discontinued Business, please see "History, Development and Corporate Structure," "Financial Information — Discontinued Business," and Note 29 to the Accountants' Report in Appendix IA to this prospectus.

OUR PRODUCTION

Our Plants

We have established three production plants in China through leveraging premium manufacturing equipment and advanced process technology that we accumulated through continuous innovation and investment. As of December 31, 2024, we had an aggregated annualized production capacity of approximately 44.4 GW of N-type TOPCon cells.

In line with our strategy in building high-efficiency smart production plants, we invested in utilizing advanced manufacturing equipment, including collaborative robots and robotic arms with visual inspection modules, AGV logistics robots, and three-dimensional warehousing systems. Together with strategically designed overall production line layout and supported by a full-process intelligent industrial safety management and control platform, we are able to achieve and continuously improve highly-automated production, transparency and flexibility of manufacturing process, as well as data-driven management across different workshops.

The P-N transition has brought both opportunities and challenges to our operational and financial performance. As part of our response to this P-N transition, we have partially suspended the production activities in our P-type PERC cell-focused Shangrao Plant and have been operating it at reduced capacity, primarily to serve the remaining orders from our P-type PERC cell customers. After evaluating the costs and benefits associated with the potential upgrading of the Shangrao Plant for N-type TOPCon cell production, we have concluded that such a upgrade would not be commercially viable. The estimated capital expenditure required for the upgrade, coupled with the related additional costs, have been deemed financially impractical. Consequently, we have decided against retooling the Shangrao Plant for N-type cell production and have suspended its production entirely in June 2024.

We are comprehensively managing the associated costs and minimize operational disruptions caused by the P-N transition. We are implementing strategic measures to streamline human resource management to relocate our production staff in Shangrao Plant to other production plants upon mutual agreement, and facilitate the orderly transition of our workforce to other plants specializing in N-type TOPCon cell production where applicable, which is designed to optimize our operational efficiency and preserve the value of our human capital during this transitional period. Additionally, to effectively utilize the remaining property, plants and equipment in the Shangrao Plant, we have been formulating a plan, in which we currently expect to leverage its remaining assets, primarily land use rights, factory, administrative and office buildings and utilities mainly for warehousing. In addition, we are also proactively exploring the possibility to refurbish the Shangrao Plant for various other functionalities, including R&D, in the future at a time most beneficial for our overall business. However, such plans are not finalized and subject to change given the inherent uncertainty and various possibilities regarding the ways that we can make use of the Shangrao Plant.

Leveraging our early-mover advantage and established position in N-type TOPCon cell large-scale mass production attributable to our management's strategic foresight, we believe we are well equipped to navigate the rapid P-N transition and continue our industry leadership as we did in previous rounds of industry upgrades. See "— Our Strengths — We possess R&D capabilities and technologies, continuously driving the industry's transformation and upgrades, as well as optimizing PV cell efficiency and costs."

The table below sets out the details on our three plants for the years indicated.

		Year ended December 31,								
		2022			2023			2024		
		Production Volume	Production Capacity(1)	Utilization Rate(2)	Production Volume	Production Capacity	Utilization Rate	Production Volume	Production Capacity	Utilization Rate
	Main Product	*GW*	*GW*	*%*	*GW*	*GW*	*%*	*GW*	*GW*	*%*
Shangrao Plant . .	P-type PERC	8.9	9.0	99.3	9.5	9.9	96.0	2.5	2.6	96.7
Chuzhou Plant . .	N-type TOPCon	2.0	2.5	78.4(3)	15.3	15.7	97.4	16.0	18.6	86.2(4)
Huai'an Plant . .	N-type TOPCon	–	–	–	5.8	6.2	93.0	15.6	20.7	75.7(4)
Total		**10.9**	**11.5**	**94.8**	**30.6**	**31.8**	**96.2**	**34.1**	**41.8**	**81.6**

Notes:

(1) Production capacity is calculated as the full production rate of various machines operating 360 days for a year. If a plant commences operation in the middle of the year, the days in the year equal to the actual days from production commencement to the last day of such year is used instead. Production capacity of each plant is determined under the assumption that the facilities operate 24 hours daily, deducting necessary time for the maintenance, upgrade or adjustment of the manufacturing facilities and worker handover, which in turn results in an actual effective operating time of the manufacturing facilities of approximately 23 hours daily.

(2) Utilization rate is calculated as dividing production volume by the production capacity for the same year.

(3) Our Chuzhou Plant recorded a lower utilization rate in 2022 primarily due to fluctuation in electricity supply, which is not likely to recur in the future given, among others, the increased adoption of energy storage solutions.

(4) Our Chuzhou Plant and Huai'an Plant recorded lower utilization rates in 2024 primarily because we proactively adjusted the production volume to strategically prioritize orders with higher profitability to improve our margin. See "— Our Business" for a graph showing the industry monthly average price in the same year.

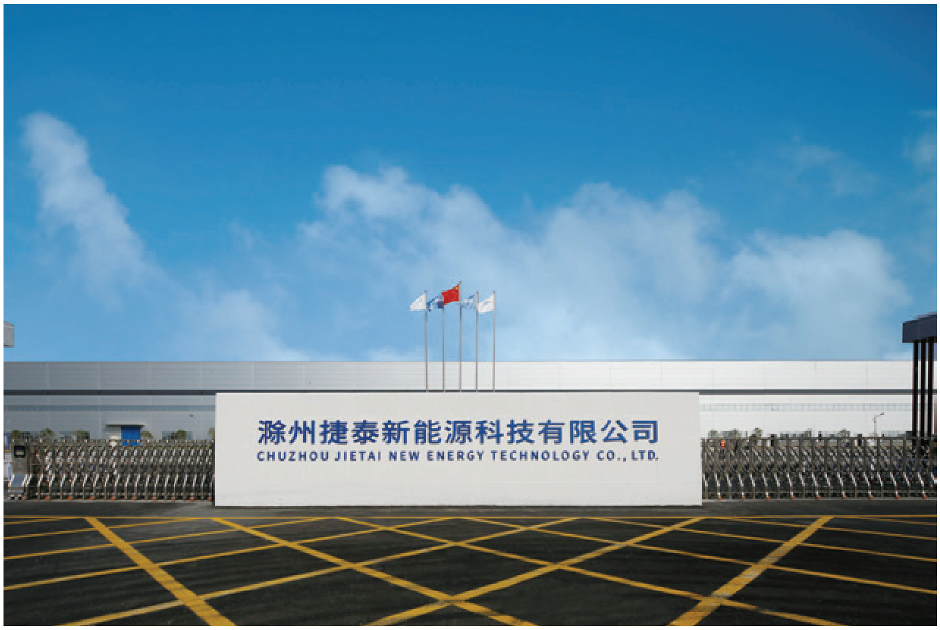
Our high efficiency in constructing and operating new plants that correspond to our strategic focus in the rapidly evolving PV industry contributes to our overall success. Our Chuzhou and Huai'an Plants' construction periods, i.e. the time between breaking ground and the manufacturing of the first PV cell, were only approximately five and four months, respectively. Shorter construction periods would allow us to more rapidly convert cutting-edge PV cell R&D accomplishments into products, thereby allowing us to obtain first-mover advantage and maintain and even widen our industry leading position. This is attributable to our technological leadership and extensive experience in selecting and tuning production equipment, production management capabilities and abundance of experience, which facilitated efficient decision-making and rapid execution.

Shangrao Plant

Our Shangrao Plant is situated on a site that spans approximately 350 thousand sq.m. The plant had ceased production as of June 30, 2024. The production in Shangrao, Jiangxi was primarily focused on manufacturing large-size 182mm P-type PERC cells. It has also been rated as a national-level green factory.

During the Track Record Period, we observed a shift in market demand from P-type PERC cells to N-type TOPCon cells due to the latter's superior performance and elevated cost efficiency, which accelerated since late 2023 and quickly eroded P-type PERC cells' remaining competitive edge. For details, see "Industry Overview — Global PV Cell Market — Global PV Cell Market in the P-N Transition." As a result, the profitability and the business prospect, even the sustainability of our P-type PERC cell business line was subject to challenges. Our management has closely monitored the development of market trend and recognized impairment loss of RMB894.2 million on certain P-type PERC cell production line and production facilities in Shangrao Plant in 2023. Please also see "Risk Factors — Risks Relating to Our Business and Industries — We may make additional impairment loss on our assets." We have completely suspended P-type PERC cell production in the Shangrao Plant in June 2024. No further impairment was recognized in 2024 due to our determination on the recoverable amounts of these property, plant and equipment based on their fair value less costs of disposal using a market approach. For details, see Note 17A to the Accountants' Report in Appendix IA to this prospectus.

Chuzhou Plant



As one of the first production plants in the world to achieve large-scale mass production of N-type TOPCon cells, our advanced Chuzhou Plant in Anhui encompassed an area of approximately 525 thousand sq.m. and possessed an annualized production capacity of approximately 22.2 GW N-type TOPCon cells as of December 31, 2024. It broke ground in February 2022 and manufactured its first PV cell in June 2022. It focuses on producing large-size 182/183mm and 210mm N-type TOPCon cells, further reinforcing our position as an industry leader in PV technologies and production capabilities. As of December 31, 2024, our total gross investments in establishing Chuzhou Plant amounted to RMB5,593.5 million. The breakeven and investment payback period of the Chuzhou Plant is six months and 48 months, respectively, with the calculation factoring in both investments in production lines and production facilities that are closely correlated to the production of PV cells of a certain generation, and that for utilities, land use rights, and factory, administrative and office buildings that we expect to be able to be also used for the production of future generations of PV cells.

Looking ahead, as of the Latest Practicable Date, we have already achieved important milestones in N-type TBC cells, and we have conducted pilot-scale experiment for N-type TBC cells, though they have not entered into large-scale mass production. Given the similarities that N-type TBC cell production lines have with that of N-type TOPCon cells, we expect that our existing production lines in the Chuzhou Plant can be adapted for N-type TBC cell production after large-scale mass production of N-type TBC cells is realized in the future and with appropriate production process changes, though we currently do not believe adapting the same production line for HJT cell production would be commercially viable.

Huai'an Plant

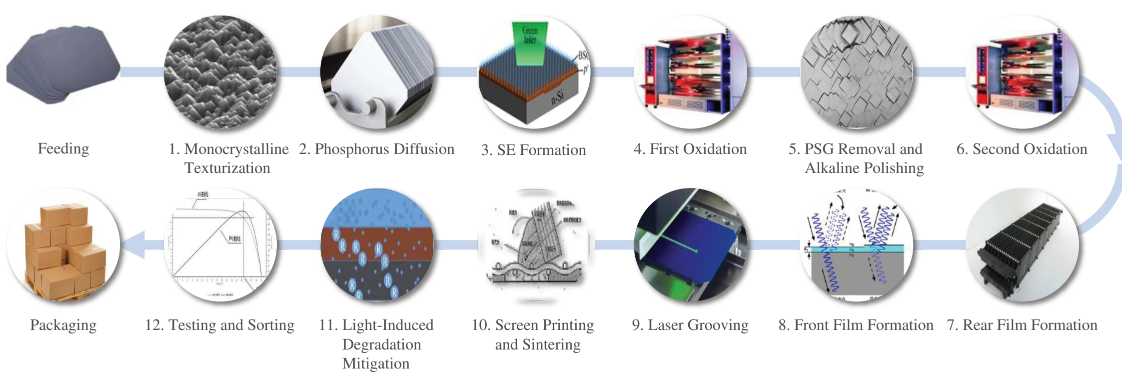
Our Huai'an Plant in Jiangsu spans an area of approximately 586 thousand sq.m. and had an annualized production capacity of approximately 22.2 GW N-type TOPCon cells as of December 31, 2024. It broke ground in November 2022 and started commercial production in April 2023. It focuses on producing large-size 182/183mm and 210mm N-type TOPCon cells, showcasing our commitment to continuously leading the industry transition from P-type PERC to N-type TOPCon cells. As of December 31, 2024, our total gross investments in establishing Huai'an Plant amounted to RMB5,639.1 million. The breakeven and investment payback period of the Huai'an Plant is six months and 48 months, respectively, with the calculation factoring in both investments in production lines and production facilities that are closely correlated to the production of PV cells of a certain generation, and that for utilities, land use rights, and factory, administrative and office buildings that we expect to be able to be also used for the production of future generations of PV cells.

Similar as our Chuzhou Plant, we expect that our existing production lines in the Huai'an Plant can be adapted for N-type TBC cell production after large-scale mass production of N-type TBC cells is realized in the future, which would consequently lead to significantly less amount of impairment provision required for the production lines and facilities therein compared with Shangrao Plant's due to the P-N transition. However, similar as for our Chuzhou Plant, we currently do not believe adapting the same production line for HJT cell production would be commercially viable given the difference between HJT cell production lines and N-type TOPCon cell production lines. In the event we eventually decide to reconfigure our Chuzhou Plant and Huai'an Plant for N-type TBC cell production, we currently expect the current production lines and facilities in these plants will only require integrating certain additional production equipment and adopting new production processes to achieve large-scale mass production of N-type TBC cells, which would further increase the cost-effectiveness and reasonableness on the construction and investment in these plants.

Manufacturing Process

We adopt a comprehensive control process to ensure that the PV cells manufactured meet the highest standards of efficiency and quality, catering to the demanding needs of the PV market. As the transition from P-type PERC to N-type TOPCon cells is a complex upgrade that involves significant changes and improvements to the manufacturing process, successful production of N-type TOPCon cells requires deep technical expertise and coordinated efforts across several manufacturing processes to optimize performance and cost-effectiveness. Among the various N-type TOPCon cell manufacturing processes, we strategically opted for the low pressure chemical vapor deposition ("**LPCVD**") route and successfully developed the LP stack wafer deposition process. This allowed us to become the first player in the industry to fully implement this technology in mass production, ramping up production capacity and slashing manufacturing costs.

The table below lays out the manufacturing processes of our P-type PERC cells.

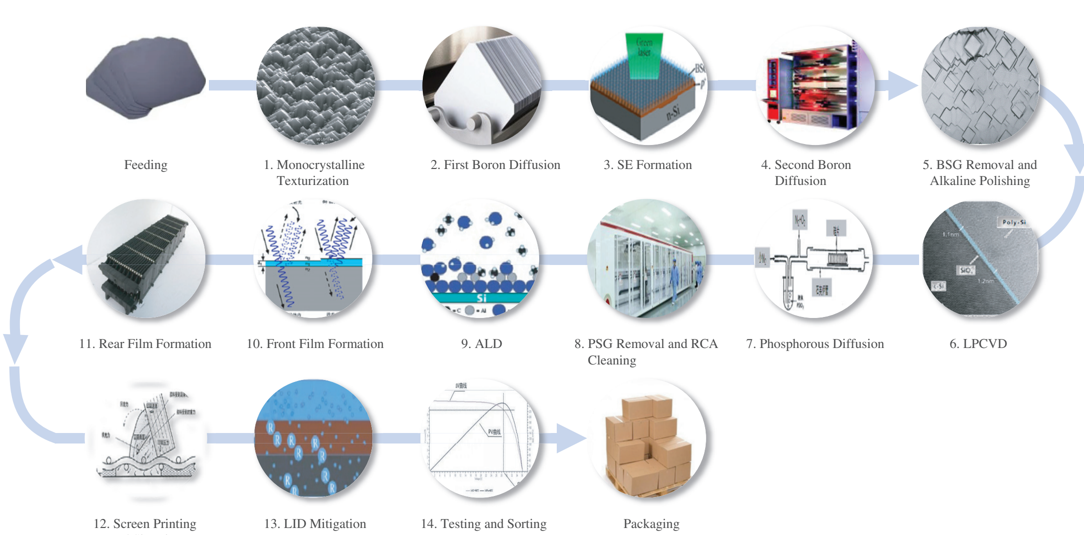


No.	Process Name	Process Description
1	Monocrystalline Texturization	To enhance the light absorption capabilities of the PV cells, we use monocrystalline slot etching machine to create nano-level pyramids on the monocrystalline silicon surface using anisotropic etching in a low-concentration alkali solution, which is critical to conversion efficiency.
2	Phosphorus Diffusion	To create the PN junction, a boundary or interface between two types of semiconductor materials inside a single crystal of semiconductor that is essential for PV cells' power generation, we achieve N-type doping on PERC cells' P-type base. Our low-pressure diffusion equipment helps form an N-type layer on the surface of the P-type silicon and also forms PSG (phosphorus-silicon glass) on the exterior.

No.	Process Name	Process Description
3	Laser Doping for Selective Emitter ("**SE**") Formation	SEs help reduce carrier surface recombination and enhance short-wavelength spectral response. To create them, we leverage phosphorus laser doping, where the laser heavily dopes the areas beneath the electrode grid lines, which reduces contact resistance and improves electrical conductivity, while lightly doping the surrounding areas between the electrodes, which reduces recombination losses.
4	First Oxidation	To protect the busbar area from inconsistent corrosion in the subsequent process, high-temperature oxidation is used to repair the surface oxide layer post-SE.
5	PSG Removal and Alkaline Polishing	Leakage may occur because phosphorus diffusion also creates PN junction and PSG in undesired areas, such as the rear and edges of the cell. To remove them, we use wet etching technology with precise temperature control and solution mixing ratios. We then use low-concentration alkali to polish the cells' rear, reducing dangling bonds and smoothing the surface for the deposition of the next layer. We also remove the PSG layer from the front surface to reduce surface impurities.
6	Second Oxidation	The diffusion processes can introduce surface defects on the atomic level. To fix them, we use thermal oxidation equipment to heat up the PV cells and deposit a layer of SiO_x on the surface. Then, the PV cell goes through annealing, allowing the atoms to rearrange orderly, thereby improving the cell's PID resistance.
7	Rear Film Formation	To reduce reflectance and enhance efficiency, we employ specialized equipment for plasma-enhanced chemical vapor deposition ("**PECVD**") to deposit dielectric AlO_x and SiN_x film on the PV cell's rear surface, helping to achieve low reflectivity, low light absorption coefficient, and high passivation effect, with uniform film color. To ensure PV cell yield, the rear film is deposited first to passivate the dangling bonds on the PV cell's rear surface, which are formed during PSG Removal and Alkaline Polishing.
8	Front Film Formation	Similar to the rear film formation process, PECVD is used to create a SiN_x layer on the front, enhancing conversion efficiency by reducing reflectance.

No.	Process Name	Process Description
9	Laser Grooving	This step aims to form a local rear electric field and an electrical pathway to the silicon wafer, while retaining the passivation effect on the rest of the area. To do so, we use laser equipment to ablate through the passivation layer deposited on the rear surface, matching the metallic paste to form an ohmic contact with the silicon. We also design graphic structures and control laser parameters to enhance the electrical properties of the product.
10	Screen Printing and Sintering	To form the electrodes, we print metallic paste using screen printing equipment, forming fixed patterns that can collect photogenerated carriers. We then use low-temperature sintering to increase the longevity of minority carriers, further enhancing conversion efficiency.
11	Light-Induced Degradation ("**LID**") Mitigation	To passivate more crystallographic defects and impurities, we adjust the cell's Fermi level through temperature and current control. In this process, hydrogen atoms close to the surface are diffused further into the silicon, controlling the total amount and valence state of hydrogen, achieving LID mitigation.
12	Testing and Sorting	We adopt various advanced technologies to inspect PV cell appearance, defects, and electrical performance. We then categorize and pack PV cells in bins according to sorting rules, with full bins collected and packaged uniformly.

The table below lays out the manufacturing processes of our N-type TOPCon cells.



No.	Process Name	Process Description
1	Monocrystalline Texturization	This step is substantially similar to the monocrystalline texturization process in manufacturing P-type PERC cells, though N-type silicon wafers are used instead of P-type silicon.
2	First Boron Diffusion	This step is substantially similar to the phosphorous diffusion process in manufacturing P-type PERC cells, though we achieve P-type doping at a higher temperature to form a P-type layer on the surface of the N-type silicon and also forms BSG (boron-silicon glass) on the exterior.
3	Laser Doping for SE formation	This step is substantially similar to the SE formation process in manufacturing P-type PERC cells, though boron from the BSG layer is used in the laser doping process instead of phosphorus from the PSG layer. In addition, due to the lower solid solubility of boron in silicon compared with phosphorus, boron laser doping would typically require higher powered laser equipment.
4	Second Boron Diffusion	This step is substantially similar to the second oxidation process in manufacturing P-type PERC cells, though it has an additional phase that requires higher temperature to further advance the PN junctions, which enhances conversion efficiency.
5	BSG Removal and Alkaline Polishing	This step is substantially similar to the PSG removal and alkaline polishing process in manufacturing P-type PERC cells, though for N-type TOPCon cells, undesired PN junction and BSG is removed, instead of PSG.
6	LPCVD	The defining feature of N-type TOPCon cells is the formation of a thin tunnel oxide layer and a polysilicon layer on the rear side. This layer provides carrier selectivity and achieves excellent surface passivation, enhancing the electricity-generation capability of the N-type TOPCon cells. Using LPCVD, oxygen and silane are used as reaction gases at a high temperature. In this process, a 1-2 nm tunnel oxide layer (silicon oxide) is plasma-deposited to the rear surface, followed by the deposition of a layer of polysilicon that increases carrier selectivity.

No.	Process Name	Process Description
7	Phosphorous Diffusion	This step improves the selective collection ability of carriers, thereby enhancing the conversion efficiency. In doing so, on the rear polysilicon structure, another layer of N-type polysilicon is formed through doping, which reduces the recombination current at the contact with the screen-printed electrode.
8	PSG Removal and RCA Cleaning	To prevent leakage, wet etching is used to remove the PSG layer formed during the LPCVD and phosphorus diffusion processes on the front and edges of the cell. Then, the RCA process, using low-concentration NaOH, removes excess polysilicon from the cell's front and edges, improving appearance and passivation.
9	Atomic Layer Deposition	A layer of aluminum oxide thin film is formed on the front side of the cell using ALD machine. The field passivation and chemical passivation properties of aluminum oxide provide excellent surface passivation for the cell.
10	Front Film Formation	This step is substantially similar to the front surface passivation process in manufacturing P-type PERC cells, though the front film is deposited first to protect the thin aluminum oxide film on the PV cell's front surface, which is formed during the previous process.
11	Rear Film Formation	This step is substantially similar to the front film formation process in manufacturing P-type PERC cells.
12	Screen Printing and Sintering	This step is substantially similar to the screen printing and sintering process in manufacturing P-type PERC cells.
13	LID Mitigation	This step is substantially similar to the LID mitigation process in manufacturing P-type PERC cells, though we adjust the cell's fermi level through temperature and lighting control, instead of current control, which better matches the PV cell's Fermi level and increases manufacturing efficiency.
14	Testing and Sorting	This step is substantially similar to the testing and sorting process in manufacturing P-type PERC cells.

We have been continuously improving and consolidating some processes to improve our productivity and efficiency. For example, we have consolidated Step 3: Laser Doping for SE formation with Step 12: Screen Printing and Sintering utilizing laser-enhanced contact optimization. In doing so, we use laser scanning of the front surface of the PV cell, combined with a negative bias voltage, to achieve high charge carrier injection, thereby forming contacts, which improves the metal-semiconductor contact of PV cells.

Production Equipment

We procure our equipment from renowned domestic and overseas suppliers. Such equipment embodies innovation in PV cell manufacturing, boasting advanced automated production lines that lead international peers. The integration of collaborative robots with vision detection modules and mechanical arms, along with Automated Guided Vehicles for workshop logistics, and a three-dimensional warehousing system, underscores our commitment to technological excellence. To maximize the equipment's potential, we have constructed a comprehensive industrial safety management platform that encompasses intelligent control throughout the entire production process. This platform facilitates a highly modernized manufacturing environment characterized by automated production capabilities, visualized production data, and networked workshop management.

Apart from procuring standardized production equipment from our equipment suppliers, we may also proactively take part in jointly developing equipment through collaborating with equipment suppliers. In this process, the supplier delivers to us the equipment in accordance with our specifications, and we are entitled to experimenting on and using it for free throughout the mass production process to verify the capability of the equipment. In addition to keeping the supplier informed of the performance data, we can also modify the equipment to improve the specifications and functionality features by ourselves based on our own technical demands. Through this interaction and strict control, we are able to achieve synergy between the supplier's equipment manufacturing capabilities and our in-depth research capabilities and know-how on mass products and processes, so as to avoid technical issues in the design process and ensure the stability, efficiency and reliability of the relevant equipment.

As of the Latest Practicable Date, our major production equipment include:

1. ***Automatic Loader/Unloader***. It achieves automated handling of silicon wafers to increase efficiency and reduce damage during the loading and unloading process.

2. ***Monocrystalline Slot Etching Machine.*** It achieves monocrystalline texturization, critical for cell efficiency.

3. ***Low-Pressure Horizontal Boron Diffusion System***. It facilitates boron diffusion to form PN junctions, essential for PV cells' power generation.

4. ***TOPCon Laser System***. It is used in laser doping for SE formation, which aims to ensure good contact and low surface recombination.

5. ***High-Temperature Oxidation/Annealing Furnace***. It is utilized in high-temperature oxidation to protect the uniformity of the gridline area from corrosion in the next process.

6. ***Chain-Type Single-Side BSG Removal and Alkali Polishing Equipment***. It is used in BSG removal and alkaline polishing.

7. ***LPCVD System***. It achieves LPCVD.

8. ***Tube Diffusion Oxidation Annealing Furnace***. It is used in phosphorous diffusion.

9. ***Chain-Type Single-Side PSG Removal Equipment and Industry Standard Wet Cleaning Equipment (RCA)***. It is used in PSG removal and RCA cleaning, prevents leakage and decrease defects.

10. ***ALD (Atomic Layer Deposition) Machine***. It is used in atomic layer deposition.

11. ***Front PECVD Filming Machine***. It is used in front film formation, which may extend the cell's longevity.

12. ***Rear PECVD Filming Machine***. It is applied in rear film formation.

13. ***Screen Printing Machine***. Used in screen printing and sintering, it aims to create and solidify the current collecting electrodes.

14. ***Photoinjection Machine***. It is applied in LID Mitigation.

15. ***Testing and Sorting Machine***. It inspects the final PV cells for defects and sorts them based on appearance and electrical performance.

During the Track Record Period and as of the Latest Practicable Date, we did not encounter any major interruptions in the production process due to facility or equipment failures nor did we incur any major accidents.

Production Planning Management

We believe efficient production planning management is conducive to our overall success. Therefore, we guide ourselves by clear planning, close collaboration with suppliers, coordinated logistics, and efficient manufacturing processes.

Our production material control ("**PMC**") department creates production plans for the year and month. These plans are based on order details from the sales department and projections of market demand. The plans also consider our current production capacity and the number of employees available.

Once the annual and monthly plans are in place, they are executed by the manufacturing staff, who develop detailed production tasks that align with these plans. In doing this, they factor in the existing orders we have and the status of our inventory. Through such a process, we seek to minimize investment risk and maximize resource use, and keep our supply and delivery chains moving swiftly.

RESEARCH AND DEVELOPMENT

We believe our success is ultimately dependent upon our products' competitiveness. Therefore, we attach utmost importance to technologies and research and development, as they help us launch great products that help us maintain and even widen our competitive edge. In 2022, 2023 and 2024, our research and development expenses amounted to RMB235.2 million, RMB303.8 million and RMB207.0 million, respectively, which mainly comprise materials consumed and staff costs, both of which decreased in 2024 due to optimization and the decrease in the market price of silicon wafers. For details, see Note 9 to the Accountants' Report in Appendix IA to this prospectus. For accounting policies of our R&D expenses, see Note 3 to the Accountants' Report in Appendix IA to this prospectus.

Throughout the Track Record Period, we adhered to a forward-thinking R&D philosophy, namely "researching one generation ahead, pilot testing the next, and mass-producing the current." Centering on our N-type TOPCon cells, we have been actively engaging in the R&D of cutting-edge technologies such as HJT and perovskite tandem PV cells and xBC. This commitment enables us to continually advance N-type PV cell technology, helping ensure that we remain at the forefront of PV innovation and maintain our competitive edge. For details of our R&D activities, see "— Key Technologies" of this section. Investments in R&D were integral to our success during the Track Record Period, as evidenced by our improved product offerings and increased production efficiency. These R&D activities position us as a leader in PV industry, which enhances our brand reputation and customer appeal. They allow us to capture new market opportunities quickly as they arise, attributing to our advanced state of preparedness in technology development. In addition, the efficiencies and cost-savings derived from these R&D activities have a direct and positive impact on our financial performance by improving our margins and contributing to economies of scale.

R&D Team

Our R&D team, consisting of 827 members, represents 26.1% of our workforce as of December 31, 2024. This significant investment in human capital reflects the central role that research and development play in our business operation. Our commitment to maintaining a robust R&D team of such a number of members is commercially driven. During the Track Record Period, this team has been instrumental in achieving several key milestones, including the development of N-type TOPCon cells, R&D of HJT and perovskite tandem PV cells, and advancements in xBC cell technologies. The scale of our R&D team allows for specialized focus on multiple advanced technologies simultaneously, which accelerates the pace of innovation and reduces the time from concept to market.

We maintain an experienced workforce that is committed to innovation and excellence in research and development. We foster a culture of continuous learning and improvement, encouraging our R&D team to stay abreast of the latest technological advancements and industry trends. This dedication to professional growth ensures that we are consistently at the forefront of the PV industry. As of December 31, 2024, over 25% of our employees in the R&D department have been working in the PV industry for more than three years, underscoring the depth of expertise.

We adopt a cooperative R&D model involving our R&D department and our process technology team. These two departments have clearly demarcated responsibilities and work together to achieve optimal outcome. The R&D department is responsible for developing new process technologies and new types of PV cell structures. In contrast, the process technology team is tasked with the scale-up and mass production application of these new processes and PV cells. This collaboration between the two departments, along with our manufacturing staff, ensures that our innovation goes beyond continuous ideation to reach effective implementation, enabling us to continuously manufacture high-quality PV cells.

The members of our R&D team possess a diverse range of qualifications, including advanced degrees in materials science, chemistry, electrical engineering, and physics. Our team members have been recognized in their respective fields for their contributions to PV technology and have previous experience working in leading research institutions or in the PV industry. As of December 31, 2024, our R&D team comprised 827 employees, including 212 process-related R&D technicians, 103 researchers, and 9 pilot plant specialists in our R&D department, and 503 manufacturing-related R&D technicians in our process technology team.

The experienced talents who staff our R&D team are represented by Mr. Song Yixiao and Dr. An Xinrui. Mr. Song, our senior director of R&D, is primarily responsible for the development of next generation high-efficiency PV cells. Mr. Song obtained a Master's degree in Mechanical Engineering from Gunma University, and has an experience with 14 years at the photovoltaic division of Sharp Energy Solutions Corporation in Japan. Mr. Song has extensive research and development expertise and mass production experience in the fields of PV cells. Dr. An, our R&D manager, obtained a Bachelor of Engineering and a Ph.D degree from University of New South Wales, and he was enrolled in Doctors in Jiangsu Province's "Innovation and Entrepreneurship Initiative" (江蘇省"雙創計劃"雙創博士). Prior to joining our Company, Dr. An had taken charge of the research and development of PV cells and relevant industries for approximately eight years.

- Our R&D department's primary responsibility lies in developing innovative PV cell technologies, including exploring and developing new PV cell structures and new processes, continuously improving conversion efficiency, reducing costs, and iterating new technologies and products. This effort is crucial for maintaining a pipeline of progressive technological advancements, positioning us for sustained growth and technological leadership in the PV sector.

- Our process technology team comprises employees who specialized in PV manufacturing. As new processes developed by the R&D department approach large-scale mass production, our R&D department engages with our process technology team. Their expertise in large-scale mass production control is crucial for transitioning lab-scale R&D innovations to manufacturing processes applied in mass production.

- When new processes or products are ready for mass production, the R&D department also works in conjunction with our manufacturing staff. This collaboration is key to ensuring large-scale mass production of quality new products. The manufacturing staff's role is to adapt and fine-tune these production processes for large-scale production, maintaining quality and efficiency standards. For accounting policies with regard to research and development, see "Financial Information — Material Accounting Policy Information."

We rigorously conduct quarterly evaluations on our R&D performance based on a suite of KPIs. The principal KPIs include improvements in the conversion efficiency of new products, development and commercialization of new product lines.

Joint Research and Product Development

While we primarily consult our robust in-house R&D team for solutions, we also collaborate with higher education institutions and research institutes ("**researchers**") for the development of certain next-generation products, e.g. perovskite tandem PV cells. Such researchers include Zhejiang University, Ningbo Institute of Materials Technology and Engineering of the Chinese Academy of Sciences, the University of New South Wales, Australia, and National University of Singapore.

The major terms of our joint research agreements typically include the following:

- ***Technology sharing***. We may establish our R&D centers for joint R&D of new technologies, for which we would pay certain expenses for the operation of the R&D centers and provide staffing support. We may also allocate various R&D tasks between ourselves and the researcher to achieve a shared, overarching technological objective. We can also require certain researchers to share with us high-efficiency PV cell technologies, compose relevant reports and assist us in the advancement of technical and manufacturing aspects of high-efficiency PV cells. We keep them abreast with the industry application and feedbacks of related technologies.

- ***Ownership of intellectual property***. Any intellectual properties created from the joint development work performed in accordance with the agreement shall be owned by both parties. For IPs created by the researchers at their own expenses in the joint R&D centers, we would have the right of first refusal.

- ***Milestones***. The researchers and us are expected to meet certain KPI requirements within specified date ranges, including transferring/submitting requisite documents or reaching certain conversion efficiency of various types of PV cells. We will evaluate whether such KPIs have been met on our premise, where the researcher may also be obligated to provide technical assistance.

- ***Confidentiality***. Any information obtained during joint development shall not be disclosed to third party. The confidentiality obligation under the agreement shall not be affected by termination or lapse of the agreement.

- ***Development risks***. The development risks arising from current technological limitations shall be borne by each party at their own expenses. Any failure of the joint development due to such development risks shall not be deemed as breach of the agreement.

- ***Term and termination***. Typically more than one year. Extendable upon mutual assent. Terminable upon force majeure, the publication of technologies under development by third parties, mutual assent or material breach of the agreement.

In addition, we work closely with various industry leading enterprises to jointly develop new products, equipment and material. Although each agreement varies, for joint technology development agreements with our suppliers, we generally specify in the agreements as to the specific types and the specifications of the products while the suppliers need to arrange in-depth communications with us in relation to relevant product design, device requirements and preliminary work plan. For joint technology agreement with our customers, we will usually take the initiative in preparing the design and work plan and work seamlessly with our customers to deliver products that are best suited for their newly developed models. The joint technology development agreements generally include provisions to safeguard our intellectual property rights and those jointly developed with partners. They contain restrictive clauses that prevent unauthorized use, disclosure, or unauthorized transfer of intellectual property rights by researchers or any other party. These measures protect our interests and prevent unauthorized market players from gaining access to the relevant technologies. Such agreements are legally binding and have not been subject to material breaches during the Track Record Period.

Key Technologies

Our relentless R&D efforts have yielded a series of key technologies applied in our production processes.

TOPCon

Our N-type TOPCon cell mass production conversion efficiency steadily increased from around 25% at the end of 2022 and further to more than 26.0% in December 2023, reaching industry forefront at a much faster speed than the industry average. Key technologies utilized in the production of our N-type TOPCon cells include LP stack wafer deposition process, laser improvement technology, and others.

- ***LP stack wafer deposition process.*** This technology lowered the cost in LPCVD, allowing our N-type TOPCon cells to possess great cost advantage.

- ***Laser improvement technology***. This technology increases the short-circuit current (I_{sc}), open-circuit voltage (V_{oc}) and fill factor of our N-type TOPCon cells, as it reduces recombination in the front metal area of the N-type TOPCon cells.

- ***J-Rpoly.*** This technology improves the cell's I_{sc} and V_{oc}.

- ***Gradient filming technology.*** This technology reduces front-side recombination and reflection losses.

- ***Super multi-busbar technology.*** An upgrade from the Multi-Busbar ("**MBB**") technology, it can shorten the current transmission distance between the busbars, thereby reducing resistive losses, allowing for increased conversion efficiency.

- ***Ultra-dense fine fingers technology.*** It reduces lateral transmission resistive losses, which elevates conversion efficiency and increases cost efficiency through saving silver paste.

- ***Front metal area composite optimization***. By optimizing the silver paste, the composite loss in the front metal area is further reduced.

PERC

We have identified six core technologies for P-type PERC cells, namely laser P doping selective emitter ("**SE**") technology, alkaline texturing technology, thermal oxidation technology, passivated emitter and rear technology, advanced hydrogenation passivation technology, and ultra-fine line printing technology.

- ***Laser P doping SE technology.*** Enhances conversion efficiency by reducing recombination in the metal area.

- ***Alkaline texturing technology.*** Increases light absorption and reduces surface reflection, thus improving overall efficiency.

- ***Thermal oxidation technology.*** Creates an oxide layer on the cell's surface, which improves its electrical insulation and increases cell efficiency.

- ***Passivated emitter and rear technology.*** Utilizes a passivation layer on the rear side of the cell to reduce electron recombination, boosting cell efficiency.

- ***Advanced hydrogenation passivation technology.*** Introduces hydrogen into the silicon wafer to reduce defects, thereby enhancing the cell's performance and reliability.

- ***Ultra-fine fingers printing technology.*** Allows for the creation of extremely narrow metal contacts, reducing shading on the cell surface and increasing the effective light-catching area.

Key R&D Programs

Upholding a forward-thinking "researching one generation ahead, pilot testing the next, and mass-producing the current" R&D philosophy, we have been conducting R&D in HJT, and perovskite tandem PV cell technologies and xBC to continuously enhance our product competitiveness, and we are primarily focused on our R&D on N-type TBC cells. As of the Latest Practicable Date, we have already achieved important milestones in TBC, as we have conducted pilot-scale experiment for N-type TBC cells (i.e., experimenting on a considerable number of N-type TBC cells), and we expect our ongoing efforts to allow us to be in a position to commence large-scale mass production of N-type TBC cells shortly after two years, though whether such production will be commenced at that time will depend on our holistic, thorough and ongoing assessment of, among other factors, customer demand, sales margins and other market conditions at that time.

In addition, we have also been conducting R&D on certain technologies that may further improve the performance of our PV cells:

- ***Ultra-fine finger technology***. It aims to achieve higher conversion efficiency and reduce silver paste consumption through using even finer fingers.

- ***Half-cut edge passivation***. By depositing a passivation film layer on the affected cell edge, we can reduce or even repair damage caused by laser, further improving the bifacial ratio and enabling higher power output of PV modules.

- ***Wave back surface field***. By modulating the thickness and properties of the passivation layers between rear metal fingers, we can form an optically inhomogeneous rear structure, improving bifacial ratio and improving conversion efficiency.

- ***Crystal silicon/perovskite stacked solar cells***. We are also experimenting stacking N-type TOPCon cells with perovskite tandem PV cells so that each layer can absorb different segments of the solar spectrum, allowing them to capture more solar power, potentially approximately 30% conversion efficiency.

QUALITY CONTROL

We have established a comprehensive quality control system according to GB/T19001-2016 quality management standards, covering supplier quality management, in-house design quality management, incoming material quality management, manufacture process quality management, shipping quality management, and post-sale quality management to ensure the consistency of our high product quality. Utilizing our risk-based thinking, process approach, and the PDCA (Plan-Do-Check-Act) approach, we have established quality management standards and guidelines for each process. For example, we have integrated FMEA (Failure Mode and Effects Analysis) to identify and control risks in product and process design, and we have implemented statistical process control and measurement system analysis for problem-solving and data analysis. In addition, we conduct systematic inspections of incoming raw materials pursuant to our guidelines, which we continue to devote efforts to developing and improving, and we make sure to continuously monitor in real-time key parameters in the manufacturing process, such as silicon wafer reflectivity, sheet resistance, and minority carrier lifetime. Through self-inspection, patrol inspection, and reliability testing, we monitor product reliability and ensure accountability, compliance and traceability in each manufacturing process.

Furthermore, as we continuously engage in disruptive innovation, we have adopted various methods to ensure quality control in face of changes. Therefore, we established a standard assessment and decision platform, Engineering Change Review Committee, for changes in 4M1E (Man, Machine, Material, Method, and Environment), where we require cross-department, comprehensive and timely review of such changes. This ensures effective implementation and control of the change process, which, coupled with our proactive involvement in risk management and the development of control mechanisms and contingency plans, serve to avoid mass quality issues, ensuring constant controllability and monitoring.

Additionally, leveraging IT tools like SRM (Supplier Relationship Management), ERP (Enterprise Resource Planning), BI (Business Intelligence), and MES (Manufacturing Execution System), we have built a data-driven quality platform. By integrating quality and information technology, we achieve real-time monitoring, scientific analysis, and optimized decision-making in plant quality management. Committed to building digital and intelligent plants, we utilize various technologies to automate office work, management, and production processes. We believe this would enhance and standardize enterprise management, reduce errors, plug loopholes, increase efficiency, and provide decision-making support. Complementing our methodologically designed quality control system, we have also been installing and operating cutting-edge equipment to ensure utmost product quality. For example, we established our own testing laboratories in our production plants, which can conduct tests ranging from electroluminescence ("**EL**"), current-voltage ("**IV**") characteristics, light-induced degradation ("**LID**"), and tensile strength for PV cells, and anti-potential induced degradation ("**PID**") testing, damp heat testing, thermal cycling, and mechanical durability assessments for PV modules, all of which conform to International Electrotechnical Commission regulations. We conduct a final quality check before packing to ensure that our PV cells meet all our internal standards and customers' specifications. In addition, we provide periodic training to our employees to ensure the effectiveness of our quality control procedures.

We have a dedicated team overseeing our quality control processes. They work collaboratively with our customer service teams to timely provide customer support and after-sale services. Through their combined efforts, we are able to confirm and evaluate customer requirements before sales, monitor and safeguard the fulfillment process during sales, and gathering customer feedback after sales. In addition, we frequently host trainings and internal competitions relating to our quality management system and product quality knowledge and skills to further motivate our employees' commitment to effective quality control.

Our relentless efforts in quality control earned us various authoritative international and domestic certifications. For example, we have obtained the ISO9001 certification, testifying to our commitment and ability to consistently deliver high quality products.

As a result, we also take pride in the low product returns, and we have not experienced any material product returns, claims, recalls or provisions during the Track Record Period, underscoring the reliability of our products.

SUPPLY CHAIN MANAGEMENT

Overview

We consider flexible supply chain management capability a key strength to ensure our sustainable development and continuous enhancement of cost efficiency. Through years of efforts, we have established a technology-backed and highly integrated supply chain management system, through which we managed to achieve highly transparent and dynamic inventory management, supported and complemented by advanced technology measures and long-standing cooperation relationships with a broad range of quality suppliers.

Our supply chain management system operates through the collaboration between the procurement department, PMC, and management in our headquarters. The procurement department is pivotal in devising procurement strategies and managing material categories, adapting to market dynamics to secure cost-effective sourcing. The PMC department, meanwhile, plays a crucial role in aligning production with supply and demand, managing inventory efficiently, and overseeing warehouse operations to ensure timely and effective material distribution. Our management oversees strategic planning, optimizes processes, and manages organizational structure and staff development, ensuring a robust supply chain system. This multi-faceted approach ensures a holistic and streamlined procurement process that nimbly adapt to changes in production planning and our strategic needs.

Our procurement activities are primarily driven by customer orders, complemented by strategic stockpiling based on thorough market research. Our procurement department is responsible for the comprehensive management of procurement tasks, including the development and management of suppliers, execution of purchases, contract and order management, fulfillment, logistics, and payment administration.

The procurement process is initiated by our production and material control department, which prepares a procurement request list based on order details and raw material inventory status and submits it to the procurement department. The procurement department, based on the list and current market conditions, may refer to the agreements that we entered into with suppliers of raw materials, select suppliers and finalize orders. Over the years, we have compiled a catalog of qualified suppliers for various raw material products. The procurement department also closely monitors procurement activities, tracks order delivery, and manages settlements. For the influence of the price fluctuation of PV cells' key raw materials and the ways in which we manage such fluctuations, please see "— Raw Materials Procurement," and "— Supply-Demand of Raw Materials."

The following table sets out the key raw materials that we procure from our suppliers:

	Key Functions	Main Source & Cost Factors
Silicon Wafer	Forming the base of PV cells	Primarily from domestic suppliers using domestically-sourced raw materials. Procurement costs mainly fluctuate with the price of bulk silicon.
Silver Paste	Mainly to create PV cell electrodes	Primarily from domestic suppliers that may use imported raw materials. Procurement costs mainly fluctuate with the price of bulk silver.
Screens	Print conductive materials onto silicon wafers in predetermined patterns	Primarily from domestic suppliers that may use imported components. Procurement costs mainly fluctuates with bulk raw materials like tungsten steel and stainless steel.
Quartz Pieces	Prevent pollutants from entering PV cells. Help PV cells maintain structural and performance stability in adverse environment	Domestic suppliers that mainly source quartz raw materials abroad. Procurement costs are affected by the technical requirements of our PV cells, also fluctuates with the supply and demand of raw materials.

Major Suppliers

In 2022, 2023 and 2024, purchase from each of the top five suppliers of the continuing operation amounted to RMB5,574.4 million, RMB8,608.1 million and RMB4,915.1 million, accounting for 47.2%, 34.4% and 56.2% of our total purchase for the corresponding years, respectively. In each year of the Track Record Period, our purchase from each of the largest supplier of the continuing operation amounted to RMB2,006.1 million, RMB2,555.9 million and RMB1,262.7 million, accounting for 17.0%, 10.2% and 14.5% of our total purchase for the corresponding years, respectively.

Such a level of concentration is common in the PV industry due to the high concentration of market players. The concentration in the PV industry naturally led to situations where PV cell manufacturers frequently purchasing from leading suppliers, with Jinko and LONGi among them. According to Frost & Sullivan, the top ten silicon wafer manufacturers globally accounted for 89.4% of the world's production in 2022. Notably, top four of these companies, with Jinko and LONGi among them, accounted for 60.5% of global silicon wafer production, indicating a high degree of industry concentration, according to Frost & Sullivan.

In addition, during the Track Record Period, we successfully managed dependency on any single supplier by cooperating with more major players in the PV industry, which is evidenced by the changing composition of our top five suppliers of our continuing operation. This not only enhances our market position but also mitigates risks associated with over-reliance on a small group of suppliers. Our focus on diversification, coupled with our ongoing efforts to innovate and adapt to the changing conditions of the PV cell market, positions us for sustainable growth and success in the dynamic PV industry.

The following table sets forth the details of each of the five largest suppliers of our continuing operation for the years indicated:

For the Year ended December 31, 2024

Suppliers	Purchase Amount	Percentage of total purchase amount	Company background	Commencement of Business Relationship	Credit Term	Payment Method	Primary Products purchased by our Group	Registered capital/Issued share capital
	(in RMB in millions)	*%*						*(in RMB in millions)*
LONGi Green Energy Technology Co., Ltd.	1,262.7	14.5	Founded in 2000 and located in Xi'an, Shaanxi Province, it is primarily involved in manufacturing of PV cells and modules.	2021	N/A	Bank Transfer/ Bank Payables	Silicon Wafers	7,578
Wuxi DK Electronic Materials Co., Ltd.	1,121.4	12.8	It is a Shenzhen Stock Exchange-listed company based in Wuxi, Jiangsu Province founded in 2010. It focuses on the production of conductive paste used in PV and semiconductor products.	2021	30 days	Bank Transfer/ Bank Payables	Silver pastes	141

Suppliers	Purchase Amount	Percentage of total purchase amount	Company background	Commencement of Business Relationship	Credit Term	Payment Method	Primary Products purchased by our Group	Registered capital/Issued share capital
	(in RMB in millions)	%						*(in RMB in millions)*
Gaojing Solar Energy Co., Ltd.[2]	976.2	11.2	Founded in 2019 in Zhuhai, Guangdong Province, it focuses on R&D, manufacturing, and sales of large-sized monocrystalline silicon wafers, rods and PV modules.	2021	N/A	Bank Transfer/ Bank Payables	Silicon Wafers	375
TCL Zhonghuan Renewable Energy Technology Co., Ltd.[1]	849.6	9.7	Established in 1988 in Tianjin, it mainly engages in manufacturing electronic equipment. It is listed on the Shenzhen Stock Exchange (stock code: 002129.SZ)	2021	N/A	Bank Transfer/ Bank Payables	Silicon Wafers	4,043
Changzhou Juhe New Material Co., Ltd.	705.2	8.0	It is established in 2015 and specializes in the silverpaste business. It is listed on the Shanghai Stock Exchange (stock code: 688503.SH)	2021	30 days	Bank Transfer/ Bank Payables	Silicon Pastes	242
Total	**4,915.1**	**56.2**						

For the Year ended December 31, 2023

Suppliers	Purchase Amount	Percentage of total purchase amount	Company background	Commencement of Business Relationship	Credit Term	Payment Method	Primary Products purchased by our Group	Registered capital/Issued share capital
	(in RMB in millions)	%						*(in RMB in millions)*
Jinko Solar Co., Ltd.[2]	2,555.9	10.2	It is a STAR-listed company established in 2006 and headquartered in Shanghai. It focuses on integrated R&D and manufacturing of PV cells and modules.	2021	N/A	Bank Transfer/ Bill Payable	Silicon Wafers	10,005
Gaojing Solar Energy Co., Ltd.[3]	2,156.9	8.6	Founded in 2019 in Zhuhai, Guangdong Province, it focuses on R&D, manufacturing, and sales of large-sized monocrystalline silicon wafers, rods and PV modules.	2021	N/A	Bank Transfer/ Bill Payable	Silicon Wafers	375
Lianshui Pujing Airport Science and Technology Park Development Co., Ltd.	1,582.9	6.3	A construction firm established in 2020 in Huai'an, Jiangsu Province.	2023	N/A	Bank Transfer	Property, Plant and Equipment	1,500
Wuxi DK Electronic Materials Co., Ltd.	1,272.2	5.1	It is a Shenzhen Stock Exchange-listed company based in Wuxi, Jiangsu Province founded in 2010. It focuses on the production of conductive paste used in PV and semiconductor products.	2021	30 days	Bill Payable	Silver Pastes	141
Tianjin Huan'Ou International Silicon Materials Co., Ltd.	1,040.2	4.2	Established in 2011 in Tianjin, it specializes in silicon wafers and is a subsidiary of TCL Zhonghuan Renewable Energy Technology, a Shenzhen Stock Exchange-listed company based in Tianjin.	2021	N/A	Bank Transfer/ Bill Payable	Silicon Wafers	460
Total	**8,608.1**	**34.4**						

For the Year ended December 31, 2022

Suppliers	Purchase Amount	Percentage of total purchase amount	Company background	Commencement of Business Relationship	Credit Term	Payment Method	Primary Products purchased by our Group	Registered capital/Issued share capital
	(in RMB in millions)	*%*						*(in RMB in millions)*
Jinko Solar Co., Ltd.[2]	2,006.1	17.0	It is a STAR-listed company established in 2006 and headquartered in Shanghai. It focuses on integrated R&D and manufacturing of PV products.	2021	N/A	Bank Transfer/ Bill Payable	Silicon Wafers	10,005
Gaojing Solar Energy Co., Ltd.[3]	1,786.2	15.1	Founded in 2019 in Zhuhai, Guangdong Province, it focuses on R&D, manufacturing, and sales of large-sized monocrystalline silicon wafers, rods and modules.	2021	N/A	Bank Transfer/ Bill Payable	Silicon Wafers	375
Hongyuan Green Energy Co., Ltd.	790.9	6.7	It is a Shanghai Stock Exchange-listed company established in 2002 and located in Wuxi, Jiangsu Province. It focuses on PV equipment manufacturing, silicon, PV wafer, cell, module, and new energy power station construction.	2022	N/A	Bank Transfer/ Bill Payable	Silicon Wafers	411
Lai'an County Yongyang Urban and Rural Construction and Development Investment Co., Ltd.	600.4	5.1	Founded in 2014 and based in Chuzhou, Anhui Province, it specializes in construction services.	2021	N/A	Bank Transfer	Property, Plant and Equipment	200

Suppliers	Purchase Amount	Percentage of total purchase amount	Company background	Commencement of Business Relationship	Credit Term	Payment Method	Primary Products purchased by our Group	Registered capital/Issued share capital
	(in RMB in millions)	%						*(in RMB in millions)*
Huayao Optoelectronic Technology Co., Ltd.	390.7	3.3	Established in 2019 and located in Hohhot, Inner Mongolia Autonomous Region, it is mainly engaged in the PV industry with its main products being monocrystalline silicon products.	2021	N/A	Bank Transfer/ Bill Payable	Silicon Wafers	237
Total	**5,574.4**	**47.2**						

Notes:

(1) In 2024, in addition to continuing our business relationship with Tianjin Huan'Ou International Silicon Materials Co., Ltd., we commenced business relationship with another subsidiary of TCL Zhonghuan Renewable Energy Technology Co., Ltd. As such, the name of the parent company is presented for reference.

(2) Transactions between us and Jinko involved both the procurement of silicon wafers and processing services, the latter of which were ancillary and limited in scope. In 2022 and 2023, the processing fees paid to Jinko were RMB1.9 million and nil, respectively, accounted for 0.1% of our purchase from Jinko in 2022.

(3) Transactions between us and Gaojing involved both the procurement of silicon wafers and processing services, the latter of which were ancillary and limited in scope. In 2022, 2023 and 2024, the processing fees paid to Gaojing were RMB13.4 million, nil and nil, respectively, accounted for 0.8% of our purchase from Gaojing in 2022.

Except for Jinko and Gaojing, we did not procure manufacturing or processing services from other suppliers during the Track Record Period. Given the limited scope and low amount and the cessation of such transactions since 2023, we are not reliant on such manufacturing and processing services.

Each of our five largest suppliers of the continuing operation in 2022, 2023 and 2024, respectively, are Independent Third Parties. None of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) has any interest in each of our five largest suppliers of the continuing operation in 2022, 2023 and 2024, respectively.

For silicon wafers, we typically agree to delivery upon payment, payable via wire transfer or 6-month bank acceptance draft. For others, we typically purchase on credit terms (e.g., metallic pastes: 30 days post-invoice). We adopt partial prepayments for quartz pieces suppliers.

For details on the overlap of suppliers and customers, please see "— Customers, Sales and Pricing — Supplier-Customer Overlap" in this section.

Introduction of New Suppliers

We recognize that the quality of our raw materials is essential to our product performance. Therefore, we have established a comprehensive evaluation system to introduce new suppliers into our supply chain. Our procurement, research and development, and quality assurance teams collectively assess potential suppliers on their qualifications, market standing, production capabilities, technological advancements, quality, and cost-efficiency.

We implement category-based strategic management for the procurement materials, which are divided into three levels, nine major categories and around 500 sub-categories that help us orderly organize our procurement. Each category has established entry threshold requirements to ensure suppliers' compliance. Before we qualify new suppliers, we rigorously vet their sample products. This vetting process includes verifying technical specifications and conducting due diligence to ensure suppliers have the requisite legal intellectual property or licensed rights for their products. Our supplier quality management system is robust, requiring our manufacturing suppliers to adhere to the stringent standards of ISO9001.

During our selection process, we research suppliers' qualifications, compliance with laws and regulations, industry experience, quality control, R&D abilities and scale, prioritizing partnerships with industry leaders, and we also consider social responsibilities and other dimensions, including environment, safety hazardous substances, trade safety and other aspects. To ensure competitive and sustainable supply and safeguard our inventory, we maintain a pool of three or more alternative suppliers for each material. We have developed a supplier code of conduct and conduct regular inspections to maintain high standards among our suppliers, and we periodically evaluate their performance based on quality, cost, delivery, and service. This evaluation helps us establish a merit-based system, promoting the best and phasing out the underperforming. We also enhance the management of our suppliers through digital means, utilizing a Supplier Relationship Management ("**SRM**") system. This system manages the entire lifecycle of supplier engagement, including contract management and order management. Advancing our procurement practices, we are moving towards online competitive bidding and price negotiations to increase purchasing transparency and efficiency, ensuring we maintain high standards while securing the best value.

Raw Materials Procurement

Our key raw materials, primarily comprising silicon wafers, metallic pastes and screens, are sourced under a comprehensive procurement strategy. Throughout the Track Record Period, we have successfully avoided any significant shortages, delays, or difficulties in acquiring these essentials from our suppliers.

Our primary sources for raw materials are based in China. We employ a proactive approach in analyzing market trends, forecasting supply and demand, and entering into agreements with top-tier suppliers. We closely cooperate with our suppliers, particularly in the joint development of new raw materials, such as optimized silver paste, to ensure consistent supply.

To meet our needs and to guarantee uninterrupted availability, we maintain relationships with multiple suppliers for each raw material. Our supplier performance evaluation is rigorous, focusing on the quality of raw materials, timeliness of delivery, cost-effectiveness, and adherence to technical specifications. Upon receipt, raw materials undergo a stringent quality check before being stored. The withdrawal from storage follows the production schedule, ensuring alignment with our operational needs. When we identify quality issues, we adopt reverse logistics for rectification, maintaining our supply chain's integrity and the robust relationships we have built with our suppliers.

Supply-Demand of Raw Materials

Among various types of PV cell components, silicon wafers are the largest cost component, typically accounting for around 60% of the total cost, and silver paste is the second largest component. In addition, quartz pieces are also essential in several manufacturing processes. From 2021 to 2022, the price of silicon wafers (net of tax) increased from RMB5.0/pc to RMB5.8/pc, then experienced a decline in prices in 2023, which continued into 2024 despite the recent rapid growth in solar power installed capacity additions. From 2021 to 2022, the price of silver paste decreased from RMB5,327/kg to RMB4,690/kg, then experienced a mild increase in prices in 2023 and a noticeable increase in 2024 to RMB6,379/kg due to the fluctuation and upward trend of silver price. For the movements of price of raw materials during the Track Record Period, please see "Industry Overview — Global PV Cell and Core Raw Material Price Fluctuations Analysis." For the price trend subsequent to the Track Record Period, see "Summary — Recent Developments." For the risks related to fluctuation of raw materials on our financial and operating performance, please see "Risk Factors — Risks Relating to Our Business and Industries — Price fluctuations in raw materials complicate our procurement strategies and processes" for details.

For silicon wafers, we typically enter into long-term framework agreements for procurement to secure stable supply. See "— Supply Agreements."

During the Track Record Period, the volume of raw materials procured from our suppliers is closely aligned with our actual production needs. We balance procurement with production requirements to ensure efficiency and optimal inventory levels, demonstrating our strong inventory control and management capabilities. This strategic approach has allowed us to ensure silicon wafer supply stability without any significant impact on our operations. In 2022, 2023 and 2024, for silicon wafers, we typically enter into long-term framework agreements with our primary suppliers, with a duration of one to two years, which set forth the minimum purchase amount for procurement to secure stable supply. In addition, both parties entered into monthly supplemental agreements or conform with subsequently issued purchase orders which included the quantity and specifications and price of the raw materials, and to adjust such minimum purchase amount pursuant to changes in circumstances. In 2022, 2023 and 2024, the actual purchase of silicon wafers under such agreements fulfilled 101.1%, 73.2% and 63.8% of the minimum purchase amount as set forth in the long-term framework agreements during the corresponding years, respectively. Our PRC Legal Advisor is of the view that as of the Latest Practicable Date, our risk of being successfully claimed by our suppliers for breach of agreement due to the failure to meet the minimum purchase amount agreed in the framework agreement is remote because (i) while the framework agreements include the minimum purchase amount, both parties need to enter into monthly supplemental agreements or conform with subsequently issued purchase orders to adjust such minimum purchase amount pursuant to changes in circumstances, such as changes in market demand, and both parties would perform in accordance with the monthly supplemental agreements or purchase orders, which is common in the PV industry; (ii) regarding the suppliers with whom we have not reached the agreed minimum purchase amount under the framework agreement, the suppliers have confirmed that we were not in breach of agreements; (iii) as of the Latest Practicable Date, we have not received any complaints from any supplier in relation to the minimum purchase amount or notice requesting us to perform in accordance with the minimum purchase amount under the framework agreements; and (iv) during the Track Record Period, there was no dispute, litigation or arbitration relating to the minimum purchase amount between our suppliers and us. Based on the abovementioned factors, we believe we will not be materially and adversely affected as a result of the failure to meet the minimum purchase amount in the framework agreements.

For silver pastes, we factor in their shelf life and effective period to optimize our inventory and avoid wastage. Our proactive approach to supplier research and relationship management positions us to navigate and mitigate the risks associated with supply-demand fluctuations in raw materials.

For quartz pieces, we experienced tighter supply in the first half of 2023 due to increased demand attributable to industry-wide expansion in PV cell production capacity. In response, we carried out an extensive search, visiting 15 potential suppliers to assess their capabilities. As a result, we identified and finalized agreements with multiple suppliers by the end of 2023 to effectively ease the supply situation.

Supply Agreements

We have managed the impact of raw material price fluctuations and maintained our margins by diversifying our supplier base and negotiating long-term contracts with fixed prices or ceilings. Our procurement strategies allowed us to buy in bulk when prices were low and reduce purchases when prices were high to some extent, optimizing out costs over time. We have also adopted cost-pass-through mechanisms to help reflect the fluctuations in raw materials in our pricing to manage margin erosion amid price fluctuations. We will continue to refine these strategies, invest in R&D, and explore new risk management techniques to remain resilient against price volatility. We typically enter into long-term framework agreements with suppliers of silicon wafers. Salient terms of these agreements are summarized as follows:

- ***Contract duration***. Typically annual or biannual.

- ***Purchase order***. We typically include purchase amount in the purchase order.

- ***Pricing***. We predominantly use spot market price as the benchmark for our pricing.

- ***Payment terms***. We typically agree to delivery upon payment, payable via wire transfer or 6-month bank acceptance draft.

- ***Inspection and product returns***. Product inspection may take place within a specified period after delivery of the raw materials to us. We may return to suppliers defective raw materials that do not meet the agreed quality standard, and the suppliers shall remedy the same, including product return and replacement. Our suppliers and us bear responsibility for potential product defects in accordance with industry norm.

- ***Exclusivity***. None.

- ***Right of first refusal***. Both parties may have a right of first refusal under the same conditions.

- ***Minimum purchase amount***. We typically specify a benchmark of the quantity of the silicon wafers to be purchased or delivered each month, around which our purchase amount and our supplier's delivery amount could fluctuate within a band, typically around 20%. The failure to purchase or deliver within such a band would result in a one-time penalty payable from the breaching party proportional to the non-conforming amount subject to a cap. See "— Supply-Demand of Raw Materials" for more detailed analysis on this term.

- ***Confidentiality***. Both parties shall strictly keep confidential all commercial and technical information such as product information, prices, quantities, quality and technical standards involved in the execution and performance of this contract.

Breach of confidentiality obligation results in monetary penalties payable to the counterparty. The period of confidentiality obligations may be one or two years after the execution of the agreement.

We separately issue purchase orders or enter into monthly supplemental agreements after the procurement framework agreement is in force to make adjustments in light of the actual situation such as changes in market demand, etc. The principal terms of our typical purchase orders or monthly supplemental agreements primarily include:

- Identifier of the specific framework agreement the purchase order or monthly supplemental agreement is based on.

- Actual quantity and specifications of silicon wafers to be purchased pursuant to such purchase orders or monthly supplemental agreements.

- Unit prices and aggregate purchase prices.

- Expected delivery location and date.

We generally require our supplier to confirm in writing whether to accept the purchase order within five business days after receipt of the purchase order. Such agreements are legally binding and have not been subject to material breaches during the Track Record Period.

Despite the aforementioned measures, as we do not exercise control over the market price of raw materials, the effects of raw material market price fluctuation on our profitability cannot be nullified, especially when price fluctuation is substantial and prolonged. For example, see "— Business Sustainability" in this section on the material adverse effects on our profitability resulting from prolonged silicon wafer and PV cell price fluctuation.

CUSTOMERS, SALES AND PRICING

Major Customers

In each year of the Track Record Period, our customers were mainly from the PRC. We did not engage any distributors or wholesalers in the sales of our products during the Track Record Period. For each year during the Track Record Period, we generated revenue of RMB5,981.3 million, RMB9,784.9 million and RMB4,110.5 million from each of the five largest customers of the continuing operation, accounting for 53.9%, 52.6% and 41.5% of our total revenue for the corresponding years, respectively. For each year during the Track Record Period, our revenue from each of the largest customer of the continuing operation amounted to RMB3,336.7 million, RMB5,172.3 million and RMB1,892.1 million, accounting for 30.1%, 27.8% and 19.1% of our total revenue for the corresponding years, respectively.

Having such a level of concentration is common in the PV market due to the high concentration of market players. The high concentration in the PV industry naturally led to situations where PV cell manufacturers frequently sell to leading PV module manufacturers, with Jinko and LONGi among them. According to Frost & Sullivan, the top ten PV module manufacturers globally accounted for 83.4% of the world's shipment volume in 2023. Notably, top four of these companies, with Jinko and LONGi among them, accounted for 54.4% of PV module production, indicating a high degree of industry concentration, according to Frost & Sullivan. Consequently, it is common for PV cell manufacturers, including our peers, to have high concentration in sales.

In addition, during the Track Record Period, we have successfully managed dependency on any single customer by expanding our reach to other major players in the PV industry, which is evidenced by the generally declining percentage of revenue from our top five customers of the continuing operation. This not only enhances our market position but also mitigates risks associated with over-reliance on a small group of customers. Our focus on diversification, coupled with our ongoing efforts to innovate and adapt to the changing conditions of the PV cell market, positions us for sustainable growth and success in the dynamic PV industry.

The following table sets forth the total number of customers during each year of the Track Record Period, and a breakdown thereof by N-type TOPCon cells and P-type PERC cells during the Track Record Period.

	For the Year ended December 31,		
	2022	2023	2024
Customers that purchased N-type TOPCon cells(1)	69	269	317
Customers that purchased P-type PERC cells(2)	96	139	47
Total Customers(3)	130	323	329

Notes:

(1) including customers who also purchased P-type PERC cells during the respective years.

(2) including customers who also purchased N-type TOPCon cells during the respective years. The number of such customers increased from 2022 to 2023 despite the P-N transition primarily because we covered more overseas customers in 2023, who still procured P-type PERC cells given the slower pace of P-N transition overseas. The number of such customers decreased from 2023 to 2024 primarily because of the reduction in market demand for P-type PERC cells and our cessation of P-type PERC cell production in the same years.

(3) the total number of customers does not equal to the sum of customers that purchased N-type TOPCon cells and customers that purchased P-type PERC cells as there were customers who purchased both N-type TOPCon cells and P-type PERC cells.

The following table sets forth details of each of the top five customers of the continuing operation for the years indicated. During the Track Record Period, we did not grant any credit period to these customers, requiring payment before delivery per our usual practice.

For Year ended December 31, 2024

Customers	Sales Amount	Percentage of total Sales	Company background	Commencement of Business Relationship	Payment Method	Products sold by our Group	Registered capital/Issued share capital
	(in RMB in millions) *(unaudited)*	%					*(in RMB in millions)*
LONGi Green Energy Technology Co., Ltd.	1,892.1	19.1	Founded in 2000 and located in Xi'an, Shaanxi Province, it is primarily involved in manufacturing of PV cells and modules.	2021	Bank Transfer/Bill Receivables	PV Cells	7,578
Jinko Solar Co., Ltd.	632.1	6.4	It is a STAR-listed company established in 2006 and headquartered in Shanghai. It focuses on integrated R&D and manufacturing of PV cells and modules.	2021	Bank Transfer/Bill Receivables	PV Cells	10,005
JingAo Solar Co., Ltd.	565.2	5.7	Established in 2005 and headquartered in Beijing, it specializes in PV auxiliary materials and equipment and PV application scenario solutions.	2021	Bank Transfer/Bill Receivables	PV Cells	21,272
TCL Zhonghuan Renewable Energy Technology Co., Ltd.	552.8	5.6	Established in 2000 in Tianjin, it mainly engages in manufacturing electronic equipment and is a subsidiary of TCL Zhonghuan Renewable Energy Technology, a Shenzhen Stock Exchange-listed company based in Tianjin.	2021	Bank Transfer/Bill Receivables	PV Cells	4,043
Trina Solar Co., Ltd.	468.3	4.7	Established in 1997 and headquartered in Changzhou, it is a Shanghai Stock Exchange listed company and is mainly engaged in PV products, PV systems and smart energy.	2023	Bank Transfer/Bill Receivables	PV Cells	2,173
Total	**4,110.5**	**41.5**					

For the Year ended December 31, 2023

Customers	Sales Amount	Percentage of total Sales	Company background	Commencement of Business Relationship	Payment Method	Products sold by our Group	Registered capital/Issued share capital
	(in RMB in millions) *(unaudited)*	%					*(in RMB in millions)*
Jinko Solar Co., Ltd.	5,172.3	27.8	It is a STAR-listed company established in 2006 and headquartered in Shanghai. It focuses on integrated R&D and manufacturing of PV products.	2021	Bill Receivable	PV Cells	10,005
JingAo Solar Co., Ltd.	2,177.4	11.7	Established in 2005 and headquartered in Beijing, it specializes in PV auxiliary materials and equipment and PV application scenario solutions.	2021	Bank Transfer/ Bill Receivable	PV Cells	21,272
LONGi Green Energy Technology Co., Ltd.	1,145.4	6.2	Founded in 2000 and located in Xi'an, Shaanxi Province, it is primarily involved in manufacturing of PV cells and modules.	2021	Bank Transfer/ Bill Receivable	PV Cells	7,578
Chint New Energy Technology Co., Ltd.	689.2	3.7	Founded in 2006 and located in Jiaxing, Zhejiang Province, it is primarily involved in manufacturing of PV cells and modules.	2021	Bank Transfer/ Bill Receivable	PV Cells	2,617
Nyocor New Energy Co., Ltd.	600.6	3.2	Established in 1997 and headquartered in Beijing, it focuses on the production and supply of new energy electricity.	2022	Bank Transfer	PV Cells	1,997
Total	**9,784.9**	**52.6**					

For the Year ended December 31, 2022

Customers	Sales Amount	Percentage of total Sales	Company background	Commencement of Business Relationship	Payment Method	Products sold by our Group	Registered capital/Issued share capital
	(in RMB in millions) *(unaudited)*	%					*(in RMB in millions)*
Jinko Solar Co., Ltd.	3,336.7	30.1	It is a STAR-listed company established in 2006 and headquartered in Shanghai. It focuses on integrated R&D and manufacturing of PV products.	2021	Bill Receivable	PV Cells	10,005
Nyocor New Energy Co., Ltd.	777.2	7.0	Established in 1997 and headquartered in Beijing, it focuses on the production and supply of new energy electricity.	2022	Bill Receivable	PV Cells	1,997
Jiangsu Shunfeng Photovoltaic Technology Co., Ltd.	758.3	6.8	Established in 2005 and located in Changzhou, Jiangsu Province, it is primarily engaged in research, production and sales of wafers, PV cells and modules.	2021	Bank Transfer/ Bill Receivable	PV Cells	3,410
Chint New Energy Technology Co., Ltd.	558.0	5.0	Founded in 2006 and located in Jiaxing, Zhejiang Province, it is primarily involved in manufacturing of PV cells and modules.	2021	Bank Transfer/ Bill Receivable	PV Cells	2,617
JingAo Solar Co., Ltd.	551.1	5.0	Established in 2005 and headquartered in Beijing, it specializes in PV auxiliary materials and equipment and PV application scenario solutions.	2021	Bank Transfer/ Bill Receivable	PV Cells	21,272
Total	**5,981.3**	**53.9**					

Each of our five largest customers of the continuing operation in 2022, 2023 and 2024, respectively, are Independent Third Parties. As of the Latest Practicable Date, none of our Directors or any of our shareholders (who to the knowledge of our Directors had owned more than 5% of our issued share capital) nor any of their respectively associates had any interest in each of our five largest customers of the continuing operation in 2022, 2023 and 2024, respectively. For more details on the overlap of suppliers and customers, please see "— Supplier-Customer Overlap" in this section.

Sales and Marketing

In shaping our sales and marketing strategies, we rely on comprehensive research into the relevant market segments. We evaluate potential market capacities and conduct analysis of market dynamics and policy influences, taking into account our strengths and weaknesses, to devise strategic marketing plans.

Our dedicated sales department is responsible for conducting sales activities, focusing on deepening customer service and communicating the value proposition of our PV cells. The department also handles the acquisition and feedback of up-to-date market information, customer development and assessment, sales contract execution and management, customer relations, and satisfaction surveys. We have divided our sales department into international and domestic teams. In furtherance of our international endeavor, we have sales teams catering to overseas customers in India, Turkey, and other emerging markets, respectively. Domestically, our sales teams serve major customers and project-based companies.

In furthering our overseas marketing efforts, we have been actively collaborating with overseas customers, continuously building a global sales system to enhance our global competitiveness. In addition, we plan to establish our own sales companies in Asia, Europe, and other regions, forming localized sales teams and marketing network to help us quickly understand and cater to local market demands. Through overseas production capacity expansion, we also aim to delve deeper into high-demand PV markets in Europe and North America and actively explore emerging markets as well.

In addition, we frequently attend and present in various industry conferences and exhibitions to both keep abreast of recent industry trends and showcase our product's competitiveness in marketing events. For example, in 2024, we attended the World Future Energy Summit 2024 at Abu Dhabi, SNEC 2024, Renewable Energy India Expo 2024, 16th (2024) Solarex Istanbul and Intersolar Europe 2024; in 2023, we attended the 2023 SMM International Photovoltaic Industry Conference and the 18th AsiaSolar Photovoltaic Innovation Exhibition & Cooperation Forum, where we delivered keynote speeches on TOPCon technology and won accolades, such as Industry Frontrunner of PV Cell Industry and 2023 Asia PV Innovation Enterprise.

Sales Agreements and Pricing

We typically enter into long-term sales agreement with our customers in China, which usually include the following key terms:

- ***Duration***. Generally one to two years.

- ***Exclusivity***. No.

- ***Inspection***. Product inspection may take place within a specified period after delivery to customer. Our customers may require us to replace the defective products.

- ***Price***. We mainly adopt a floating price model based on the market spot price of PV cells consistent with the industry practice, and also considering the competitiveness of our products, prevailing supply-demand situation in the market, competition landscape, and strategic relationship with respective customer.

- ***Confidentiality***. Both parties shall keep as confidential information involving the other party's business activities, products, services, intellectual property rights, technical details and performance, etc. Breach of confidentiality obligation results in monetary penalties payable to the counterparty. The period of confidentiality obligations may be two years after the execution of the agreement.

- ***Payment term***. We typically require prepayments payable via wire transfer or 6-month bank acceptance draft.

- ***Minimum purchase amount***. We typically specify an amount of PV cells to be purchased or delivered each month, around which the purchase amount could fluctuate within a band, typically around 20%. The failure to purchase or deliver within such a band would result in a one-time penalty payable from the breaching party proportional to the nonconforming amount. See below for more detailed analysis on this term.

- ***Delivery***. We are usually responsible for delivering the products to the delivery location designated by the customers, and bear the risks in the delivery process.

- ***Warranty***. We usually offer a warranty period in accordance with applicable regulations. In the agreements where we specify a warranty period, the warranty period is usually around one to six months after the customer's acceptance, depending on the parties' negotiation.

According to our PRC Legal Advisor, the long-term sales agreement, and the minimum purchase amounts included therein, has been signed by both parties and is legally binding. Although the price was not agreed upon and therefore cannot be directly executed, the agreement stipulates that we may separately enter into monthly supplemental agreements after the sales framework agreement is in force to make adjustments in light of the actual situation such as changes in market demand, etc. to guide the parties in fulfilling contractual obligations. If the customer breaches the long-term sales agreement or monthly supplemental agreement, we can hold the customer accountable for breach of contract. The principal terms of our typical monthly supplemental agreements include the actual quantity and specifications and price of the PV cells to be purchased per the monthly supplemental agreements and expected delivery location and date. Such agreements are legally binding during the Track Record Period.

In 2022, 2023 and 2024, for PV cells, we typically enter into long-term framework agreements with our customers in China, with a duration of one to two years, which set forth the minimum purchase amount. In addition, both parties entered into monthly supplemental agreements or conform with subsequently issued purchase orders which included the quantity and specifications and price of the PV cells, and to adjust such minimum purchase amount pursuant to changes in circumstances. In 2022, 2023 and 2024, our sales volume under such agreements with minimum purchase amount was 83.8%, 73.4% and 31.3% of the minimum purchase amount, respectively, mainly because of the modifications to the purchase amount pursuant to monthly supplemental agreements or purchase orders, in which our customers themselves reduce the amount of purchase orders compared with the minimum purchase amount in the framework agreements, and our management of order fulfillment priority to optimize our overall profitability, which may lead to us not reaching the agreed minimum purchase amount under the framework agreements with certain customers that offered us less favorable prices than other customers. Such percentages were calculated based on the minimum purchase amount set out in the long-term framework agreements. During the Track Record Period, we had not paid any liquidated damages to customers caused by our underperformance of the minimum purchase amount specified in the framework agreements. The customers with whom we have not reached the agreed minimum purchase amount under the framework agreement have confirmed that we were not in breach of the agreements. Our PRC Legal Advisor is of the view that as of the Latest Practicable Date, our risk of being successfully claimed by our customers for breach of agreement due to failure to meet the minimum purchase amount agreed in the framework agreement is remote because (i) while the framework agreements include the minimum purchase amount, both parties need to enter into monthly supplemental agreements or conform with subsequently issued purchase orders to adjust such minimum purchase requirements pursuant to changes in circumstances, such as changes in customer’s demand, and both parties would perform in accordance with the monthly supplemental agreements or purchase orders, which is common in the PV industry; (ii) regarding the customers with whom we have not reached the agreed minimum purchase amount under the framework agreement, the customers have confirmed that we were not in breach of the agreements; (iii) as of the Latest Practicable Date, we have not received any complaints from any customer in relation to the minimum purchase amount or notice requesting us to perform in accordance with the minimum purchase amount under the framework agreements; and (iv) during the Track Record Period, there was no dispute, litigation or arbitration relating to the minimum purchase amount between our customers and us. Based on the abovementioned factors, we believe we will not be materially and adversely affected as a result of the failure to meet the minimum purchase amount in the framework agreements.

In addition, despite the aforementioned measures, as we do not exercise control over the market price of PV cells, the effects of raw material market price fluctuation on our profitability cannot be nullified, especially when price fluctuation is substantial and prolonged. For example, see "— Business Sustainability" in this section on the material adverse effects on our profitability resulting from prolonged silicon wafer and PV cell price fluctuation.

As we have been increasing our sales outside of mainland China, we usually enter into individual sales agreements with overseas customers. Such agreements usually have fixed prices and purchase amounts. We usually deliver the goods on board the vessel nominated by the customer at the named port of shipment, typically in China, at which time we fulfill delivery obligations, and the risk of loss or damage to the goods passes to the customer once the goods are on board of the vessel. We usually provide a warranty period after customer's acceptance. In 2025, we also entered into long-term framework agreements for some of our sales outside of mainland China to enhance the stability of our customer relationship.

Backlog and Purchase Order

In cooperating with our customers, we have signed cooperation framework agreements with several key customers. The total PV cells committed for purchase under these agreements in 2025 covered around 90% of our PV cell annual production capacities as of the Latest Practicable Date.

In covering the production needs brought about by these purchase orders, we have also been leveraging our long-term framework agreements with our suppliers. The total silicon wafers guaranteed for sale under these agreements are able to cover more than half of the PV cells committed for purchase under the aforementioned cooperation framework agreements.

After-Sales Services

During the Track Record Period, our robust quality control measures helped elevate the yield of our PV cells above the industry average, which reduced the frequency of after-sales service interventions, underscoring our commitment to product excellence and customer satisfaction. This is further manifested by a low rate of product returns during the Track Record Period and the absence of any material product returns, claims, recalls or provisions during the same period.

In the meantime, we believe the timeliness and quality of our after-sale services are one of the important competitive factors, as they are directly related to customer satisfaction and help shape the customer's purchase decisions. Therefore, we strictly follow the relevant national regulations and provide customers with a variety of after-sales services, such as maintenance, product returns and exchanges. After we receive customer complaints, we undertake thorough communication and analyze the complaints so that they can be timely and properly handled by our after-sales service personnel. The services are delivered on site or by returning the defective products back to our production plants. We allow product return for quality issues to maintain the reputation of our brand and the quality of products we provide to our customers. We also dispatch engineers to the locations designed by our customers to provide on-site assistance.

In addition to requests raised by our customers in relation to product return, exchange or repair of defective products, our customer service team also conducts customer satisfaction evaluation on a regular basis by collecting and analyzing information from our customers regarding their satisfaction towards our services and products. Such information was gathered from our close communication with customers online and offline, and we keep the preferences and needs of each customer documented for effective management. We use such information to improve our products and services provide to our customers, which in turn enables us to build a solid and mutually-trusting relationship with our customers.

Supplier-Customer Overlap

During the Track Record Period, (i) among our top five customers of the continuing operation, Jinko was also among our top five suppliers of the continuing operation providing us with silicon wafers in 2022 and 2023. In addition, LONGi Green Energy Technology Co., Ltd. ("**LONGi**") and TCL Zhonghuan Renewable Energy Technology Co., Ltd. ("**TCL Zhonghuan**") were among our top five suppliers of the continuing operation providing us with silicon wafers for 2024; and (ii) among our top five suppliers of the continuing operation, Jinko was also among our top five customers of the continuing operation procuring PV cells from the continuing operation in 2022 and 2023. In addition, LONGi and TCL Zhonghuan were also among our top five customers of the continuing operation procuring PV cells from the continuing operation for 2024. In 2022 and 2023, our purchase amount attributable to Jinko amounted to RMB2,006.1 million and RMB2,555.9 million, which accounted for 17.0% and 10.2% of our purchases, respectively, and our sales amount attributable to Jinko amounted to RMB3,336.7 million and RMB5,172.3 million, which accounted for 30.1% and 27.8% of our sales amount, respectively, making Jinko our largest supplier and customer of the continuing operation in 2022 and 2023 due to Jinko's position as one of the largest manufacturers of both silicon wafers and PV modules in the world and established business relationship with us. LONGi accounted for RMB1,262.7 million, or 14.5% of our purchases, and RMB1,892.1 million, or 19.1% of our sales amount for 2024. TCL Zhonghuan accounted for RMB849.6 million, or 9.7% of our purchases, and RMB552.8 million, or 5.6% of our sales amount for 2024.

From an industry standpoint, having such overlaps is common in the PV market due to the high concentration of market players, who both sell silicon wafers and purchase PV cells. See "— Supply Chain Management — Major Suppliers," and "— Customers, Sales and Pricing — Major Customers." In 2023, four out of the top ten PV module manufacturers in terms of shipment volume were also among the top ten silicon wafer suppliers in the world. While our overlapping suppliers-customers are integrated manufacturers, they and other integrated manufacturers' need of our PV cells has been persistent due to the following reasons: (i) integrated manufacturers primarily focus on the production and sales of PV modules rather than the manufacturing and sales of PV cells; (ii) the required investment for PV cell production equipment is significantly higher than that for PV module equipment, highlighting greater investment intensity in the PV cell segment, which may divert the resource required in the PV module segment; and (iii) the technological evolution in PV cell manufacturing is rapid, which could discourage PV module manufacturers from developing an incremental of PV cell manufacturing capacity due to concerns on technological obsolescence. Therefore, while they may develop partial PV cell capacities for supply chain stability, they generally cannot meet their own full PV module production capacity by themselves, which requires them to procure PV cells from specialized manufacturers.

In addition, from a business perspective, the transactions that we entered into with the overlapping supplier-customers were on an arm's-length, mutually independent basis under normal commercial terms. Negotiations of the terms of our sales to and purchases from these overlapping supplier-customers were conducted on an individual basis, undertaken by different departments and entities both in our Group and in the overlapping supplier-customers, and the sales and purchases were neither inter-connected nor inter-conditional with each other. Decisions regarding the procurement of silicon wafers, such as timing, pricing, and quantity, are made independently based on market conditions, production plans, and raw material needs. We assume the risks associated with the stocking and potential damage of raw materials. Similarly, decisions regarding the sale of PV cells, including timing, pricing, and quantity, were independently determined based on market trends, production schedules, and downstream customer demand, while also independently bearing the credit risk of receivables from sales customers. For each of the overlapping supplier-customers, the key terms of our sales and supply agreements were substantially similar to those of our other customers/suppliers.

The gross profit margins for LONGi and Jinko are generally consistent with that of the other top five customers collectively. The primary reason for the variations in gross profit margins between TCL Zhonghuan and other top five customers is the difference in the specifications of the PV cells sold. Compared with other top five customers in 2024, TCL Zhonghuan purchased more larger-sized PV cells, e.g., N-type 210-N TOPCon monocrystalline cells from us. Such PV cells have higher average selling price and gross profit margin, which contributed to the higher gross profit margin of TCL Zhonghuan.

Therefore, and given that (i) our relationship with the supplier-customers are unlikely to materially deteriorate or terminate, (ii) with our existing production capacity, we are continuously introducing new high-quality PV module manufacturers to diversify our customer base, and (iii) our diversification efforts have seen a general decrease in the percentage of supplier-customer overlap during the Track Record Period, we believe that the supplier-customer overlap during the Track Record Period would not hinder our business prospects.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

Our inventories primarily consist of raw materials, work-in-progress, finished goods and goods in transit. For more information, please see "Financial Information — Discussion of Certain Selected Items From the Consolidated Statements of Financial Position — Inventories." We have implemented policies to optimize our inventory level, and our inventory management system and storage and transportation capabilities are considered superior within the industry.

We achieve efficient inventory management through carefully considering the inventory impact of our products, aiming to realize inventory control through designs and modularization. In addition, we standardize our inventory management through executing our sales plans, which monitors the actual sales, inventory, and logistics situation of our customers to formulate our internal monthly shipment plan. We adopt a flexible approach to inventory management, adjusting our inventory levels in response to market demand fluctuations. When market demand increases, we correspondingly raise our inventory levels to ensure supply stability. We are therefore able to direct our manufacturing and control the supplier's delivery to achieve a faster inventory flow.

We periodically analyze our inventory level and prepare annual inventory inspection report at the end of each fiscal year so that we are able to deal with slow-moving inventories in a timely manner. As of the Latest Practicable Date, save as otherwise disclosed in "— Properties," all of our warehouses are owned by ourselves, which allows for greater control and efficiency in our logistics operations. Additionally, our suppliers bear the cost of logistics, which enables us to maintain a cost-effective supply chain.

BUSINESS SUSTAINABILITY

In the past several years, propelled by global carbon neutrality initiatives, continuous technological advancements, and its various inherent advantages, including adaptability and cost, the PV industry in China significantly lowered solar power generation cost, bolstering overall solar power demand and fueling the rapid growth in production capacity in various segments of the PV industry. In this process, industry players underwent sustained and substantial growth both in terms of technical sophistication and production capacity. As a result, the PV industry has been experiencing continuous and dynamic optimization of supply and demand across its up-, mid- and downstream segments. As of the Latest Practicable Date, solar power generation is still globally recognized as a main renewable energy source.

Similar to other industries undergoing rapid development, the PV industry also experienced headwinds arising from intensified market competition. From the fourth quarter of 2023 to the fourth quarter of 2024, silicon wafer and PV cell prices were in a general downward trajectory with fluctuation, causing industry-wide adverse effects to market participants, including us. For the adverse effects on our financial performance, please see "Financial Information — Period to Period Comparison of Results of Operations — Year Ended December 31, 2024 Compared with Year Ended December 31, 2023." This price trend is primarily attributable to (i) reduction in market demand of N-type TOPCon cells in the fourth quarter of 2023 due to competition with P-type PERC cells that were sold at low prices for inventory clearance caused by impact from the P-N transition, and (ii) adverse development of supply-demand balance, which became the primary factor affecting the price trend starting in the first quarter of 2024.

Given the adverse price trend, notwithstanding the aforementioned overall industry growth and development drivers, industry participants, including those with established competitive advantages like us, need to take proactive measures to mitigate related effects and achieve growth in the long term. Such measures include (i) improving their products' competitiveness and production efficiency, and (ii) seeking opportunities in emerging markets to improve their competitive position.

Subsequently, we have also noticed market-driven supply-demand adjustment of silicon wafers and PV cells, including the sustainable growth in demand for PV products globally, in particular, the robust growth in the overseas market despite challenges associated with various trade restrictions. Measured by overseas solar power cumulative installed capacity, the overseas market is expected to increase from 1,090.2 GW in 2024 to 3,499.6 GW in 2030 at a CAGR of 21.5%. In addition, we believe favorable regulatory and industry proposals, as well as guidelines in China, may bring stabilization effect to the market in the long run.

As a result, after a price decline phase from early 2024 to the third quarter of 2024, we believe a price stabilization phase was present in the fourth quarter of 2024, which further advanced into slight price recovery in the first quarter of 2025 and continued in April 2025 . Riding this favorable market trend, we are well positioned to capitalize on our leading technological capabilities, sufficient working capital, and established industry position to weather industry fluctuation and achieve sustainable development. As such, our Directors are of the view that our business remains sustainable.

Industry-Wide Supply-Demand Improvement

The ongoing restoration of the supply-demand balance in the PV industry has been primarily driven by sustainable growth in demand, and supply-side issues that primarily contributed to the supply-demand imbalance have been ameliorating, the combined effect of which is reflected in recovery in PV industry price trend

Sustainable Demand-side Growth Potential

In 2024, global solar power installed capacity addition continued its robust increase, having grown by 21.5% from 420.0 GW 2023 to 510.2 GW in 2024, and is expected to further increase by 13.7% to 580.0 GW in 2025, according to Frost & Sullivan. Such a 580 GW solar power installed capacity addition would typically translate to 727 GW of production demand for PV cells in the same year. Additionally, according to Frost & Sullivan, compared with 2023, China's solar power installed capacity addition increased by 27.8% to 277.2 GW in 2024. In terms of export, in 2024, China's cumulative PV module exports reached 238.8 GW, a year-on-year increase of 12.8%, and cumulative PV cell exports reached 57.5 GW, a year-on-year increase of 46.3%. Such an increase in demand may bring industry-wide benefits to industry players, including us.

Against the backdrop of growing demand of PV products, N-type PV cells are poised to capture an increasing market share, and their competitive advantages are expected to continue through ongoing technological advancements. Since 2024, N-type PV cell technology has made significant progress, which further improves the outlook of their future demands. Most industry participants have adopted N-type TOPCon technology as their primary technological route, on which they continuously conduct R&D and enhance their engineering and manufacturing capabilities. Their main efforts include reducing bill of materials costs, enhancing production efficiency and stability, and improving conversion efficiency, all aimed at further expanding the competitive advantage of N-type TOPCon cells. By September 2024, many leading PV cell manufacturers have improved their N-type TOPCon cell conversion efficiency to around 26%, further solidifying the competitive advantage of N-type TOPCon cells against other technological routes. In the meantime, the shipment volume and market share of N-type TOPCon cells have significantly increased. The market share of N-type TOPCon cells has risen from 23.5% in 2023 to nearly 60% in the first half of 2024 and 66.9% for the full year of 2024, and is expected to continue to increase to around 70-80% until 2030, maintaining its position as a mainstream market technology. Looking ahead, consistent with the forecast trend in "Industry Overview — Global PV Cell Market — Global PV Cell Market in the P-N Transition", N-type TOPCon cell shipment volume is expected to grow at a CAGR of 14.6% from 2024 to 2030, and such a long-term trend provides N-type TOPCon cell manufacturers with ample room to grow.

Ameliorating Supply-side Conditions

Concurrently, oversupply is gradually being mitigated. This is firstly attributable to intense competition for over one year, which has led to the elimination of outdated production capacities and the exit of many second- and third-tier PV enterprises from the market. For example, according to Frost & Sullivan, in 2024, approximately 170 GW of P-type PERC cell production capacity has been shut down globally, and around 140 GW of N-type TOPCon cell and module production capacity expansion plans have been terminated or delayed globally, and as of the Latest Practicable Date, among the 70 primary PV cell manufacturers in the PV cell industry, 23 have gone bankrupt, ceased production, or experienced project cancellation or delays since the fourth quarter of 2023. For details, see "— Industry Capacity Clearance and Consolidation" in this section. In addition, government regulations and policy guidance that supports high-quality development of the PV industry. See "— Government Regulations and Policy Guidance" in this section.

As a result, according to Frost & Sullivan, the PV industry is in the mid-to-late stage of capacity clearance and consolidation, the consolidation process has been substantial, and the PV cell industry's capacity clearance is expected to be completed around the second half of 2025.

Government Regulations and Policy Guidance

From the regulatory perspective, favorable government regulations and industry guidelines in China have been introduced to alleviate temporary supply-demand imbalance and curb continued price decreases through limiting production capacity expansion and encouraging high quality development.

Primary government regulations include:

- *Standard Conditions for the Photovoltaic Manufacturing Industry (2024 Edition)* (《光伏製造行業規範條件(2024年本)》); and

- *Measures for the Administration of Photovoltaic Manufacturing Industry Standard Announcements (2024 Version)* (《光伏製造行業規範公告管理辦法(2024年本)》).

These regulations were promulgated by MIIT on November 15, 2024, and they imposed more stringent requirements on the minimum capital contribution for the expansion or conversion of PV product production capacities and also required minimum conversion efficiency for PV project development, which is expected to benefit established high-efficiency PV cell manufacturers. Specifically, the key requirements include:

- the average photoelectric conversion efficiency for polycrystalline silicon cells should not be less than 21.7%, and for N-type monocrystalline silicon cells not less than 26%;

- the comprehensive electricity consumption for new silicon material capacities should be less than 53 kWh/kg;

- the water consumption for new silicon wafer and cell capacities should be less than 540 tons per million wafers and 360 tons per MW, with a recycled water usage rate higher than 40%; and

- the minimum capital contribution for new and expanded PV manufacturing projects is set at 30%.

Additionally, the State Council's executive meeting in February 2025 proposed measures to optimize industrial layout, promote the exit of outdated and inefficient capacities, and increase the supply of high-end capacities.

Primary industry guidelines include:

- On May 17, 2024, at the meeting for high-quality development of the PV industry (光伏行業高質量發展座談會), the China Photovoltaic Industry Association ("**CPIA**") (中國光伏行業協會) announced guidelines promoting, among other initiatives, the prevention of malicious competition through the sale of products at prices below cost, the consolidation of market players in the PV industry, and the assurance of sustainable development of the PV industry in China.

- On October 18, 2024, the CPIA started to periodically issue guideline prices for PV modules for downstream customers' reference and reminded industry participants of the potential legal liabilities related to bidding at prices below cost.

- On November 20, 2024, the CPIA set the guideline price (inclusive of tax) for PV modules in early November 2024 to RMB0.69/W. CPIA also stated that it will investigate and publicly condemn companies that bid below cost, and report them to the State Administration for Market Regulation for suspected violations of the Bidding Law of the People's Republic of China and the Regulation on the Implementation of the Bidding Law of the People's Republic of China. If a company is found to be participating in unfair competition in contravention of the aforementioned law and regulation, such as bidding below cost, it will be barred from participating in the project that is being bid below cost, which would deter them from making such bids.

As shown in the price trend graphs in "— Recovery in PV Industry Price Trend Reflecting Supply-demand Adjustment" in this section, subsequent to the introduction of the favorable government regulations and industry guidelines, price decline occurred at a slower pace compared to the first half of 2024, indicating gradual stabilization, marking the price stabilization phase in the PV industry price trends in the fourth quarter of 2024. It also set the stage for slight price recovery, which took place after the fourth quarter of 2024 and has now last for a relatively long period of around four months. Such price trends provide support to the positive effects arising from the favorable government regulations and industry guidelines given that they were promulgated with a view to adjust supply-demand, and that their effectiveness could be assessed by the price trends. Given that the price trends reflected their intentions, their positive effects are validated.

Such efforts at re-balancing supply-demand, if successful, may benefit industry participants across segments to some extent. However, while regulations are already in effect as of the date of this prospectus, we cannot guarantee that they will be executed without compromise or fully implemented in their intended form. In addition, the industry guidelines by CPIA are industry self-regulating measures, which are not legally binding by nature, and may not be effective in improving the market trend. See "Risk Factors — Government policies and industry association guidelines may not be effective in improving market trends."

Industry Capacity Clearance and Consolidation

Primarily driven by market competition and given the changing landscape on governmental regulations and industry guidelines mentioned above, production capacity additions of PV cells have decelerated in China after the second quarter of 2024, the effects of which have been reflected in pricing. In this process, high efficiency N-type TOPCon cells are expected to lead the process of profitability recovery.

According to Frost & Sullivan, the PV industry is in the mid-to-late stage of capacity clearance and consolidation, and the consolidation process has been substantial based on the following industry developments:

- ***Termination or delay in production capacity addition projects.*** In 2024, approximately 170 GW of P-type PERC cell production capacity has been shut down globally, and around 140 GW of N-type TOPCon cell and module production capacity expansion plans have been terminated or delayed globally. This indicates that the growth of PV cell production capacity has significantly slowed due to changes in the competitive environment of the PV industry.

- ***Elimination of less competitive players.*** In the meantime, unlike leading companies with ample working capital sufficiency, many second- and third-tier companies face difficulties related to business sustainability beyond several quarters, potentially leading to bankruptcy or restructuring after this period. According to Frost & Sullivan, at least three publicly listed PV module manufacturers have received "Special Treatment" or become delisted from the Shenzhen Stock Exchange, and as of the Latest Practicable Date, among the 70 primary PV cell manufacturers in the PV cell industry, 23 have gone bankrupt, ceased production, or experienced project cancellation or delays since the fourth quarter of 2023, contributing to the stagnation in production capacity. In the PV cell segment especially, there also exists disparity in financial and technological strength between leading companies and second- and third-tier companies, with a noticeable divergence in operational stability, e.g., utilization rates. Therefore, and given that the utilization rate for the PV cell segment is higher compared with other segments in the PV industry chain, according to Frost & Sullivan, the PV cell segment will be among the first to achieve capacity clearance, which is expected to be completed around the second half of 2025, restoring a healthy supply-demand balance as PV cell shipments has recently been increasing faster than PV cell production capacity, showing ongoing supply-demand adjustment.

- ***Stagnation in production capacity.*** In 2023, global PV cell production capacity was 1,100 GW, compared with PV cell shipments of 544.9 GW. By the end of 2024, global PV cell production capacity had stagnated at around 1,100 GW, while PV cell shipments had already exceeded 605.4 GW. In 2025, global PV cell production capacity is expected to decrease by 10% due to multiple factors, including (i) the losses that PV industry participants generally experienced in 2024, (ii) the continuous decline in capital expenditure in the PV industry, (iii) tightened capital markets financing, and (iv) national policies raising the standards for production capacity expansion.

- ***Recovery in utilization rate***. According to Frost & Sullivan, the average utilization rate under normal market conditions should be between 70% and 80%. In comparison, in 2024, the average utilization rate for top 10 PV cell enterprises was 65.7%, compared with 54.4% for the rest of the market. Given the demand- and supply-side factors elaborated above, the overall utilization rate of the PV industry in 2025 is expected to gradually return to normal levels at above 70%.

Based on the above, we are of the view that the PV cell industry's capacity clearance is expected to be completed around the second half of 2025.

Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors which casts reasonable doubt on the view of the Company that the PV cell industry's capacity clearance is expected to be completed around the second half of 2025.

In summary, as solar power installed capacity further increases and the supply-demand balance improves, leading PV enterprises with technology and production capacity advantages are expected to be the first to regain profitability.

Recovery in PV Industry Price Trend Reflecting Supply-demand Adjustment

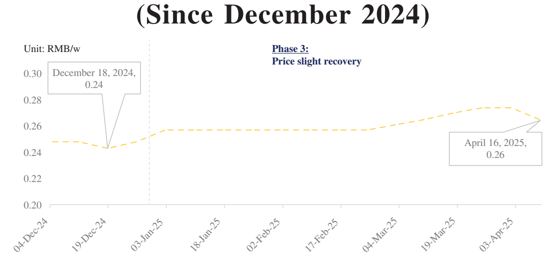
After the fourth quarter of 2024, core segments of the PV industry chain, including silicon wafers and PV cells, have entered a phase of slight price recovery. Such a recovery indicates that the supply-demand balance has improved. For us, this recovery is expected to improve our performance and foster our growth. The following graphs demonstrate the trends of silicon wafer price and the average selling price of N-type TOPCon cells in the industry since 2024, both net of tax. Given the strong similarity among the price trends of different types of silicon wafers and PV cells, the price trend of N-type M10 182mm silicon wafers and PV cells, which are mainstream in the industry, are presented for illustration. Our sale of N-type M10 182mm cells contributed 18.6%, 69.4% and 78.7% of our total revenue in 2022, 2023 and 2024, respectively, and 100.0%, 95.8% and 84.2% of our revenue from N-type TOPCon cells in 2022, 2023 and 2024, respectively. For the first quarter of 2025, M10 N-type TOPCon cells contributed 76.7% of our total revenue in the same period.

M10 N-type Silicon Wafer Price* Trend (Since 2024)

M10 N-type Silicon Wafer Price* Trend (Since December 2024)

M10 TOPCon PV Cell Price Trend (Since 2024)

M10 TOPCon PV Cell Price Trend (Since December 2024)



* As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, Frost & Sullivan has converted silicon wafer unit price from RMB/pc to RMB/W based on conversion coefficients that were calculated based on the area of M10 silicon wafers and the industry average conversion efficiency in March 2025.

As shown in the graphs above, PV industry price trends since 2024 can be divided into three phases:

- ***Price decline phase — early 2024 to the third quarter of 2024***. Due to intense market competition and supply-demand imbalance, the PV industry experienced significant price drops in the first half of 2024. As shown in the graph above, the industry price of N-type M10 silicon wafers decreased from RMB0.22/W in early January 2024 by 47.8% to RMB0.11/W in late May 2024, and the industry price of N-type M10 TOPCon cells, our main product in 2024, decreased from RMB0.42/W in early January 2024 by 35.7% to RMB0.27/W in late May 2024.*

  With the clearance of outdated capacities, the exit of many second- and third-tier PV enterprises (as of the Latest Practicable Date, among the 70 primary PV cell manufacturers in the PV cell industry, 23 have gone bankrupt, ceased production, or experienced project cancellation or delays since the fourth quarter of 2023), and the gradual introduction of favorable policies, the downward price trend was largely controlled by the end of the second quarter and throughout the third quarter of 2024, the industry price of N-type M10 silicon wafers decreased from around RMB0.11/W to RMB0.10/W, and the industry price of N-type M10 TOPCon cells decreased from RMB0.27/W to RMB0.24/W. Both prices fluctuated within a narrow band of approximately 10%.

- ***Price stabilization phase — the fourth quarter of 2024***. In the fourth quarter of 2024, the PV industry was in a price stabilization phase. For example, the industry price of N-type M10 silicon wafers stabilized from RMB0.10/W to RMB0.11/W, and the industry price of N-type TOPCon cells stabilized from RMB0.24/W to RMB0.25/W.

- ***Slight price recovery — first quarter of 2025 to the present***. After the fourth quarter of 2024, the PV industry has experienced slight price recovery. For example, the industry price of N-type M10 silicon wafers increased from RMB0.11/W in late December 2024 by 9.1% to RMB0.12/W in mid April 2025, and the industry price of N-type TOPCon cells increased from RMB0.25/W in late December 2024 by 8.0% to RMB0.27/W in mid April 2025.

This price recovery is expected to improve the financial performance of PV industry participants. It also reflects the positive outcomes brought about by market competition, capacity clearance and the exit of second- and third-tier PV enterprises. After the fourth quarter of 2024, with further policy guidance, the PV industry is expected to continue its recovery and gradually return to normal levels.

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* Such prices are weekly industry average prices provided by Frost & Sullivan based on data from PVInfoLink Consulting and excluding VAT. These weekly average prices cover the period from Thursday of the previous week to Wednesday of the current week. For example, the week of April 16 includes the seven days from Thursday, April 10 to Wednesday, April 16.

Our Improvement in Financial and Operating Performance

The PV industry's entrance into the price stabilization phase in the fourth quarter of 2024 and slight price recovery from the first quarter of 2025 onwards was also reflected in our improvement in financial and operating performance.

Monthly Average Prices of N-type TOPCon cells and N-type silicon wafers

The table below shows the monthly average prices of our N-type TOPCon cells and N-type silicon wafers and the price differences thereto, both net of tax, during the Track Record Period and up to April 2025.

	N-type TOPCon cell	N-type Silicon Wafer	
	Average selling price	Average price	Silicon Wafer – PV Cell Price Difference
	RMB/W	*RMB/W*[1]	*RMB/W*[1]
2022	1.14	0.79	0.350
2023	0.67	0.39	0.280
2024			
First Quarter	0.40	0.22	0.181
Second Quarter	0.32	0.16	0.158
Third Quarter	0.25	0.12	0.134
October	0.24	0.12	0.125
November	0.24	0.11	0.128
December	0.24	0.11	0.131
2025			
January	0.25	0.12	0.133
February	0.26	0.12	0.136
March	0.27	0.12	0.148
April[2]	0.27	0.12	0.153

Notes:

(1) As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, we have converted silicon wafer unit price from RMB/pc to RMB/W based on conversion coefficients that were calculated based on a weighted average of the wattage that a piece of silicon wafer would generate after being manufactured into PV cells that were sold in a respective period.

(2) Only including the weeks of April 2, April 9 and April 16.

The average selling price of N-type TOPCon cells has shown an increasing trend, consistent with the recovery in PV industry price trend. In addition, silicon wafer — PV cell price difference has also shown an increasing trend from the fourth quarter of 2024 to the first quarter of 2025, which supports the improvement in our financial performance.

Weekly Average Prices of N-type TOPCon cells and N-type silicon wafers

The table below shows the weekly average prices of our N-type TOPCon cells and N-type silicon wafers and the price differences thereto, both net of tax, subsequent to 2024. Such weekly average prices cover the period from Thursday of the previous week to Wednesday of the current week. For example, the week of April 16 includes the seven days from Thursday, April 10 to Wednesday, April 16. The weekly average price of N-type TOPCon cells were calculated by dividing the sales revenue by the sales volume of N-type TOPCon cells. The weekly average price of silicon wafers were calculated by dividing the purchase cost by the purchase volume of silicon wafers from the Thursday of the last week to the Wednesday of the current week, and further adjusted by conversion coefficients.

	N-type TOPCon cell	N-type Silicon Wafer	
	Average selling price	**Average price**	**Silicon Wafer – PV Cell Price Difference**
	RMB/W	*RMB/W**	*RMB/W**
Week of			
January 1	0.25	0.11	0.14
January 8	0.25	0.11	0.14
January 15	0.26	0.12	0.14
January 22	0.26	0.13	0.13
January 29	0.25	0.11	0.14
February 5	0.26	0.11	0.15
February 12	0.26	0.11	0.15
February 19	0.27	0.12	0.14
February 26	0.26	0.12	0.14
March 5	0.25	0.12	0.13
March 12	0.27	0.12	0.15
March 19	0.27	0.12	0.15
March 26	0.27	0.11	0.16
April 2	0.28	0.12	0.16
April 9	0.28	0.13	0.15
April 16	0.27	0.12	0.15

* As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, we have converted silicon wafer unit price from RMB/pc to RMB/W based on conversion coefficients that were calculated based on a weighted average of the wattage that a piece of silicon wafer would generate after being manufactured into PV cells that were sold in a respective period.

Our Financial Performance in 2024 and the First Quarter of 2025

Together with the industry-wide recovery, our gross profit, net profit, and the proportion of overseas sales have increased since the fourth quarter of 2024. The table below presents our performance in 2024 and the first quarter of 2025:

		2024				2025
		First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**	**First Quarter**
		(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
Revenue	*(RMB in millions)*	3,708.1	2,647.4	1,823.9	1,744.6	1,872.2
Gross profit/(loss)	*(RMB in millions)*	208.6	(232.4)	(63.4)	2.2	74.2
Gross profit/(loss) margin	%	5.6	(8.8)	(3.5)	0.1	4.0
Gross Profit Margin from sales in Mainland China	%	5.4	(10.9)	(8.6)	(4.7)	3.6
Gross Profit Margin from sales outside Mainland China	%	7.1	1.9	6.1	5.1	4.2
Net profit/(loss)	*(RMB in millions)*	19.8	(186.1)	(250.5)	(174.3)	(105.9)
Proportion of revenue from sales outside China	%	11.6	16.9	34.8	49.3	58.1
Utilization rate	%	95.7	86.4	73.2	70.5	66.0

From the first to the fourth quarter of 2024, our quarterly decrease in revenue was primarily attributable to the decrease in the average selling price and sales volume of our N-type TOPCon cells, and also the decrease in revenue from P-type PERC cells given that we ceased their production as of June 30, 2024 in response to the P-N transition. For gross profit and gross profit margin, given that since June 30, 2024, our gross profit from the sale of P-type PERC cells has become immaterial compared with that from N-type TOPCon cells, P-type PERC cells did not materially contribute to our overall gross profit margin. For an analysis on the reasons of our change in gross profit and gross profit margin, please see "— N-type TOPCon cells" and "— P-type PERC cells" below.

Specifically, in the fourth quarter of 2024, we achieved improvement in gross profit, net profit, and the proportion of overseas sales compared to the second and third quarters of 2024. Specifically, we returned to a gross profit position in the fourth quarter of 2024 at a gross profit margin of 0.1%, compared with negative gross margins of 8.8% and 3.5% in the second and third quarters of 2024, respectively. In addition, while we incurred a net loss of RMB174.3 million, such a loss narrowed by RMB11.8 million and RMB76.2 million compared to the second and third quarter, when we incurred net losses of RMB186.1 million and RMB250.5 million, respectively. Furthermore, the proportion of our revenue from our sales outside of mainland China increased from 4.7% in 2023 to 23.9% in 2024, which is expected to further increase in 2025. In the first quarter of 2025, such proportion has reached 58.1%.

Stepping into 2025, we increased our gross profit and gross profit margin in the first quarter of 2025 compared with the fourth quarter of 2024. In the first quarter of 2025, the average selling price for our orders in and outside of China also increased to RMB0.26/W and RMB0.27/W compared with RMB0.23/W and RMB0.25/W in the fourth quarter of 2024, respectively. According to the latest orders on hand as of April 1, 2025, the average selling price for our orders in and outside of China is RMB0.28/W and RMB0.29/W, respectively, which shows further increases compared to the first quarter of 2025.

Furthermore, as of April 1, 2025, our signed long-term framework agreements had a total indicative order quantity for 2025 of approximately 39.2 GW, among which 25.1 GW and 14.1 GW is in- and outside Mainland China, respectively. These long-term orders are not minimum purchase requirements, and their pricing is base on the market price. The type of customers that entered into these agreements with us remain substantially the same as the customers we had during the Track Record Period. These long-term orders validate our customer demand and sustain our shipment volume. As we further refine our technology, cost, and business strategy in conjunction with positive developments in the PV industry, we expect our overall financial performance in 2025 to improve from our 2024 level.

Our utilization rate decreased from 95.7% in the first quarter of 2024 to 86.4%, 73.2% and 70.5% in the second, third and fourth quarters of 2024 primarily due to the decrease in the average selling price of N-type TOPCon cells, in response to which we strategically prioritized orders with higher profitability and optimized our production volume. It subsequently decreased to 66.0% in the first quarter of 2025, as we deemed it financially prudent to not book overtime shifts in January and February 2025 in view of the average selling price of PV cells, and as such the holiday season and cold weather’s effects on our production volume became more pronounced and consequently reduced our utilization rate, though after holiday season, it increased to 78.8% in March 2025 given the increase in the average selling price.

N-type TOPCon cells

The prices and price differences below are presented on a net of tax basis.

		Year Ended December 31,		Three Months Ended				Year Ended December 31,	Three Months Ended
		2022	2023	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	2024	March 31, 2025
				(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*		*(unaudited)*
Silicon Wafer price	*RMB/W**	0.79	0.39	0.22	0.16	0.12	0.11	0.15	0.12
Average Selling Price	*RMB/W*	1.14	0.67	0.40	0.31	0.25	0.24	0.31	0.26
Silicon Wafer – PV Cell Price Difference	*RMB/W**	0.35	0.28	0.18	0.15	0.13	0.13	0.16	0.14
Gross Profit Margin	%	9.4	13.7	6.6	(9.3)	(3.5)	0.1	(0.6)	4.0
Gross Profit Margin from sales in Mainland China	%	9.4	13.5	6.3	(11.7)	(8.6)	(4.8)	(2.6)	3.6
Gross Profit Margin from sales outside Mainland China	%	19.5	20.7	9.5	5.3	6.2	5.1	6.1	4.2

* As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, we have converted silicon wafer unit price from RMB/pc to RMB/W based on conversion coefficients that were calculated based on a weighted average of the wattage that a piece of silicon wafer would generate after being manufactured into PV cells that were sold in a respective period.

For N-type silicon wafers and the gross profit margin of N-type TOPCon cells, the above table shows that the gross profit margin initially increased from 9.4% in 2022 to 13.7% in 2023. As disclosed in "Financial Information — Description of Major Components of Our Results of Operations — Gross Profit/(Loss) and Gross Profit Margin — N-type TOPCon Cells", we recorded a lower gross profit margin in 2022 mainly because our N-type TOPCon cells, after being firstly introduced to the market in August 2022, were at an early stage of commercialization leading to a higher cost of sales, which partially offset the effects of high price difference at that time. The increase in the gross profit margin in 2023 compared with 2022 despite the decrease in silicon wafer and PV cell price difference was also attributable to our increase in revenue brought about by our ability to charge customers a higher premium for N-type TOPCon cells due to the recognition of our industry-leading product quality and advanced technology specifications, and decrease in non-silicon costs, including our direct labor costs per watt of N-type TOPCon cells as we achieved economies of scale and improved our production efficiency.

The gross profit margin then decreased to 6.6% in the first quarter of 2024 and further to -9.3% and -3.5% in the second and third quarter of 2024, respectively. The decrease in the gross profit margin of our N-type TOPCon cells in these periods was mainly due to the decrease in the average selling price of our N-type TOPCon cells, which reduced the price difference between silicon wafers and N-type TOPCon cells, and non-silicon costs did not decrease proportionally with the average selling price of our N-type TOPCon cells. According to Frost & Sullivan, the decrease in our average selling price was in line with the drop in the prevailing market price in the PV cells industry. In the fourth quarter of 2024 and the first quarter of 2025, we returned to and maintained a gross profit position due to the recovery in the average selling price of PV cells attributable to supply-demand adjustment in the industry, our improvement in production efficiency and factoring in government grant.

In 2024, the gross profit/(loss) margin for sales of N-type TOPCon cells outside Mainland China also experienced fluctuation for similar reasons as the overall gross profit/(loss) margin. It decreased from 20.7% in 2023 to 9.5%, 5.3% and 6.2% in the first, second and third quarters of 2024, respectively, primarily because of the decrease in the average selling price of our N-type TOPCon cells, which reduced the price difference between silicon wafers and N-type TOPCon cells, and non-silicon costs did not decrease proportionally with the average selling price of our N-type TOPCon cells. Subsequently in the fourth quarter of 2024 and the first quarter of 2025, while the average selling price relatively stabilized compared with the previous quarter and the silicon wafer-PV cell price difference increased, the gross profit margin decreased from 6.2% to 5.1% and further to 4.2% for the first quarter of 2025 primarily because export tax rebate for PV products was reduced from 13% to 9% on December 1, 2024, which negatively affected the gross profit of overseas orders in execution. We correspondingly adjusted our price to factor in such a reduction in export tax rebate and gradually completed such price adjustment in the first quarter of 2025.

In 2024, the gross profit/(loss) margin for sales of N-type TOPCon cells in Mainland China also experienced fluctuation for similar reasons as the overall gross profit/(loss) margin in the corresponding periods. In the first quarter of 2025, our gross profit margin for sales of N-type TOPCon cells in Mainland China increased primarily due to the increase in the prevailing market price of N-type TOPCon cells attributable to improving supply-demand balance.

We maintained strong working capital sufficiency to weather temporary industry fluctuation. Taking into account our available financial resources that, (i) as of March 31, 2025, our unutilized bank facilities amounted to RMB4,089.6 million, RMB1,776.6 million of which are working capital loans on which no usage restrictions (e.g. to repay other bank loans) exist, which is stable compared with RMB3,926.6 million and RMB1,613.5 million, respectively, as of January 31, 2025; and (ii) as of March 31, 2025, our cash and cash equivalents amounted to RMB2,545.8 million, our financial assets at FVTPL amounted to RMB1,620.0 million, our receivables at FVTOCI of RMB177.5 million, we recorded net cash inflow from operating activities in 2023, 2024 and the three months ended March 31, 2025, and we had no breach of covenant and no material default in the repayment of bank borrowing and we have not experienced any withdrawal of facilities nor request for early repayment of bank borrowings during the Track Record Period, we have sufficient financial resources to operate in the next

12 months from the date of this prospectus. In addition, as our production lines in Chuzhou and Huai'an have been in a stage of stable operation in 2024 and are expected to continue their stable operation in 2025, we expect to incur less fixed asset investment in these two production plants, which would further improve our financial robustness going forward.

Since the fourth quarter of 2024, we have maintained excellent cooperative relationships with financial institutions. As of the Latest Practicable Date, no bank with which we cooperate with had made any adverse demands on us. Instead, many banks have been willing to not only extend, but even strengthen their cooperation with us. For example, in terms of credit facilities, from October 1, 2024 to March 31, 2025, we have received a total of RMB3,060 million additional bank credit facilities. In terms of loan drawdowns, from October 1, 2024 to March 31, 2025, we also obtained approximately RMB2,840.5 million in new loans from cooperating banks.

We perform impairment testing on a quarterly basis. Despite that our inventory turnover days were 23.0 days for 2024, our impairment loss may still be material primarily because (i) both silicon wafer and PV cell price experienced significant decrease since the fourth quarter of 2023, during which time significant price decrease may occur in a timespan of only one or two weeks; (ii) we need to keep substantial inventory for, among others, safety stock purpose; (iii) we need to procure sufficient raw materials, such as silicon wafers, to meet the need for manufacturing into PV cells; and (iv) certain PV cells that we have been manufacturing are expected to be sold at a gross loss based on the agreed selling price of sales orders on hand given their low price attributable to low conversion efficiency, and impairment loss is incurred during the period of transportation before such revenue was recognized. In the first quarter of 2025, we recorded reversal in impairment loss primarily due to increase in PV cell price.

P-type PERC cells

The prices and price differences below are presented on a net of tax basis.

		Year Ended December 31,		Three Months Ended	
		2022	2023	March 31, 2024	June 30, 2024
				(unaudited)	*(unaudited)*
Silicon Wafer price	*RMB/W*[1]	0.78	0.50	0.22	0.15
Average Selling Price	*RMB/W*	1.06	0.75	0.35	0.29
Silicon Wafer – PV Cell Price Difference	*RMB/W*[1]	0.28	0.25	0.13	0.14
Gross Profit Margin	%	10.8	10.2[2]	(2.4)	(6.8)

(1) As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, we have converted silicon wafer unit price from RMB/pc to RMB/W based on conversion coefficients that were calculated based on a weighted average of the wattage that a piece of silicon wafer would generate after being manufactured into PV cells that were sold in a respective period.

(2) Does not include impairment loss of property, plant and equipment of RMB894.2 million.

For P-type silicon wafers and the gross profit margin of P-type PERC cells, the above table shows that the gross profit margin decreased from 10.8% in 2022 to 10.2% in 2023. The gross profit margin of P-type PERC cells decreased mainly because we recorded a decrease in the average selling price of our P-type PERC cells, which reduced the price difference between silicon wafers and PV cells. The gross profit margin decreased to -2.4% in the first quarter of 2024 and further declined to -6.8% in the second quarter of 2024. The negative gross profit margin was mainly attributable to the decreased average selling price as a result of the declined market price during the industry-wide P-N transition, and while the price difference between silicon wafers and PV cells increased, given the substantial decrease in the sales volume of P-type PERC cells, some fixed non-silicon costs were unable to decrease proportionally, resulting in further decrease in negative gross profit margin. The correlation between the prices of silicon wafers and P-type PERC cells remained substantially the same until the Latest Practicable Date.

Such a decrease in profitability is in line with the performance of our peers. Based on publicly available information, the scale of net profit decrease that we experienced was moderate compared with other PV cell manufacturers, though given different revenue mixes among these PV cell manufacturers and between such PV cell manufacturers and us, the scales may not be directly comparable. Compared with other specialized PV cell manufacturers, our decrease was less significant.

As our P-type PERC cell sales volume in the first and second quarters of 2024 were relatively stable at 0.6 GW, our overall gross profit margin for 2024 from the sale of P-type PERC cells was near the average of the gross profit margins of the first and second quarters of 2024 at negative 4.4%. Since June 30, 2024, our gross profit from the sale of P-type PERC cells has become immaterial compared with that from N-type TOPCon cells and did not materially contribute to our overall gross profit margin.

Our Proactive Mitigation and Growth Strategy

Our improvement in financial and operating performance is attributable to the implementation of our proactive mitigation and growth strategy. Pursuant to this strategy, we have leveraged our proven competitive advantages and taken a series of measures that aim to mitigate such effects and achieve growth in the long term. Such measures include (i) internal optimization and (ii) overseas expansion, which, together with the evolving trend of the PV cell market, may continue to help us improve our profitability and achieve turnaround in the future.

Internal Optimization

We have been improving our products' competitiveness through continuously upgrading our N-type TOPCon cell process technology. In addition, we have implemented a streamlining program to simplify our organizational structure and optimize our staffing, which reduced our operating expenses. Furthermore, despite the market condition, we have been able to maintain high utilization rates of our production plants compared with our peers due to the amount of orders that we have received. For 2024, our Chuzhou Plant and Huai'an Plant recorded utilization rates of 86.2% and 75.7%, respectively, and in the first quarter of 2025, such utilization rates were 60.9% and 71.2%, respectively. Leveraging our products' competitiveness and our established industry position, we strategically prioritized orders with higher profitability given the robust amount of orders that we have received and ceased manufacturing P-type PERC cells to completely focus on N-type TOPCon cell manufacturing. Such internal optimization measures were supported and enabled by our established competitive advantages.

Details of our internal optimization measures include:

- ***Technological advancement***. We have continued making technological advancements in N-type PV cells. Through a combination of in-house R&D and cooperating with leading research institutions, we have been able to focus on cutting-edge PV technologies and also increase our production efficiency and our PV cells' conversion efficiency. Regarding N-type TOPCon cells, we have released a new product line, MoNo 2, which distinguishes itself through its high conversion efficiency and low production costs, with a conversion efficiency that exceeds 26.3% and a bifacial rate of 90% in 2024. Regarding perovskite tandem cells and N-type TBC cells, in December 2024, our N-type TBC cells, which are in pilot experiment, recorded a conversion efficiency that exceeded the industry mainstream conversion efficiency for N-type TOPCon cells, and the laboratory conversion efficiency of our perovskite tandem cells has reached 31.0%. Given our R&D progress, we currently anticipate to continuously improve our N-type TOPCon cell conversion efficiency, which may increase our pricing leverage in our future sales.

- ***Streamlined staff structure***. To improve organizational efficiency and reduce operational costs, we have decided to simplify our organizational hierarchy. In addition, our internal optimization measures reduced our total employee number by 5,104 from December 31, 2023 to December 31, 2024. However, we believe our product development and expansion plans will not be materially adversely affected by such streamlining measures because (i) we intensified our R&D efforts, as shown by the increase in the proportion of our R&D expenses in our revenue from 1.6% in 2023 to 2.1% in 2024, and that we will recruit additional R&D personnel for our Overseas Plant; (ii) the streamline of related staff in Shangrao was primarily attributable to the gradual downscale and eventual cessation of P-type PERC cell production in response to the P-N transition; (iii) the reduction in our R&D team headcount related to N-type TOPCon cells was primarily because our Chuzhou and Huai'an production plants have ramped up and become increasingly automated, and N-type TOPCon cell process technologies have attained greater maturity and stability after nearly two years of production, which alleviated the needs to conduct intensive R&D on N-type TOPCon cell manufacturing and process technology; and (iv) we continued to conduct forward-looking R&D and pilot testing for our new products through utilizing our current R&D talents, which enables us to continue advancing in product development, including but not limited to N-type TBC cells. We holistically assess our current and expected operational needs and dynamically adjust our number of staff in response to our business judgment on the optimal staff level, though we did not designate a specific optimal number of staff to sustain our operations given the constant changes in the PV industry and the development of our business.

Overseas Expansion

Overseas Expansion Rationale

In furtherance of our development strategy, we have taken efforts to expand our overseas presence with a particular focus on regions and opportunities representing improved margin compared with the domestic market. We believe this endeavor may help to improve our overall margin. Owing to such efforts, the proportion of our revenue from sales outside China, which primarily include India and Turkey, increased from 4.7% in 2023 to 23.9% for 2024, and further to 58.1% in the first quarter of 2025. By continuously developing and serving customers in emerging markets, we have been expanding our international sales network and strengthening our global customer service capabilities. As we continue to expand our presence in overseas markets, the proportion of our revenue from sales outside China is expected to continue its growth.

The table below provides a breakdown of our gross profit and gross profit margin by geographic location and by product from our sale of N-type TOPCon cells and P-type PERC cells during the Track Record Period, which also justify expanding our overseas footprint as we had higher gross profit margin from our sales outside mainland China:

	Year Ended December 31,					
	2022		2023		2024	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit/(loss)	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Mainland China						
– N-type TOPCon cells .	194,042	9.4	1,778,922	13.5	(185,080)	(2.6)
– P-type PERC cells . . .	951,827	10.8	329,394*	8.9*	(8,652)	(6.4)
Outside Mainland China						
– N-type TOPCon cells .	117	19.5	72,666	20.7	129,445	6.1
– P-type PERC cells . . .	6,671	21.8	100,243*	19.1*	(8,076)	(3.3)

* Does not include impairment loss of property, plant and equipment of RMB894.2 million.

In each year during the Track Record Period, we generated higher gross profit margins from our sale of N-type TOPCon cells and P-type PERC cells outside mainland China than in mainland China. The gross profit margin for the sale of N-type TOPCon and P-type PERC cells both in and outside mainland China for 2024 substantially decreased from that in 2023 mainly due to the decrease in the average selling price of our PV cells. See "Financial Information — Description of Major Components of Our Results of Operations — Gross Profit/(Loss) and Gross Profit Margin". Despite such decreases, our gross profit margin from the sale of N-type TOPCon cells and P-type PERC cells outside China remained higher than that in China by 8.7% and 3.1%, respectively, and our gross profit margin from the sale of N-type TOPCon cells outside China remained positive at 6.1% despite a negative gross profit margin of 2.6% in China in the same year.

Overseas Expansion Measures

In June 2024, we entered into a non-legally binding letter of intent (the "**Omani LOI**") with an Omani government entity, pursuant to which both parties indicated their mutual interest in further negotiating and potentially entering into a definitive agreement regarding the establishment of a N-type TOPCon cell production plant with a total annualized production capacity of around 10 GW separated into two phases in total. We estimate the total investment amount for this project might be around US$560 million, subject to future adjustments, and we currently expect Phase I of the project, which is expected to have an annualized production capacity of 5 GW, to commence commercial production in 2026. We will prudently advance the construction of Phase II of the project based on the progress of Phase I. We have established a local entity, Jietai New Energy Technology OM (FZC) SPC ("**Jietai FZC**"), for investment operations and management in July 2024. On October 31, 2024, Jietai FZC entered into a land lease agreement with SOHAR FREE ZONE LLC, where we agreed to lease a plot of land located at Plot No. 3538 in the Sohar Free Trade Zone, with a land area of 182,000 sq.m. The lease term is from the date of land lease agreement execution until July 22, 2043. Also pursuant to this agreement, we are in negotiation regarding the commercial details of the construction, including the provision of utilities, and we expect to commence construction in 2025 and start trial operation of the project by December 31, 2025. The construction period is currently expected to have a duration of approximately six months. Given the currently expected construction and operation schedule, our Overseas Plant currently only requires a small number of personnel for preliminary surveys and investigations, and we have already allocated sufficient human resource from our current staff.

Furthermore, attributable to our endeavors in leveraging our overseas production capacity to serve our global customers, we have entered into a non-binding Memorandum of Understanding with a leading North American PV module enterprise (the "**North American MOU**"). Pursuant to the North American MOU, both parties will actively discuss and explore potential cooperation opportunities, and regarding our production capacity in Oman, the leading North American PV module enterprise intends to purchase 1 GW to 2 GW of PV cells from us in 2025.

As we estimate that the total investment amount of the Overseas Plant will exceed 75.0% of the proceeds (approximately HK$1,075.5 million), we have taken a phased approach in our proposal to establish the production plant in Oman to lower upfront cash flow pressure as Phase I of the project, which is expected to have an annualized production capacity of 5 GW, is currently estimated to require a total investment amount of around US$280 million. The shortfall amount may come from other sources, including capital contribution, our operating cashflow, local partners and project loans. Currently, we have been in negotiation with various parties regarding the funding of the Overseas Plant, and while there can be no guarantee on the favorable outcome of any of such negotiations, if all or some of such parties enter into definitive agreements with us, the agreed amount, together with working capital already at our disposal and our cash and cash equivalents of RMB2,545.8 million as of March 31, 2025, would suffice to cover the Overseas Plant's funding requirements.

Overseas Expansion Opportunities

Solar power generation has become one of the primary energy production methods in many countries around the world. Driven by considerations of energy security, economic development, and local employment, various countries are gradually establishing PV industry chains as well through measures including favorable regulations. Therefore, the global PV industry is becoming more decentralized, where various regional markets emerge and take on increasing shares. Measured by overseas solar power cumulative installed capacity, the overseas market is expected to increase from 1,090.2 GW in 2024 to 3,499.6 GW in 2030 at a CAGR of 21.5%, representing a high-growth market that attracts participation from established players. Against this backdrop of immense growth opportunities, according to Frost & Sullivan, by the end of 2024, the overseas production capacity for PV modules was approximately 220 GW, while the capacity for PV cells only reached approximately 100 GW, showing a significant gap of around 120 GW that needs to be fulfilled by cross-border PV cell trade. Therefore, Chinese PV cell manufacturers, leveraging their advanced technologies, are well-positioned to harness this opportunity for expanding overseas sales network and production capacities, which provides additional and sustained growth potential for their business operations.

In the meantime, evolving global regulations may also affect the competitive landscape of the global PV cell industry, such as through government incentives and trade restrictions. For example, in August 2024, the United States issued an announcement to expand the duty-free quota for PV cells, which is expected to increase its demand for PV cell imports. In addition, the EU's adoption of its EU Solar Energy Strategy, which aims to achieve a solar power cumulative installed capacity of 320 GW by 2025 and 600 GW by 2030, is expected to almost exclusively rely on PV cells manufactured by Chinese enterprises given the current competition landscape of the global PV industry. With the continuous growth in demand for PV products in emerging markets such as the Middle East and Latin America, and the introduction of favorable policies in these regions, such as Saudi Arabia's "Vision 2030" plan and Brazil's tax reduction policy for distributed PV projects, presenting significant opportunities to Chinese PV companies seeking to expand overseas.

On the other hand, globally, only several countries and regions have restrictive policies on exported Chinese PV cells, such as tariffs and AD/CVD measures in the United States. The United States, while expected to account for only approximately 7% of the global new solar power installed capacity addition from 2024 to 2030, has announced a series of tariffs against its trading partners on April 2, 2025 and promulgated a series of rules and regulations on the trade of PV products. Pursuant to the United States' announcement on April 2, a new 34% tariff on goods from China (including but not limited to PV products), on top of existing tariffs, is being introduced. On PV products specifically, starting from January 1, 2025, the United States increased the tariff on silicon wafers and polysilicon imported from China from 25% to 50%. Previously, in November 2024, the United States initiated an anti-dumping investigation on PV products from four Southeast Asian countries (Vietnam, Malaysia, Thailand, and Cambodia) and made a preliminary ruling to impose anti-dumping duties on PV cells from these countries. Such restrictive policies may, among others, pose significant challenges to Chinese PV cell manufacturers who endeavor to establish and broaden their access to international markets.

For us specifically, for our domestic production capacity, apart from a single one-off export of samples to the U.S. in the amount of approximately RMB60 thousand in 2022, we did not, are not currently, and do not intend to export from China to the U.S., rendering the U.S. market immaterial to us. As such, U.S. trade barrier's adverse effect on our financial and operating performance is insignificant. Therefore, we expect that potential trade restrictions between China and the U.S. will not have a significant impact on our export and overall performance for our production capacity in China. For our planned production capacity in Oman, we intend to primarily supply and sell N-type TOPCon cells to a broad base of overseas customers around the globe in the future. Even if some of our future overseas customers require exporting to the U.S., the risks related thereto can be effectively mitigated. This is because the U.S. and Oman have a long-term free trade agreement in force, and although the U.S. announced a baseline tariff on April 2, 2025 against Oman of 10%, it was one of the lowest levels among the targeted countries and does not specifically target PV products manufactured in Oman. In terms of indirect effects, we do not expect new U.S. tariff policies to pose material adverse impact on us either because (i) in terms of our existing domestic customers, all of our five largest customers during the Track Record Period are PV module manufacturers in China, and we derived a major portion of our revenue from PV module manufacturers in China. Given that according to Frost & Sullivan, the U.S.'s restrictive measures apply not just to PV cells, but to other PV products as well, PV module manufacturers in China seldomly sell to the U.S. from China using PV cells manufactured in China. According to Frost & Sullivan, before recent trade restriction escalation, given the U.S.' significant preexisting trade restriction on the import of China-produced PV products (which includes, among others, AD/CVD tariffs that historically reached 250% as early as 2012, and before the escalation in April 2025, AD/CVD tariffs that reached approximately 45%, Section 201 tariff of approximately 14%, Section 301 tariff of approximately 50%, and additional tariffs imposed in February 2025 of 20%), PV products manufactured in China were already typically not directly exported to the U.S. and as such the new tariffs are not expected to further reduce the amount of PV product export from China to the U.S. Therefore, we do not expect new U.S. tariff policies to materially adversely affect our PV module manufacturer customers in China; (ii) in terms of our existing overseas customers, during the Track Record Period, our primary overseas markets were India and Turkey, both of which have significant and rapidly increasing domestic solar power installed capacity additions, giving rise to substantial local demand for PV cells that need to be fulfilled by imports, according to Frost & Sullivan. As of the end of 2024, the solar power cumulative installed capacity of India was 97.9 GW, with solar power installed capacity addition reaching 24.5 GW, increasing by 91.4% compared with 2023. As of the end of 2024, solar power cumulative installed capacity of Turkey was 19.6 GW, increasing by approximately 70% compared with 2023, and the Turkish government announced its plan to increase the Turkish solar power cumulative installed capacity to 77 GW by 2035. In addition, to our knowledge, none of our top five overseas customers during the Track Record Period was a U.S. company. As such, we do not expect new U.S. tariff policies to materially adversely affect our PV module manufacturer customers outside mainland China; (iii) in terms of our future customers, in conducting overseas expansion, we intend to continue prioritizing countries with strong and growing local demand and significant market size. For example, In 2024, solar power cumulative installed capacity in Oman reached around 2 GW and is expected to rise to 13 GW by 2030. Given the small size of the PV market of the United States, which is expected to account for only approximately 7% of the global new solar power installed capacity addition from 2024 to 2030, the trade restrictions applicable to this market is not expected to materially adversely affect the global PV market. In addition, considering our plan to reach a diverse base of international customers through our existing production capacity and the planned production plant in Oman, we do not expect new U.S. tariff policies to materially adversely affect our future customers.

As advised by Frost & Sullivan, while trade restrictions significantly escalated since the U.S. announced substantial tariff increases on April 2, 2025, material pressure or material adverse effects on the price trends of N-type TOPCon PV cells and silicon wafers attributable to such escalation had not been observed as of the Latest Practicable Date. For example, in the weeks of April 2, 9 and 16,

- For the industry, N-type TOPCon cells' industry average selling price was RMB0.27/W, RMB0.27/W and RMB0.27/W, whereas N-type M10 silicon wafers' average price was RMB0.13/W, RMB0.13/W and RMB0.12/W, respectively.

- For ourselves, N-type TOPCon cells' average selling price was RMB0.28/W, RMB0.28/W and RMB0.27/W, whereas N-type M10 silicon wafers' average price was RMB0.12/W, RMB0.13/W and RMB0.12/W, respectively.

Navigating Overseas Expansion Uncertainties with Our Customers

While most of our major customers are domestic PV module manufacturers and exporters, according to Frost & Sullivan, before recent trade restriction escalation, such customers already do not typically sell their PV products that integrate PV cells manufactured in China to the U.S. given the latter's significant preexisting trade restriction on the import of China-produced PV products and adherence to the "country of origin" rule, pursuant to which even if PV cells manufactured in China are integrated into PV modules manufactured in other countries before exporting to the U.S., the resulting PV modules would have a "country of origin" of China and consequently become subject to existing trade restrictions applicable to China. As a result, in 2024, the U.S. only imported 0.5MW (or 0.0005GW) PV cells and 68MW (or 0.068GW) PV modules directly from China, making up less than 0.01% and around 0.1% of its total PV cell and PV module imports, respectively. As such, the effects that recent escalation of U.S. trade restrictions may have on our major customers' export of PV products that integrate PV cells manufactured in China to the U.S. is expected to be immaterial. Therefore, and given that we only manufactured PV cells in China and sold the same to our major customers, such escalation's impact on ourselves is also expected to be immaterial.

In addition, some but not all of our major customers have significant operation outside mainland China. According to Frost & Sullivan, taken together, our five largest customers in 2024 generated around 40% of their revenue from outside mainland China in 2023, being the most recent available year of their annual reports. In addition, as of December 31, 2024, they maintained 7.3% and 6.8% of their total PV module and PV cell production capacity in Southeast Asia in aggregate, respectively, a certain portion of which served their export to the U.S. and could therefore become adversely affected by recent trade restriction escalation, according to Frost & Sullivan, though their production capacity utilized for export to the U.S. was insignificant compared with their total production capacity and their revenue from export to the U.S. was insignificant compared with their total revenue. However, even before the U.S.'s escalation of trade restrictions on April 2, 2025, certain trade restrictions against Southeast Asia countries already existed. Previously, in November 2024, the United States initiated an anti-dumping investigation on PV products from four Southeast Asian countries (Vietnam, Malaysia, Thailand, and Cambodia) and made a preliminary ruling to impose anti-dumping duties on PV cells from these countries. On April 21, 2025, the U.S. Department of Commerce's final affirmative determination called for final anti-dumping duty ranging from 81.24% to 271.28% and countervailing duties ranging from 168.80% to 3,403.96%. If the U.S. International Trade Commission on June 2 announces an affirmative final determination, the final tariff rates will go into effect subsequently. Additionally, on April 2, 2025, the U.S. imposed 46%, 24%, 36% and 49% tariff on Vietnam, Malaysia, Thailand, and Cambodia, respectively, where some of our major customers have operation. Subsequently, on April 9, 2025, the U.S. announced a 90-day pause on its reciprocal tariffs with exception of China and updated the applicable tariff rate to 10%. These tariffs may also affect our major customers' production capacity in these countries.

While the escalation in trade restriction may affect our major customers' overseas revenue and operations to some extent, for example, their production capacity in Southeast Asia, according to Frost & Sullivan, given the short time after trade restriction escalation and the significant uncertainties during the ongoing negotiation process, it is currently unable to ascertain the precise impact on the major customers' performance. However, given the small size of the PV market of the United States, which is expected to account for only approximately 7% of the global new solar power installed capacity addition from 2024 to 2030, and given the insignificant U.S. import of PV products integrating PV cells manufactured in China, including from our major customers, the trade restrictions applicable to this market is not expected to materially adversely affect the global PV market. For example, according to Frost & Sullivan, no material adverse effect on the PV industry supply chain has occurred, and no fluctuation in solar power installed capacity in the U.S. attributable to such escalation has been observed. In addition, there currently lacks any concrete or indicated measures by other countries against PV products manufactured in China and Oman. Furthermore, we do not plan to leverage our domestic production capacity to serve the U.S. market, and our planned overseas production capacity is expected to serve a diverse portfolio of customers globally. As such, even if the solar power installed capacity in the U.S. is materially affected, given the small size of the U.S. market and the lack of export from China to the U.S., we do not expect to be materially and adversely affected thereby. Therefore, our Directors are currently of the view that the consequential impact to our financial or operational performance going forward is unlikely to be material.

Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors which casts reasonable doubt on the view of the Directors that the consequential impact of such escalation in trade restriction to the Company's financial or operational performance is unlikely to be material.

Future Outlooks

Historically, the PV industry has navigated through multiple rounds of fluctuation. The first significant period of fluctuation occurred around 2012 when the European Union and the US initiated anti-dumping and countervailing duty investigations against Chinese PV products. This led to a substantial supply-demand imbalance in the domestic market. However, from 2014 to 2015, the rapid growth in demand in the domestic PV market gradually improved capacity utilization rates and rebalanced supply and demand. The second major period of fluctuation began in 2018 with the implementation of the *Notice on Matters Related to PV Power Generation in 2018* (《關於2018年光伏發電有關事項的通知》) which adjusted subsidies for the PV industry. This policy change led to a short-term decline in installation demand. By 2020, the PV industry began to recover after achieving grid parity, reducing the industry's reliance on subsidies. Concurrently, growing global demand for PV installations helped to gradually rebalance supply and demand.

Despite such fluctuation, the PV industry underwent significant growth, outpacing other primary renewable energy sources. In China, the solar power cumulative installed capacity increased from 174.0 GW in 2018 to 886.7 GW in 2024 at a CAGR of 31.2%. Emerging from such fluctuations, solar power generation grew to be and remains one of the primary energy production methods, and PV cells, especially N-type TOPCon cells, continue to be among the most important and cutting-edge technological applications. Going forward, solar power cumulative installed capacity is expected to increase from 1,976.8 GW in 2024 to 6,437.1 GW by 2030 globally at a CAGR of 21.7%, and increase from 886.7 GW in 2024 to 2,937.5 GW in 2030 in China at a CAGR of 22.1%.

In summary, primarily driven by market forces and aided by policy guidance, the PV industry is expected to continue recovering and gradually return to supply-demand rebalance. In this process, leading PV enterprises with technology and production capacity advantages are expected to be the first to regain profitability. As the PV industry undergoes slight price recovery, as we possess leading technology, sufficient working capital, and an established industry position, we believe we are well positioned to weather industry fluctuation, and as such our Directors are of the view that our business is sustainable. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors which casts reasonable doubt on the above Directors' view that the Group's business is sustainable.

AWARDS AND RECOGNITION

The following table sets out a summary of the major awards and recognition we have received during the Track Record Period and up to the Latest Practicable Date.

No.	Year	Award or Recognition	Issuing Authority
1	2024	Outstanding Contribution Award	CPIA
2	2024	Global Top 500 New Energy Enterprises	Shanxi Provincial Energy Administration; China Energy News
3	2023	High Quality Development Listed Company	Guangdong Times Media Group Co., Ltd.
4	2023	Best Board of Listed Companies, New Energy and New Materials Listed Company with the Most Growth Potential	National Business Daily
5	2023	Top 500 Global New Energy Companies	China Institute of Energy Economics Research
6	2022	Asia Photovoltaic Innovation Enterprise Award	PGO Green Energy Ecological Cooperation Organization
7	2022	N-type Photovoltaic Cell Industry Leader Award	Shanghai Solar Energy Society, Photovoltaic Leaders Innovation Forum
8	2022	National Green Factory	Ministry of Industry and Information Technology of the PRC
9	2022	Most Influential Solar Cell Enterprise	Solar Energy Cup Organizing Committee; Solarbe.com

In addition, in terms of ESG, we received the highest rating — Dark Green, in revenue, operating expenses and capital expenditures, and our corporate governance was rated good by S&P Global.

COMPETITION

The global PV cell market is highly competitive and concentrated, with specialized PV cell manufacturers and integrated manufacturers being the two primary types of market players. According to Frost & Sullivan, the top five specialized manufacturers volume took up 73.5% and 74.1% of global PV cell shipment volume by specialized manufacturers of the market share in 2022 and 2023, respectively. We believe that our competitive position is underpinned by our strengths, including leading market position, exceptional R&D capabilities and technologies, production capacity and supply management expertise, quality and stable customer base, and experienced team and visionary management. For more details on our competitive edges, please see "— Our Strengths" in this section. For risks involving the competitive advantages of our PV cell, and targeted markets, see "Risk Factors — Risks relating to Our Business and Industries — The PV industry faces competition from other types of renewable and non-renewable power industries."

We believe that there are high barriers for our competitors to enter into the market, which include, among other things, technology, scale production experience, capital investment, supply chain and customer base. For more information on the competitive landscape of our industry, see "Industry Overview." Our Directors believe that we will maintain our competitiveness over other competitors and our market position by strengthening and developing our competitive strengths. Our competitive strengths are highlighted in the paragraph headed "Our Strengths" in this section.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

We are committed to making a sustainable and positive impact on ESG through our engagement with customers, suppliers, and local communities. Our strength in ESG is supported by ratings from S&P Global. We received the highest rating — Dark Green, in revenue, operating expenses and capital expenditures, and our corporate governance was rated good. Our management prioritizes ESG matters, actively develops and enhances our operating procedures, and is focused on continual improvements in this area. We recognize the importance of robust ESG policies and practices in fulfilling our corporate mission and goals, which in turn drives enduring value for our stakeholders.

Governance

We acknowledge our responsibility on environmental protection and social responsibilities and are committed to comply with the ESG reporting requirements upon Listing. We believe that it requires the collective effort from our Board to evaluate and manage material ESG issues. Therefore, our Board takes up the ultimate responsibility of monitoring and managing material ESG issues, with the assistance from the functional departments that were responsible for (i) setting up and developing the Group's overall ESG policies, strategies, principles and visions, (ii) monitoring and reviewing our ESG performances and fulfillment of the Board of Directors' ESG objectives, (iii) keeping abreast of the latest ESG-related laws and regulations, including the applicable sections of the Listing Rules, keeping the Board informed of any changes in such laws and regulations and updating our ESG policies in accordance with the latest regulatory updates; (iv) identifying ESG risks and opportunities related to our Group, assessing the impact arising from such risks or opportunities on our Group; and (v) overseeing the coordination of different departments to ensure that our operations and practices are in line with related ESG strategies.

At present, based on relevant national laws and regulations, United Nations 2030 Sustainable Development Goals, GRI Standards, Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises ("**CASS-ESG 5.0**") and Shenzhen Stock Exchange guidance and in view of our business, we have formulated a new ESG management mechanism, in which we undertake to release the ESG report on an annual basis. We have also been prioritizing ESG topics including environment management capability, energy efficiency, GHG emission control, and product carbon footprint. We expect to update the mechanism and establish an ESG policy ("**ESG Policy**") in accordance with the standards of Appendix 27 to the Listing Rules to cover, among others, (i) the appropriate risk governance on ESG matters, (ii) ESG governance structure and ESG strategy formation procedures, (iii) ESG risk management and monitoring, and (iv) the identification of key performance indicators ("**KPIs**"), the relevant metrics and mitigating measures upon Listing.

In view of our current practice, our ESG policy sets out the respective responsibility and authority of different parties. We also established an ESG committee headed by Mr. Zhang Manliang, Mr. Zheng Hongwei and Ms. Zheng Tong to implement the ESG Policy, formulate ESG-related goals and organize their implementation. The members of the ESG Committee were appointed by our Directors and senior management and become responsible for managing and supervising our ESG matters and providing advice and assistance to the Board.

The ESG Committee is mainly tasked with several key roles:

- ***Strategy Advisement***. They assess our ESG-related activities based on policies, laws, standards, current trends, and the expectations of our stakeholders. They then advise the Board on setting our ESG strategy;

- ***Strategy Monitoring***. They track how well we are implementing our ESG strategies and achieving our goals by assessing how our ESG efforts are affecting stakeholders and suggests ways to improve our ESG initiatives; and

- ***Performance Evaluation***. Beyond assessing our ESG performance by communicating with stakeholders, we also hired external agencies to independently review our accomplishments in environmental areas, such as managing wastewater, noise, air pollution, and our response to climate change.

We plan to set up metrics and targets for these ESG issues and to review our key ESG performance on a regular basis.

Environment Matters

As a conscientious global enterprise, we are devoted to environmental stewardship and the advancement of sustainability, embracing our corporate social responsibilities. Our comprehensive environmental management policies aim to mitigate risks and environmental impacts associated with our operations, while also capitalizing on related opportunities.

We first strictly adhere to the national laws and regulations such as the *Environmental Protection Law*, *Environmental Impact Assessment Law*, and *Administration of Construction Project Environmental Protection*, as well as environmental management standards. Building on this, we are committed to green and low-carbon development, establishing a three-tier management structure comprising the management, operating entity leaders and plant safety and environmental departments, clearly demarcating responsibilities including greenhouse gas ("**GHG**") emission management, pollutant management, and water resource management. Furthermore, we incorporate ESG management performance into the annual reviews of relevant personnel, continuously intensifying our efforts in environmental accountability and responsibility enforcement.

Risks Related to the Environment and Climate

We acknowledge potential financial and reputational risks related to the environment, including those stemming from adherence to prevailing environmental regulations and stringent standards. For example, China's carbon neutrality objective established in 2020, which aims to have CO_2 emissions peak before 2030 and achieve carbon neutrality before 2060, may lead to increased costs related to energy procurement, as we may be required to incur transition costs in procuring green energy that can be more expensive than energy generated from conventional sources, or bear the costs of purchasing or upgrading our equipment. In addition to focusing on delivering superior product performance to our customers, we are equally attentive to the environmental impact of our products throughout their entire lifecycle, particularly in terms of climate change. Our commitment is to maximize efforts to minimize the carbon footprint of our products and achieve authentic green manufacturing. Upholding this philosophy, we comprehensively consider how to decrease carbon emissions and enhance usage efficiency across the "design, manufacture, use" phases of our products. These considerations are integral to our key assessment criteria for evaluating product design proposals and raw material suppliers, ensuring that our commitment to sustainability is deeply ingrained in our operations.

Our focus is on N-type cells, adhering to the philosophy of "researching one generation ahead, pilot testing the next, and mass-producing the current." We continuously conduct R&D and explore cutting-edge technologies such as xBC and perovskite, aiming to further push the efficiency boundaries of N-type cells.

We also recognize a certain level of threat that climate-related issues pose to us. Actual and potential climate-related risks identified by us can be classified into two major categories: physical risk and transitional risk. We define physical risks as risks that potentially cause physical impact to us. We believe that climate-related issues may bring about the physical risk of increasingly severe extreme weather events, such as more frequent storms, typhoons and flooding. As a result, we may be impacted by higher operation and maintenance cost, as well as more insurance premium payable for protection, and the health and safety of employees may also be endangered. In addition, transitional risks may emerge due to climate change and climate-related issues as consumers shift their preferences while regulators require more extensive ESG-related disclosures. Such transitional risks may result in additional operating expenses. With regard to increasing responsibilities on ESG-related disclosure, we may be impacted by increased cost to execute more stringent monitoring measures on pollutant emissions and resource consumption.

In response to such potential risks, we plan to take measures as follows:

- to integrate solar power in our production bases and supply chain systems to reduce cost of energy use;

- to introduce energy-saving equipment, and formulate plans to reduce process energy consumption, in turn reducing energy consumption.

Save for the above, up to the Latest Practicable Date, we were not aware of other actual environment or climate-related risks or damages that could adversely affect our business, strategy and financial performance.

Opportunities Related to the Environment and Climate

As the world's leading professional PV cell manufacturer, we believe the increasing awareness of environmental and climate-related issues provide abundant opportunities for our growth. Such awareness is driving demand for clean and renewable energy, with solar power at the forefront of this transition. We anticipate this will lead to favorable government policies, subsidies, and incentives aimed at expanding solar energy production, thereby potentially increasing market demand for our PV cells.

In addition, as our business aligns with international efforts to reduce carbon emissions, our PV cells can be deemed as a preferred solution to reduce carbon footprints, creating substantial growth prospects for our Group. Given that we have been continually enhancing the efficiency and reducing the cost of our PV cells, we expect to make solar energy more accessible and competitive with traditional energy sources.

Metrics and Targets on Environmental Impacts

To better assess and manage our environmental footprint, we closely track various metrics related thereto in our production plants. The main metrics concerned are as follows:

	Unit	Year Ended December 31, 2022	2023	2024
Energy Consumption				
Electricity	MWh	527,351	1,729,500	1,707,098
Electricity from renewable resources*	MWh	74,390	223,300	250,402
Energy Consumption Efficiency	MWh per PV cell produced (GW)	48,381	56,835	53,933
Water Consumption				
Water	tons	5,263,407	12,498,500	12,667,314
Water Consumption Efficiency	tons per PV cell produced (GW)	482,881	410,729	400,206
Gas Pollutants				
Greenhouse Gas Emissions	tons CO_2 equivalent	2,633,964	6,623,611	5,403,458
GHG Emissions Intensity	tons CO_2 per PV cell produced (GW)	241,700	217,667	170,715
Solid Wastes				
Toxic Wastes	tons	32	67	101
None-toxic Wastes	tons	25,857	61,636	33,661
Total Solid Wastes	tons	25,888	61,703	33,141
Solid Waste Intensity	tons per PV cell produced (GW)	2,375	2,027	1,063

* Electricity from renewable resources for a year is calculated by multiplying our total electricity consumption by the percentage of renewable energy production in the region where our production plants are located, according to the National Bureau of Statistics.

We are committed to responsible stewardship of resources and the environment. In 2022, 2023 and 2024, our scope two emissions amounted to 300,748 tons CO_2 equivalent, 986,371 tons CO_2 equivalent and approximately 870,000 tons CO_2 equivalent, respectively, and our scope three emissions amounted to 2,321,061 tons CO_2 equivalent, 5,610,736 tons CO_2 equivalent and approximately 4,500,000 tons CO_2 equivalent, respectively. Main metrics increased from 2022 to 2023, primarily due to the expansion of our production capacity, though the electricity and water consumption efficiency decreased because N-type TOPCon cell production have higher electricity and water demands than P-type PERC cells. We have established a comprehensive ESG framework to guide our operations and ensure compliance with applicable rules and regulations. In addressing the solid waste generated during our production and operational processes, we have implemented "Waste Management Regulations" and "Waste Management Control Procedures" to standardize the handling processes of industrial waste, including discarded raw materials and non-conforming products. We engage in the segregation and collection of non-hazardous waste, setting classification and statistical standards. Recyclable and non-recyclable waste are stored separately, and valuable items such as cardboard boxes, foam, and metal parts are technically altered to increase their reusability. Potentially hazardous waste, such as spent activated carbon and waste packaging from chemicals are collected by responsible departments and stored in our own hazardous waste storage facility, with qualified third parties to handle their disposal.

During the Track Record Period, we actively worked on waste reduction by collaborating with third-party recycling manufacturers to recycle and repurpose solid waste, thereby mitigating the secondary environmental risks associated with waste disposal. During the Track Record Period, we have complied with all relevant environmental-related laws, regulations, and standards applicable in all material respects.

As of the Latest Practicable Date, each of our Shangrao Plant, Chuzhou Plant, and Huai'an Plant had obtained effective pollution discharge permits issued by the local ecological and environmental authorities in accordance with relevant laws and regulations. Based on the written confirmation issued by the competent ecological and environmental authorities, we have not been penalized by competent authorities with respect to pollutants discharge during the Track Record Period. The aforementioned production plants discharge pollutants in accordance with the requirements of the pollution discharge permits. Our PRC Legal Adviser is of the view that we have complied with the relevant rules and regulations for such discharge in material respects during the Track Record Period.

These metrics and measurements are in line with the norm of the PV cell industry, and our metrics as shown in the table above are in the average range. However, we strive to further reduce such emissions and discharges. By 2030, we plan to:

- Decrease our GHG gas emission per GW by 40%;
- Increase our electricity consumption from renewable resources by 40% from 223,300 MWh in 2023; and
- Decrease our water consumption per GW by 30%.

In a concerted effort to advance our "green office" initiative, aiming at reducing resource consumption and enhancing ecological and environmental protection, we initiated green and low-carbon office practices.

Measures on Managing Environmental Risks

Our approach to environmental risk management is proactive, focusing on incorporating green and low-carbon practices from the onset of our operations. Therefore, we adopt various measures in planning and building facilities that are sustainable and eco-friendly. Our commitment to this principle is also exemplified by our "2022 National Green Factory" certification in March 2023. We have obtained ISO14001, ISO50001, ISO14064 and ISO14067:2018 certifications, which testify to our environment management capability, energy efficiency, GHG emission control, and product carbon footprint. This systematic approach enables continuous enhancement of our environmental management capabilities and compliance with recognized environmental standards.

In addition, we have implemented a series of measures in our daily operations to mitigate environmental risks and fulfill our targets.

- ***GHG emission***. We adopt various energy saving and consumption reduction measures, such as purchasing energy-efficient power equipment to reduce energy consumption in our production processes. In addition, we utilize renewable energy, such as adopting rooftop distributed PV power generation to supplement/replace grid power with solar energy and other energy sources;

- ***Electricity consumption***. Guided by the *Energy Conservation Law* and energy management standards, we follow ISO 50001 principles to enhance our energy management system and overall energy handling. We actively promote energy-saving measures, advocate for green practices, and efficiently manage resources and waste. By upgrading equipment and prioritizing energy-efficient office devices, we aim to increase energy efficiency, reduce office environment radiation, and achieve cost savings while fulfilling our environmental responsibilities;

- ***Water consumption***. To reduce water consumption and support our "green office" initiative, we encourage employees to use water judiciously. Regular checks and maintenance of office faucets ensure timely repairs and replacements, preventing wasteful water usage. This focused approach to water conservation aligns with our broader commitment to ecological and environmental stewardship within the industry;

- ***Wastewater discharge.*** We strictly treat and discharge all wastewater, including that from production processes, water purification, cooling systems, gas treatment, equipment flushing, and staff usage, in compliance with the GB 30484-2013 standard. We have set up three wastewater treatment stations with a daily treatment capacity of more than 30,000m^3 per day to meet our wastewater treatment needs;

- ***Gas pollutants discharge***. We employ a dedicated waste gas emission tower to remove pollutants from exhaust gases using acid/base neutralization, activated carbon absorption, and dust collectors, complying with atmospheric emission standards. The primary sources of our emissions are process gases, including those from texturing, diffusion, etching, film deposition, screen printing drying and sintering, and odorous gases from our wastewater treatment facility;

- ***Solid waste discharge***. We handle general solid and hazardous waste in strict accordance with GB5085-2007. We have established management systems for hazardous waste and sludge shed management to enhance the oversight of different types of waste. We employ a variety of strict measures for the disposal of solid waste based on its classification;

- ***Hazardous substances***. We identify and control hazardous chemicals and other substances released into the environment to ensure that these substances are handled, transported, stored, used, recycled or reused and disposed of in a safe manner. The treatment of hazardous substances is delegated to qualified units for professional disposal: after filing an official declaration and filing a registration in relation to the waste to be disposed, the hazardous waste is mostly likely sent to disposal in various ways; and

- ***Supplier management***. During our selection process, we consider social responsibilities and other dimensions, including environment, safety hazardous substances, trade safety and other aspects. We also research suppliers' qualifications, compliance with laws and regulations, industry experience, quality control, R&D abilities and scale, prioritizing partnerships with industry leaders.

To ensure effective adoption of these measures, we have also implemented comprehensive emergency plans and regular training so that our staff are endowed with requisite knowledge and equipment to handle emergencies effectively.

Our manufacturing operations are subject to relevant environmental laws and regulations in the PRC. The environmental protection inspection department of the local government conducts regular inspections to ensure compliance. Our PRC Legal Advisor has advised us that, during the Track Record Period, we have not been subject to significant penalties by the governmental authorities for non-compliance with the applicable PRC environmental laws and regulations, nor have we experienced any major environmental incidents or complaints that have a material adverse effect on our business, financial condition or results of operations during this period.

During the Track Record Period, we had three instances of non-compliance related to two projects in our Chuzhou Plant (the "**Chuzhou Technical Upgrade Project**" and the "**Chuzhou Phase II Project**", collectively, the "**Chuzhou Projects**") and one in our Huai'an Plant (the "**Huai'an Phase I Project**"). All of them relate to the lack of environmental protection acceptance (環保驗收), and the Chuzhou Technical Upgrade Project also relates to energy conservation examination (節能審查) before the commencement of production. In addition, all our production plants commenced production before energy conservation acceptance (節能驗收). According to the PRC Legal Advisor, the aforementioned incidents do not constitute material non-compliance and do not have a material adverse effect on our production and operations. The lack of environmental protection acceptance for all the projects and the lack of energy conservation examination for the Chuzhou Technical Upgrade Project were primarily due to our need to ensure production commencement pursuant to agreements with relevant state-affiliated entities and our local management teams' unfamiliarity with and oversight of relevant application and administration procedures and misunderstanding of relevant regulation and policies. The lack of energy conservation acceptance for all the projects was due to the evolution of regulatory rules that prevented us from completing such procedure before commencing production. For example, the *Fixed Asset Investment Project Energy Conservation Review Measures* (2016) requires energy conservation reviews before production starts, but specific acceptance procedures were undefined until its 2023 revision. Upon noticing these non-compliance incidents, we have adopted necessary mitigating measures and enhanced internal control measures to prevent recurrence of similar incidents. Please see "— Risk Management and Internal Control" below and also "Risk Factors — Risks Relating to Our Business and Industries — we may not be able to detect or prevent fraud, bribery, corruption, or other misconduct committed by our employees, customers or other third parties, which may subject us to liability and harm our reputation and business." A member of our Single Largest Group of Shareholders, Hainan Jindi, has committed to cover any economic losses and fully compensate us for any damages related to these non-compliances. Subsequent to the identification of the non-compliance incidents,

- For environmental protection acceptance, Chuzhou Phase II Project and the Huai'an Phase I Project have completed relevant procedures as of the Latest Practicable date, and we expect the Chuzhou Technical Upgrade Project to complete the supplemental environmental protection acceptance procedures in mid-2025.

- For the energy conservation examinations, the Chuzhou Technical Upgrade Project has completed it as of the Latest Practicable Date.

- For energy conservation acceptance, all our production plants had completed such procedures as of the Latest Practicable Date.

In 2022, 2023 and 2024, our total cost of compliance with environmental protection and safety laws and regulations amounted to approximately RMB50.4 million, RMB84.7 million and RMB66.6 million, respectively, and we expect such cost to increase in line with our growth in scale.

Social Matters

Regarding social matters, we prioritize creating a fair and supportive work environment for our employees. We have been certified under the TÜV Nord SA8000 standard, which encourages socially acceptable practices in the workplace. Our policies on compensation, dismissal, equal opportunities, and anti-discrimination are transparent and in compliance with applicable laws and regulations, and we conduct induction training for every employee and keep them informed of our systems and policies to keep them abreast with their relevant rights and duties in our Group. We hire employees based on their merits and maintain a corporate policy that promotes equal opportunities and fair compensation for all. If employees experience discrimination, we encourage them to seek immediate assistance, allowing us to promptly investigate and address the situation. Additionally, we offer training programs to keep our employees updated on industry and regulatory developments. We also organize community outreach events, where our employees could provide care to the elderly at senior care homes, promote health and well-being through taking part in voluntary blood donation, and provide support and aid to other employees facing hardships.

In addition, while our products, PV cells, are not toxic and/or flammable in nature, we prioritize occupational health and safety and adhere to PRC laws and regulations to safeguard employee well-being and prevent workplace hazards. We have obtained the ISO45001 certification, signifying our ability to meet international standard for health and safety at work. We have also implemented a series of internal control measures on workplace safety and the potential risks, including systematically conducting regular safety inspections to ensure workplace security. Such measures also include establishing safety production systems and measures and enforcing them to fulfill our responsibilities. For details related thereto, please see "— Risk Management and Internal Control." During the Track Record Period, all of our employees working in positions with occupational disease risks participated in medical examination, and we had zero fatality due to work-related injuries. As of December 31, 2024, we have around 32 full-time safety personnel. Our health and safety management system, certified by third-party institutions, includes comprehensive policies regarding preventing, recording and handling accidents and meets ISO45001 standards. We consistently perform internal and external safety reviews, with incident rates below the industry average. To ensure observance of our occupational health and safety guidelines, we conduct pre-job training, environmental safety training and assessment for all new employees. We also organize scheduled trainings on regular basis to enhance employees' self-protection skills, helping our trainees obtain a nearly 100% qualification rate. We also distribute safety-related manuals to employees and post bulletins setting forth safety instructions, guidelines and policies throughout our facilities. Due to our efforts, we did not have any material accidents during the Track Record Period.

DATA PRIVACY AND INFORMATION SECURITY RISK MANAGEMENT

We are committed to ensuring data privacy and information security. In the course of conducting our business, the privacy data we collect mainly pertains to employee information, customer and supplier contact information, and other data necessary for operation and management. We make sure to obtain adequate authorization and consent from our employees, customers and suppliers for collecting and processing their private information. In addition, due to the limited number of our employees, customers and suppliers, the amount of data we collect is limited. We do not engage in collecting private information through public channels such as operational websites, apps, or mini-programs on internet platforms.

We have implemented robust protective measures for the privacy data we collect. These measures include (i) establishing internal control systems such as Data Security Management System and System & Application Security Management System. These systems clearly stipulate our management of data confidentiality, data approval authority, data usage rights, data classification and grading, data security responsibilities, and encryption strategy change management, and we have effectively implemented and executed these systems; (ii) strictly minimizing the access and circulation rights of private information and requiring stringent system authorization for the use of such information; (iii) adopting technical measures such as global encryption and anti-leakage to protect information; and (iv) we have established an information isolation system to ensure information security. Especially, we strictly limit the access to and management of our employees' personal information database to our dedicated personnel, and we silo the information by department to further safeguard our information security from unauthorized internal accesses.

In addition, we provide data privacy trainings to employees on a periodic basis to increase their compliance awareness. Employees are required to sign an integrity and intellectual property agreement with us, whose confidentiality provisions prohibit them from disclosing any confidential information relating to their work without our consent. We also organize annual comprehensive risk assessment of information assets, and adjust strategies for information risk control and security management. We have an emergency response mechanism for information security and we carry out emergency drills on a regular basis and improve our information management system accordingly.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of operating or transaction data. As confirmed by our PRC Legal Advisor, we were in compliance with the applicable PRC laws and regulations relating to the collection or use or of privacy data in material respects as of the Latest Practicable Date.

INTELLECTUAL PROPERTY

Owing to the efforts of our R&D team, we have been able to develop and own a series of important intellectual properties and several key technologies. See "— Research and Development — Key Technologies."

As of the Latest Practicable Date, we possessed 291 patents (91 of which are inventions, 177 of which were utility models, and 23 of which were designs), three domain names, 79 trademarks and one computer software copyright, and we were in the process of applying for 311 additional patents and 35 additional trademarks as of the same date.

During the Track Record Period, we focused our research and development efforts on N-type TOPCon technology, and our patents primarily focus on the manufacturing process and production of N-type TOPCon cells. We recognize the utmost importance of intellectual property rights for our success in the PV market. Therefore, we rely primarily on a combination of trade secrets, patents, copyrights, trademarks, unfair competition laws and contractual rights, such as confidentiality agreement, to protect our intellectual property rights. Each of our employees is required to sign an integrity and intellectual property agreement when they join us, which contains non-compete and non-solicitation provisions. We also strictly control access to our facilities via a secure entry system, and we adopt comprehensive policies to prevent unauthorized communication of sensitive information to external parties. In employees' integrity and intellectual property agreements and some commercial agreements we enter into, we generally state all rights and obligations regarding the ownership and protection of intellectual properties. In addition, we have taken the following key measures to protect our intellectual property rights: (i) implementing a set of comprehensive internal policies to establish robust management over our intellectual property rights, (ii) deploying a special team to guide, manage, supervise and monitor our daily work regarding intellectual properties, (iii) timely registration, filing and application for ownership of our intellectual properties, (iv) actively tracking the registration and authorization status of intellectual properties and take action in a timely manner if any potential conflicts with our intellectual properties are identified, and (v) engaging professional intellectual property service providers.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material actual or, to the best of our knowledge, pending disputes or claims for infringement upon third parties' intellectual property rights in the PRC. There had been no actual or, to the best of our knowledge, pending dispute relating to infringement upon our intellectual property rights by third parties during the Track Record Period and up to the Latest Practicable Date.

EMPLOYEES

We recognize the importance of talents for sustainable business growth and competitive advantages. We believe that our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive salaries, performance-based bonuses, and other incentives. Especially, we maintain Employee Incentive Schemes for our employees, having covered more than 400 employees as of December 31, 2024. For details, please see "Appendix VI — Statutory and General Information — Employee Incentive Schemes." We typically sign non-competition agreement with our senior management or other key employees. Our employees are periodically reviewed on the basis of, among other criteria, their abilities to achieve stipulated performance targets. As a result, we have generally been able to attract and retain qualified employees and maintain a stable core management team.

We adopt a diversified recruitment approach to ensure a sufficient talent pool for key positions. We primarily recruit our employees through on-campus recruitment, online job sites and internal referrals. We provide on-board training for all of our employees as well as periodic training or seminars to ensure their self-development. We also strive to create a multifaceted incentive mechanism and a friendly working environment to fulfil our employees' full potential. To accelerate endogenous and organic growth of talents, we have established an "E-Learning" online educational platform and integrated it with our training system. In our system, new and junior employees are able to test and hone their management and technical skills through progressing along a clearly-defined, meritocratic pathway to senior positions, which we believe will ultimately allow us to achieve maximum efficiency in talent allocation.

As of December 31, 2024, we had 3,163 full-time employees, all of whom are based in China, around 25% of whom were females. The following table sets forth the numbers of our employees categorized by function as of the date indicated:

	As of December 31, 2024
Employees Categorized by Function	
R&D	827
Manufacturing	1,447
Administrative	664
Management	112
Financial	54
Sales & Marketing	59
Total	**3,163**

We currently have a labor union for our employees. We believe that we have maintained good relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations.

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including, among other things, pension, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing fund plans.

INSURANCE

As of the Latest Practicable Date, we maintained applicable commercial insurance in the PRC, and we also maintained insurance on properties, equipment, EHS (Environmental, Health, and Safety), fire and product liability insurance. Our Directors are of the view that our insurance coverage is sufficient and adequate and is in line with customary industry practices.

During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims.

SEASONALITY

The cyclicality of the PV market affected the supply-demand mechanism of our industry and subjected us to changes in raw material prices and the average selling prices of our PV cells. For price changes relating to our raw materials, please see "— Supply Chain Management — Supply-Demand of Raw Materials" in this section. For changes of the average selling prices of our PV cells, please see "— Our Products and Services." In addition, our production volume has historically been affected by seasonal factors including holiday season and cold weather, which, together with aforementioned prices, affect our operations. For example, in the first quarter of 2024, attributable to the market demand for N-type TOPCon cells, we booked overtime shifts during the holiday season and as such increased N-type TOPCon cell production volume in the first quarter of 2024 compared with the fourth quarter of 2023. In comparison, in the first quarter of 2025, as N-type TOPCon cells had become the industry mainstream and supply-demand was still in a process of adjustment, we deemed it financially prudent to not book overtime shifts, and as such the holiday season and cold weather's effects on production volume became more pronounced. As a result, our utilization rate was 59.1% and 59.3% in January and February 2025, lower than December 2024 but higher than the industry average, and it subsequently increased to 78.8% in March 2025.

PROPERTIES

Owned Properties

Land

As of the Latest Practicable Date, we owned land use rights of five parcels of land with a total site area of 349,612.5 sq.m., which were primarily used for industrial purposes. As of the Latest Practicable Date, we had obtained real estate ownership certificates for the five aforementioned parcels of land.

Buildings

As of the Latest Practicable Date, we had 33 buildings with an aggregated GFA of approximately 182,895.5 sq.m., which were primarily used for daily operation and production. Among them, we have obtained property ownership certificates for 20 buildings with an aggregated GFA of 177,998.1 sq.m.

As of the Latest Practicable Date, we had not yet obtained the property ownership certificates of the remaining 13 buildings located in our Shangrao Plant with a GFA of 4,897.5 sq.m., due to the changes of ownership of the properties and/or the change of name of Jietai Technology. Given that (i) our Shangrao Plant has suspended production in June 2024, after which we ceased utilizing the aforementioned 13 buildings and (ii) these buildings are only ancillary and supporting buildings that are highly replaceable, the GFA of which only account for 2.7% of the total GFA of the Shangrao Plant, we have suspended the process of applying for the relevant property certificates as of the date of this prospectus. All the aforementioned 13 properties had no significant impact on our business operation during the Track Record Period and as of the Latest Practicable Date, from which we did not generate revenues directly during the Track Record Period. According to the written confirmation issued by the relevant competent authorities, we had received no administrative penalty related to violating laws and regulations on construction projects or buildings. In addition, through comprehensive internal safety regulations, we ensure that the safety conditions of buildings which have not obtained building ownership certificates align with local rules and regulations.

The overall fire safety condition of the Shangrao Plant, including the 13 buildings mentioned above, has been examined and accepted by the Public Security Fire Brigade (上饒經濟技術開發區公安消防大隊) or the Bureau of Construction and Transportation of Shangrao Economic and Technological Development Zone (上饒經濟技術開發區建設交通局), and the relevant certificates of acceptance have been obtained. In addition, Jietai Technology, which operates the Shangrao Plant, complied with the requirements of relevant laws and regulations on fire safety in the daily production and operation, and did not violate any fire safety-related laws and regulations during the Track Record Period, nor has it been subjected to administrative penalties as a result of such violation.

In the event that our use of properties is successfully challenged and we are forced to relocate, we have contractual right to seek indemnification from the relevant parties, including Jiangxi Uniex and Hainan Zhanhong, for most of the properties. Jiangxi Uniex held an equity interest in Jietai Technology at the time of Jietai Technology's incorporation, and provided its capital contribution to Jietai Technology in the form of assets in relation to its PV cell operations. According to the undertaking issued by Jiangxi Uniex, for the relevant buildings within the scope of its capital contribution that did not obtain the property ownership certificate as of the date of the undertaking, Jiangxi Uniex undertook to assist Jietai Technology in applying for property ownership certificates, and to compensate for the losses suffered by Jietai Technology if the latter is penalized by any authority or suffers any economic losses as a result of the failure to obtain the property ownership certificates or for any other reasons. In addition, in connection with the First Acquisition, Yang Family Investment entered into a share transfer agreement with Hainan Zhanhong on July 16, 2021. For details, see "History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes of Our Group — Share Transfers relating to the First Acquisition of Jietai Technology" in this prospectus. According to the undertaking issued by Hainan Zhanhong, for the relevant buildings which Jietai Technology failed to obtain the property ownership certificate, in the event that Jietai Technology is penalized by any authority or suffers any economic loss as a result of the failure to obtain such property ownership certificates, Hainan Zhanhong has undertaken to compensate for the loss which Jiangxi Uniex failed to cover.

Based on the above, our PRC Legal Advisor is of the view that any failure to obtain such property ownership certificates will not have a material adverse effect on our production and operation, and that we are subject to no risk of administrative penalties due to the lack of these ownership certificates. For enhanced internal control measures to prevent recurrence of similar incidents, see "— Risk Management and Internal Control."

Based on the above, the Company is of the view that the absence of the relevant property ownership certificates of the aforementioned 13 buildings will not materially affect the Group's operations. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors that would cause them to cast doubt on the view of the Company that the absence of the relevant property ownership certificates of the aforementioned 13 buildings will not materially affect the Group's operations.

Leased Properties

According to the respective agreements that we entered into with the Management Committee of Lai'an Chahe Economic and Technological Development Zone and the People's Government of Lianshui County, which are typical in China's renewable energy industry, the relevant government authorities are responsible for the construction of the production plants and related ancillary buildings used on our Chuzhou and Huai'an Plants. We lease and use the properties upon completion of the construction and will purchase the properties within an agreed timeframe. As of the Latest Practicable Date, the aggregate GFA of the relevant properties was 650,831.86 sq.m..

As of the Latest Practicable Date, the property ownership certificates of the aforementioned properties were still in the process of application preparation and thus have not been obtained. However, according to the written confirmation issued by the Management Committee of Lai'an Chahe Economic and Technological Development Zone, the People's Government of Lianshui County, the current absence of these property ownership certificates will not affect our normal production or operation, and there is no material legal impediment to obtain the relevant property certificates. Based on the aforementioned, our PRC Legal Advisor is of the view, and our Directors concur, that the current absence of relevant property ownership certificates will not affect our legal right to use such relevant properties or our normal production and operation.

As of the Latest Practicable Date, apart from the aforementioned leased properties with purchase arrangement, we leased four properties in various locations with an aggregated GFA of approximately 2,554.23 sq.m. for offices and employee dormitories.

Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. There are four lease agreements of our Group which have not been registered and filed with the relevant PRC authorities as of the Latest Practicable Date. Our PRC Legal Advisor is of the view that any failure to register and file these lease agreements with relevant PRC authorities will not affect the validity of the lease contracts and the legal use of the leased properties, but relevant local housing authorities may require us to complete the filing within the prescribed period, and we may be subject to penalties of RMB1,000 to RMB10,000 as a result of delay in filing for each of such properties. Accordingly, we believe that the failure to register these lease agreements will not have any material adverse effect on our operations or financial position.

During the Track Record Period and up to the Latest Practicable Date, our leases for the leased property with registration defects were not challenged by relevant authorities that had resulted or involved us as the defendant in disputes, lawsuits or claims in connection with the rights to lease and use such property occupied by us. After the expiration of these lease agreements, we will evaluate the legal risks associated with their renewal. In light of the nature of the defect mentioned above, should these issues prevent the continued use of the leased property, we anticipate being able to promptly locate suitable alternative premises without incurring significant losses. Our Directors are of the view that these defects will not have a materially adverse impact on our business, operations, or financial results.

According to Chapter 5 of the Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus 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 requires a valuation report with respect to our interests in properties, for the reason that, as of December 31, 2024, none of the properties owned and leased by us had a carrying amount of 15% or more of our consolidated total assets.

CERTIFICATES, LICENSES AND PERMITS

As advised by our PRC Legal Advisor, our Directors confirm that, during the Track Record Period and as of the Latest Practicable Date, we had obtained all material certificates, licenses, approvals and permits from relevant authorities for our operations in material respects. Such certificates, licenses, approvals and permits include those for emissions and imports-exports and were within expiry as of the Latest Practicable Date. We renew all such material permits and licenses from time to time to comply in all material aspects with the relevant laws and regulations and we do not expect any material difficulties in such renewals so long as we comply with the applicable requirements and conditions set by the relevant laws and regulations.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, financial condition, results of operations, reputation or compliance. During the same period, we were not involved in any non-compliance incidents which would, individually or in aggregate, have a material adverse effect on our business as a whole. As confirmed by our PRC Legal Advisor, our business operations had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board has established a comprehensive risk management and internal control process through which we address risks associated with every aspect of our business operation and ensure a compliance culture. We have put in place a set of operational risk analysis and response measures to achieve risk aversion, risk reduction and risk response by properly identifying, categorizing and analyzing various risks. We have implemented risk management policies and procedures that are designed to identify, evaluate, and manage the significant risks we may encounter, including market, credit, and operational risks. These policies and procedures are integral components of our internal control systems, which are regularly reviewed to ensure they effectively address the risks. This ongoing process supports our commitment to maintain robust risk oversight and ensure that these risks are managed in a manner that is aligned with the best interests of our shareholders and the long-term objectives of our Company.

In managing our risks, we endeavor to thoroughly consider the exposure of each of our different business departments, and we periodically review the effectiveness of our risk management and internal control measures to ensure timely and robust implementation. We adopted an internal control procedure of risk and opportunity identification and evaluation, to follow a systematic process and selection criteria to identify, assess, and prioritize material risks, including ESG-related risks. In particular, we have adopted the following measures to mitigate the risks on bribery and corruption:

- a policy relating to anti-bribery and anti-corruption was issued by us to mitigate the risks on bribery and corruption. Our administrative department is responsible for monitoring, accepting, escalation, processing, investigation and reporting of incompliance behavior including bribery and corruption;

- a whistle-blower mechanism was set up by us, including report channels (hotline and mailbox), investigation procedures and responding to detected problems; and

- compliance training is provided to all employees including new employees.

Guided by our Board and given the evolving business and regulatory environment in which we operate, we have adopted, or expected to adopt, a series of changes in our internal control policies, programs and procedures to strengthen our risk management and internal control capability and prevent non-compliance event from happening. These measures include:

- the engagement of an independent internal control consultant who performed a review on our internal controls over financial reporting in November 2023 and provided recommendation accordingly. We have adopted the corresponding remediation actions to improve our internal control system. The internal control consultant performed a follow-up review with regard to those actions taken by us, and there was no further material finding identified in the design of internal control process of the follow up review;

- the improvement of our existing system that monitors and records the status of requisite certificates, licenses and permits to ensure operation of production plants and the mechanism to update this system from time to time based on the requirements of the local authorities and advices given to us;

- the engagement of external legal advisor to facilitate compliance with the relevant requirements under the Listing Rules after Listing;

- the regular training provided by external legal advisor to our Directors and senior management after Listing on the subject of compliance of relevant Listing Rules requirements and applicable PRC laws and regulations; and

- the establishment of our Audit Committee which comprised of three independent non-executive Directors to oversee our risk management and internal control systems, and review the financial statements of our Company from the perspective of compliance with applicable rules and regulations.

In addition, to ensure workplace safety and employee well-being, we established internal control systems like the "Occupational Disease Hazard Factors Regular Testing Report" to identify and manage risks. Adhering to the principle of "safety first, prevention foremost, and responsibility for all", we formed a Safety Production Committee, led by the general manager and senior management, to oversee safety policies and major safety decisions. In 2023, we identified and detailed occupational health and safety risk points. We conducted risk assessments and ensured to cover 100% of identified risks as of the Latest Practicable Date. Through our efforts, our departments undertake annually to enforce safety production targets and responsibilities. We also protect our employees through providing personal protective equipment for hazardous roles and providing noise-cancellation accessories to our workers in high-noise areas. We also maintain personal health records and offer annual health check-ups for employees in high-risk roles to ensure effective coverage.

Furthermore, to enhance our employees' awareness of, and ability to fully comply with relevant laws and regulations, e.g., those on environmental protection and energy conservation, including those associated with the construction and commencement of production projects, we have established training programs to keep relevant employees in charge abreast of the regulatory landscape so that they can be better equipped to ensure timely inspection and feedback on the application for and maintenance of relevant acceptances, examinations and permits.

COVID-19

Our past performance has proven ourselves capable of managing the risks related to global pandemics, such as COVID-19. Throughout the COVID-19 pandemic, we have maintained continuous production without any production halts, managed a stable raw material supply chain without any substantial disruption, adapted sales strategies to meet strong market demand, and maintained progressive R&D activities, demonstrating the resilience and robustness of our operational capabilities. Our production plants are located at a distance from densely populated areas. For example, our Shangrao Plant and our Chuzhou Plant are located approximately 10 km and 35 km from the city centers of Shangrao and Chuzhou, respectively. In addition, we implemented a series of measures to ensure that our dormitories and plant areas are relatively closed off, minimizing exposure to outside contagions. Such measures include requiring our staff to provide valid health codes and trip codes before entering the premises of the production plants, and advising our staff to stay in the same municipality as the production plants and commute directly from their residences to the production plants unless they have received our internal approval. We also required robust and frequent PCR testing and implemented quarantine measures for visitors and staff who enter the production plant premises from high-risk areas. Many suppliers and customers' factories are also in industrial zones of Shangrao and Chuzhou, which were less affected by COVID outbreaks given the distance from city centers, the lack of mass outbreaks and not having been subject to extended lockdowns that could halt production in the entire area. As such, we could achieve concentrated supply and distribution to reduce contact as we were able to manage the entrants into our production plant premises referencing their advance reports. For example, in our Shangrao Plant, pursuant to our measures, the drivers of logistic vehicles were required to use designated restrooms and not leave their vehicles unless necessary, and we mandated sterilization of relevant vehicles and loading sites if the drivers did leave the vehicles. We also required our logistics staff to wear personal protective equipment when in contact with the drivers and undergo regular testing to monitor their health conditions. Lastly, we implemented robust management practices, with employees living and working in well-regulated areas, reducing external contact and enhancing preventative measures to maintain a safe and independent production and living environment. While COVID-19 affected our operation during the Track Record Period, including temporarily undermining the health condition of our affected employees and preventing certain on-site meetings, the impact of COVID-19 on our operations, already marginal, was further mitigated by the overall growth of the global PV cell market, strong demand from our customers in the corresponding period and the enterprise-oriented nature of our business. The impact of COVID-19 in our business operation in China was further offset by our overseas growth, contributing to an increase in overseas revenue, which reached RMB874.6 million and accounted for 4.7% of our total revenue in 2023. As a result, the overall influence of COVID-19 on our financial and operational performance was not material, and our continued expansion and the resilience of our business model have effectively offset the transient challenges posed by the pandemic, underscoring that its impact does not constitute a significant risk to our long-term prospects. Based on the aforementioned facts, our Directors are of the view that the outbreak of COVID-19 had no material impact on our business during the Track Record Period and up to the Latest Practicable Date.

BOARD OF DIRECTORS

Our Board consists of ten Directors, including five executive Directors, one non-executive Director and four independent non-executive Directors. Our Board is responsible and has general powers for the management and conduct of our business. The table below sets out certain information of our Directors:

Name	Age	Position(s)	Date of appointment as Director	Date of joining our Group	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Ms. Lu Xiaohong (陸小紅)	58	Executive Director and chairperson of the Board	June 2019	August 2004	Responsible for the leadership, overall strategic planning, business development and major investment and decision making of the Group	Spouse of Mr. Xu Xiaoping
Mr. Xu Xiaoping (徐曉平)	58	Executive Director and deputy general manager	April 2004	April 2004	Responsible for the leadership, overall strategic planning, business development and major investment and decision making of the Group	Spouse of Ms. Lu Xiaohong
Mr. Zhang Manliang (張滿良)	44	Executive Director and general manager	April 2021	April 2021	Responsible for overall management and daily operation of the Group and overseeing R&D	None

Name	Age	Position(s)	Date of appointment as Director	Date of joining our Group	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Mr. Zheng Hongwei (鄭洪偉)	58	Executive Director, vice chairman and deputy general manager	October 2021	October 2021	Responsible for overseeing overall strategic planning, investment, merger and acquisition and capital market matters of the Group	None
Ms. Zheng Tong (鄭彤)	53	Executive Director, secretary of the Board and joint company secretary	July 2017	July 2017	Responsible for the company secretarial matters of the Group and corporate governance practices; providing support to other Directors and maintaining the public relations	None
Mr. Xu Yong (徐勇)	56	Non-executive Director	May 2012	June 2004	Responsible for providing strategic advice on the development of the Group	Brother-in-law of Ms. Lu Xiaohong
Dr. Mao Xiaoying (茆曉穎)	49	Independent non-executive Director	November 2024	November 2024	Responsible for providing independent advice and judgement to the Board	None

Name	Age	Position(s)	Date of appointment as Director	Date of joining our Group	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Mr. Shen Wenzhong (沈文忠)	56	Independent non-executive Director	June 2022	June 2022	Responsible for providing independent advice and judgement to the Board	None
Mr. Ma Shuli (馬樹立)	40	Independent non-executive Director	November 2024	November 2024	Responsible for providing independent advice and judgement to the Board	None
Mr. Zhang Liang (張亮)	42	Independent non-executive Director	Listing Date	Listing Date	Responsible for providing independent advice and judgement to the Board	None

Executive Directors

Ms. Lu Xiaohong (陸小紅), aged 58, an executive Director and the chairperson of the Board of our Company. Ms. Lu joined our Group in August 2004 as deputy director of the general office for over 14 years. She served as a deputy general manager from October 2018 to June 2019 and general manager from September 2019 to June 2022. She was appointed as a Director and the chairperson of the Board in June 2019 and was re-designated as an executive Director in February 2024, with effect from the Listing Date. She is primarily responsible for the leadership, overall strategic planning, business development and major investment and decision making of the Group.

Ms. Lu has been the chairperson of the Board of Jietai Technology, one of our wholly-owned subsidiaries, since October 2021. Prior to joining our Group, Ms. Lu has been the director of Suzhou Longxin Plastic Electrical Co., Ltd. (蘇州隆新塑料電器有限公司) (formerly known as Suzhou Longxin Plastic Electrical Printing Co., Ltd. (蘇州隆新塑料電器印刷有限公司)) ("**Suzhou Longxin**") since January 2003.

Mr. Xu Xiaoping (徐曉平), aged 58, an executive Director and deputy general manager of our Company. Mr. Xu was appointed as a Director in April 2004 and was re-designated as an executive Director in February 2024, with effect from the Listing Date. He was appointed as the chairperson of our Company in June 2012 and changed the position to vice chairperson from October 2018 to June 2022. He has been serving as deputy general manager since June 2019. He is primarily responsible for the leadership, overall strategic planning, business development and major investment and decision making of the Group.

Mr. Xu has been serving as the chairperson of the board of Suzhou Longxin since January 2003.

Mr. Zhang Manliang (張滿良), aged 44, an executive Director and general manager of our Company. Mr. Zhang joined our Group in April 2021 as a Director and deputy general manager of our Company and was later promoted as general manager of our Company in June 2022. Mr. Zhang was re-designated as an executive Director in February 2024, with effect from the Listing Date. Mr. Zhang also holds the following positions in other members of our Group and he is primarily responsible for overall management and daily operation of the Group.

Other members of the Group	Positions held with other members of the Group	Date of appointment
Jietai Technology	Director and general manager	June 2021 and December 2020
Hongye New Energy	Executive director and general manager	April 2021
Chuzhou Jietai	Executive director and general manager	December 2021
Huai'an Jietai	Executive director and general manager	October 2022
Minghong New Energy	Executive director and general manager	April 2021

Mr. Zhang has over 15 years of experience in the photovoltaic cell industry. Prior to joining the Group, Mr. Zhang served as general manager of Oriental Risheng (Changzhou) New Energy Co., Ltd. (東方日升(常州)新能源有限公司) from August 2018 to November 2020. From May 2016 to August 2018, he worked at GCL System Integration Technology (Suzhou) Co., Ltd. (協鑫集成科技(蘇州)有限公司). From December 2009 to May 2016, he served as a deputy foundation general manager of Hairun Photovoltaic Technology Co., Ltd. (海潤光伏科技有限公司), a company primarily engaged in production of solar cells, and was responsible for assisting the foundation general manager relating to the production and management and operation of the foundation branch office. From July 2006 to August 2009, he worked at JingAo Solar (晶澳太陽能有限公司), a solar energy related production company.

Mr. Zhang received his bachelor's degree in electronic science and technology from Hebei University (河北大學) in the PRC in June 2006. Mr. Zhang also received his master's degree of business administration by online courses from University of North Alabama in the United States in December 2019.

Mr. Zheng Hongwei (鄭洪偉), aged 58, an executive Director and deputy general manager of our Company. He joined our Group in October 2021 as a Director and deputy general manager of our Company. Mr. Zheng was appointed as a vice chairman in January 2024 and was re-designated as an executive Director in February 2024, with effect from the Listing Date. He is primarily responsible for overseeing overall strategic planning, investment, merger and acquisition and capital market matters of the Group.

Mr. Zheng has been a deputy general manager of Jietai Technology, one of our wholly-owned subsidiaries, since his joining in Jietai Technology in December 2019 and has been responsible for assisting the general manager of Jietai Technology in management and operation of Jietai Technology.

Prior to his joining in our Group, Mr. Zheng serviced as deputy general manager for Oriental Children Painting (Shanghai) Education Technology Co., Ltd. (東方童畫(上海)教育科技有限公司) from October 2018 to June 2019 and board secretary of Ribo Fashion Group Co., Ltd. (日播時尚集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603196.SH), from June 2017 to December 2017. From June 2009 to June 2017, Mr. Zheng worked at Zhejiang Semir Garment Co., Ltd. (浙江森馬服飾股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002563.SZ), where he served as the board secretary from June 2009 and also took on the role of deputy general manager in March 2011. Prior to this, Mr. Zheng worked at Fujian SBS Zipper Science and Technology Co., Ltd. (福建潯興拉鏈科技股份有限公司) from March 2003 to June 2009, a company listed on the Shenzhen Stock Exchange (stock code: 002098.SZ), serving as a board secretary from March 2003 and also a deputy general manager in September 2005. He was responsible for information disclosure and investor relations, equity affairs management, corporate governance, equity investment, preparation of board of directors and shareholders' meetings of the above-mentioned companies.

Mr. Zheng received his bachelor's degree in chemical process machinery from Dalian University of Technology (大連理工大學) in the PRC in July 1987 and subsequently obtained the master's degree in chemical process machinery from Zhejiang University (浙江大學) in the PRC in March 1993. Mr. Zheng completed the postgraduate course in finance from Xiamen University (廈門大學) in the PRC in July 2005. He also obtained the qualification of board secretary for the Shenzhen Stock Exchange in September 2007.

Ms. Zheng Tong (鄭彤), aged 53, an executive Director, board secretary and joint company secretary of our Company. Ms. Zheng joined our Group in July 2017 as a Director, the chief financial officer and secretary of the Board of our Company. She ceased to be a Director and chief financial officer in March 2021 and May 2022, respectively. Ms. Zheng was re-appointed as a Director in June 2022. She was re-designated as an executive Director in February 2024 and joint company secretary of our Company in January 2024, with both effect from the Listing Date. She is primarily responsible for the company secretarial matters of the Group and corporate governance practices, providing support for other Directors and maintaining the public relations.

Ms. Zheng has been serving as a director of Jietai Technology since October 2021. Prior to joining our Group, she worked at the securities department of Haima Automobile Group Co., Ltd. (海馬汽車集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000572.SZ), from August 2004 to June 2017 as the securities affairs representative of the group and was responsible for the company's securities related matters.

Ms. Zheng received her bachelor's degree in textile design from China Textile University (中國紡織大學) (currently known as Donghua University (東華大學)) in the PRC in July 1993. She also obtained the qualification of board secretary for the Shenzhen Stock Exchange in June 1997.

Non-executive Director

Mr. Xu Yong (徐勇), aged 56, an non-executive Director of our Company. Mr. Xu Yong joined our Group in June 2004 as a deputy general manager and left in March 2005. Mr. Xu Yong rejoined our Group as a Director in May 2012 and was re-designated as a non-executive Director of our Company in February 2024. He served as a general manager from May 2012 and changed the position as the vice chairperson from October 2018 to June 2022. He is primarily responsible for providing strategic advice on the development of the Group.

Mr. Xu Yong served as general manager of Suzhou Longxin from April 2005 to July 2012 and was responsible for daily management and operation of such company.

Mr. Xu Yong completed his high school study in the PRC in July 1988. He was awarded as Senior Economist (高級經濟師) by Department of Human Resources and Social Security of Jiangsu Province (江蘇省人力資源和社會保障廳) in October 2011.

Independent Non-executive Directors

Dr. Mao Xiaoying (茆曉穎), aged 49, an independent non-executive Director of our Company. Dr. Mao joined our Group in November 2024 and has been an independent non-executive Director since then. She is primarily responsible for providing independent advice and judgement to the Board.

Since August 1997, Dr. Mao has successively served as a teaching assistant, lecturer and associate professor at Soochow University (蘇州大學), where she has been responsible for teaching and academic research. Besides, Dr. Mao has served as an independent director in various companies, including (i) Excellent Medical Technology Group Co., Ltd. (江蘇愛舍倫醫療科技集團股份有限公司), a medical device company, quoted on the NEEQ in China (NEEQ: 874105), since November 2021; (ii) Guolian Life Insurance Co., Ltd. (國聯人壽保險股份有限公司), an insurance company, since December 2021; and (iii) GoodWe Technologies Co., Ltd. (固德威技術股份有限公司), a photovoltaic inverter manufacturer, listed on the Shanghai Stock Exchange (stock code: 688390.SH), since June 2023, where she has been primarily responsible for supervising the company's operations and providing professional advice.

Dr. Mao received her bachelor's degree in accounting from Soochow University (蘇州大學) in the PRC in June 1997. She also received her master's degree in enterprise management from Soochow University (蘇州大學) in the PRC in June 2002, and subsequently received her doctor's degree in finance from Soochow University (蘇州大學) in the PRC in June 2006.

Mr. Shen Wenzhong (沈文忠), aged 56, an independent non-executive Director of our Company. Mr. Shen joined our Group in June 2022 and has been an independent Director since then. He was re-designated as independent-non executive Director in February 2024, with effect from the Listing Date. He is primarily responsible for providing independent advice and judgement to the Board.

Mr. Shen has strong academic background and more than 20 years' experience in solar energy industry. Mr. Shen has been a professor and PhD tutor of Shanghai Jiao Tong University (上海交通大學) since September 1999 and has been engaged in R&D of solar energy cells.

Since July 2015, Mr. Shen has been serving as a director of Shanghai Optech Science and Technology Co., Ltd. (上海歐普泰科技創業股份有限公司), a company listed on the Beijing Stock Exchange (stock code: 836414.BJ). Since June 2015, he has been serving as an independent non-executive director of GCL Technology Holdings Limited (協鑫科技控股有限公司), a company listed on the Stock Exchange (stock code: 3800.HK). Since June 2023, he was an independent director of Zhejiang Bangjie Holding Group Co., Ltd. (浙江棒傑控股集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002634.SZ). From July 2017 to March 2023, he was an independent director of Jolywood (Suzhou) Sunwatt Co,. Ltd. (蘇州中來光伏新材股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300393.SZ). From September 2017 to June 2022, he was an independent director of Arctech Solar Holding Co., Ltd. (江蘇中信博新能源科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688408.SH).

He received his doctoral degree in Semiconductor Physics from Shanghai Institute of Technical Physics Chinese Academy of Sciences (中國科學院上海技術物理研究所) in the PRC in September 1995. Mr. Shen was awarded as Cheung Kong Scholars by Cheung Kong Scholars Programme (長江學者獎勵計劃特聘教授) by Ministry of Education of the People's Republic of China (中華人民共和國教育部) in 2000.

Mr. Ma Shuli (馬樹立), aged 40, an independent non-executive Director of our Company. Mr. Ma joined our Group in November 2024 and has been an independent Director since then. He is primarily responsible for providing independent advice and judgement to the Board.

Mr. Ma has over 15 years of experience in the legal profession. From September 2009 to May 2013, he was a lawyer at Jiangsu Liangfeng Law Firm (江蘇梁豐律師事務所). From July 2013 to March 2016, he was a lawyer at Beijing Dacheng (Suzhou) Law Offices (北京市大成(蘇州)律師事務所). From March 2016 to January 2017, he was a lawyer at Grandall (Suzhou) Law Firm (國浩(蘇州)律師事務所). Since January 2017, he has been the managing partner and a senior partner at Beijing Kangda (Suzhou) Law Firm (北京市康達(蘇州)律師事務所). Besides, Mr. Ma has served as an independent director in various companies, including (i) Poly Plastic Masterbatch (Suzhou) Co., Ltd. (蘇州寶麗迪材料科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300905.SZ) and principally engaged in the research, development, production, and sale of polymer materials, from May 2018 to April 2024, (ii) Suzhou Jiren Hi-Tech Material Co., Ltd. (蘇州吉人高新材料股份有限公司), a company listed on the NEEQ in China (NEEQ: 873611) and principally engaged in the research, production, and sale of industrial protective coatings and other advanced materials, from July 2020 to September 2023, and (iii) Jiangsu SIMAND Electric Co., Ltd. (江蘇新安電器股份有限公司), a company principally engaged in the research and development and manufacturing of intelligent controllers, since May 2022, where he was primarily responsible for supervising the company's operations and providing professional advice.

Mr. Ma graduated from Anhui University (安徽大學) upon successfully completing the courses for the self-taught undergraduate higher education examination majoring in English in June 2005. Mr. Ma obtained his master of laws from Nanjing Normal University (南京師範大學) in the PRC in June 2009 and further obtained his master of business administration (MBA) from Peking University (北京大學) in the PRC in June 2019. Mr. Ma has obtained his PRC legal professional qualification certificate in February 2008.

Mr. Zhang Liang (張亮), aged 42, an independent non-executive Director of our Company. Mr. Zhang was appointed as an independent non-executive Director in February 2024, with effect from the Listing Date. He is primarily responsible for providing independent advice and judgement to the Board.

Mr. Zhang has been served as an executive director and chief financial officer of Rainmed Medical Limited (潤邁德醫療有限公司) ("**Rainmed**"), a medical device company listed on the main board of the Stock Exchange (stock code: 2297.HK), from December 2021 to August 2024, and as joint company secretary of Rainmed since December 2021, and has been responsible for supervising the internal financial control and securities works. He also has been serving as the chief financial officer of Suzhou Rainmed Medical Technology Co., Ltd. (蘇州潤邁德醫療科技有限公司), a wholly-owned subsidiary of Rainmed since March 2021. He joined Yunnan Water Investment Co., Limited (雲南水務投資股份有限公司) ("**Yunnan Water**"), a company listed on the main board of the Stock Exchange (stock code: 6839.HK), and served as the board secretary from September 2015 to December 2016 and rejoined as the board secretary from September 2017 to February 2021. Then he served as an alternate to the authorized representative of Yunnan Water from November 2019 to November 2021, where he was responsible for compliance and acted as the channel of communication between the company and the Stock Exchange. He was the founder, chief technology officer and chief financial officer of H.C. operation capital limited (港陸資本運營有限公司), a company engaged in enterprise management consulting services, and he was responsible for project operations and quality control from October 2015 to December 2020. He was also the board secretary of Shenzhen Wangtong E-commerce Company Limited (深圳市網通電子商務有限公司) from July 2014 to June 2015, an E-commerce company. In addition, he served as the vice president and board secretary of Shenzhen Jinxin Industry Group Co., Ltd. (深圳金信實業集團有限公司), a financial affairs service company, and he was responsible for capital operation and management from May 2013 to June 2014. He was also the board secretary and deputy investment general manager of Leoch International Technology Limited (理士國際技術有限公司) (stock code: 0842.HK), a company listed on the Stock Exchange which is mainly engaged in R&D and sales of batteries, and he was responsible for the internal control and public affairs from November 2006 to May 2013.

Mr. Zhang obtained an undergraduate diploma in lawyer from Zhongnan University of Economics and Law (中南財經政法大學) in the PRC in June 2004. He further obtained his master's degree in executive business administration from Jilin University (吉林大學) in the PRC in December 2017. He was qualified as the board secretary from the Shenzhen Stock Exchange in September 2016.

General

Each of our Directors has confirmed that:

(1) he/she obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 27, 2024, and understood his/her obligations as a director of a listed issuer;

(2) save as disclosed in the paragraph headed "Further Information about Our Directors, Supervisors and Substantial Shareholders — 2. Service Contracts" in Appendix VI to this prospectus, he/she does not have any existing or proposed service contract with our Company other than contracts expiring or determinable by the relevant member of our Company within one year without payment of compensation (other than statutory compensation);

(3) save as disclosed in the paragraph headed "Further Information about Our Directors, Supervisors and Substantial Shareholders — 1. Disclosure of Interests" in Appendix VI to this prospectus and above, he/she has no interest in the Shares within the meaning of Part XV of the SFO;

(4) save as disclosed in "— Board of Directors" in this section, he/she has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as at the Latest Practicable Date; and

(5) save as disclosed in "— Board of Directors" in this section, he/she did not completed his/her respective education programs as disclosed in this section by way of attendance of long distance learning or online courses.

Each of our independent non-executive Directors has confirmed:

(1) his independence after taking into consideration each of the factors referred to under Rules 3.13(1) to 3.13(8) of the Listing Rules;

(2) that he does not have any past or present financial or other interest in the business of our Company or our subsidiaries, or any connection with any core connected person of our Company; and

(3) there are no other factors which may affect his independence at the time of his appointment as our independent non-executive Director.

Save as disclosed in this prospectus, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries:

(1) there is no other matter with respect to the appointment of our Directors that needs to be brought to the attention to the Shareholders as of the Latest Practicable Date; and

(2) there is no other information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date.

SUPERVISORY COMMITTEE

Our Supervisory Committee consists of three Supervisors. The following table sets out certain information of our Supervisors:

Name	Age	Position(s)	Date of appointment as Supervisor	Date of joining our Group	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Ms. Liu Renmei (劉忍妹)	29	Chairperson of the Supervisory Committee and assistant to president of Chuzhou Jietai	July 2024	July 2023	Responsible for supervising and providing independent advice to our Board	None
Ms. Lin Caiying (林彩英)	58	Supervisor	February 2024	October 2021	Responsible for supervising and providing independent advice to our Board	None
Ms. He Jialu (何佳璐)	40	Supervisor and officer of the administration department of Jietai Technology	June 2024	December 2022	Responsible for supervising and providing independent advice to our Board	None

Ms. Liu Renmei (劉忍妹), aged 29, has been a Supervisor of our Company and the chairperson of the Supervisory Committee since July 2024. She has also been serving as an assistant to president of Chuzhou Jietai since July 2023. She is primarily responsible for supervising and providing independent advice to our Board.

Ms. Liu received her bachelor's degree in financial engineering from West Anhui University (皖西學院) in the PRC in July 2020. She further obtained her master degree of finance from Guizhou University of Finance and Economics (貴州財經大學) in the PRC in July 2023.

Ms. Lin Caiying (林彩英), aged 58, served as a Supervisor of our Company from October 2021 to May 2022 and was re-appointed as a Supervisor in February 2024. She is primarily responsible for supervising and providing independent advice to our Board.

Prior to joining our Group, Ms. Lin has worked at Suzhou Ruiya Accounting Firm Co., Ltd. (蘇州瑞亞會計師事務所有限公司) and Suxin United Accounting Firm (蘇州市蘇信聯合會計師事務所). She also worked at Jiangsu Xindazhong Accounting Firm Co., Ltd. (江蘇新中大會計師事務所有限公司) from December 2006 to November 2015.

Ms. Lin received her college degree in industrial enterprise management from Jiangsu Radio and Television University (江蘇廣播電視大學) (currently known as Jiangsu Open University (江蘇開放大學)) in the PRC in July 1988. Ms. Lin became a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in December 2002.

Ms. He Jialu (何佳璐), aged 40, has been a Supervisor of our Company since June 2024. She has also been appointed as officer of the administration department of Jietai Technology since December 2022. She is primarily responsible for supervising and providing independent advice to our Board.

Prior to joining our Group, Ms. He served as an administration manager at Shangrao Daotian Boundless Human Resources Co., Ltd. (上饒市稻田無邊人力資源有限公司), a company primarily engaged in human resources service, from January 2020 to December 2022. From 2014 to 2019, she worked at Shangrao Economic Development Zone Employment Entrepreneurship and Social Security Service Center (上饒經濟技術開發區就業創業和社會保障服務中心) (formerly known as Shangrao Human Resources and Social Security Bureau (上饒市人力資源和社會保障局)) as a staff member.

Ms. He received her bachelor's degree in music from Jiangxi Normal University (江西師範大學) in the PRC in June 2006.

General

Save as disclosed in "— Supervisory Committee" in this section, each of our Supervisors has confirmed that:

(1) she does not hold and has not held any other positions in our Company and any other members of our Company as at the Latest Practicable Date;

(2) she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as at the Latest Practicable Date;

(3) other than being a Supervisor, none of our Supervisors has any relationship with any other Directors, Supervisors, senior management or substantial Shareholders of our Company; and

(4) she has not completed her education programs as disclosed in this section by way of attendance of long distance learning or online courses.

Save as disclosed in this prospectus, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries:

(1) there is no other matter with respect to the appointment of our Supervisors that needs to be brought to the attention to the Shareholders as of the Latest Practicable Date; and

(2) there is no other information relating to our Supervisors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management and operation of business of our Company. The table below sets out certain information of the senior management of our Company:

Name	Age	Position(s)	Date of appointment as Senior Management	Date of joining our Company	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Ms. Lu Xiaohong (陸小紅)	58	Executive Director and Chairperson of the Board	June 2019	August 2004	Responsible for the leadership, overall strategic planning, business development and major investment and decision making of the Group	Spouse of Mr. Xu Xiaoping
Mr. Xu Xiaoping (徐曉平)	58	Executive Director, vice chairman and deputy general manager	April 2004	April 2004	Responsible for the leadership, overall strategic planning, business development and major investment and decision making of the Group	Spouse of Ms. Lu Xiaohong
Mr. Zhang Manliang (張滿良)	44	Executive Director and general manager	April 2021	April 2021	Responsible for overall management and daily operation of the Group	None
Mr. Zheng Hongwei (鄭洪偉)	58	Executive Director and deputy general manager	October 2021	October 2021	Responsible for overseeing overall strategic planning, investment, merger and acquisition and capital market matters of the Group	None
Ms. Zheng Tong (鄭彤)	53	Executive Director, secretary of the Board and joint company secretary	July 2017	July 2017	Responsible for the company secretarial matters of the Group and corporate governance practices; providing support to other Directors and maintaining the public relations	None

Name	Age	Position(s)	Date of appointment as Senior Management	Date of joining our Company	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Ms. Huang Falian (黃發連)	48	Chief financial officer	October 2021	October 2021	Responsible for overseeing the financial operation and management of the Group, formulating annual revenue goals and financial strategies of the Group, shaping investment portfolio strategies and major investment and financing decision, overseeing the internal control systems, the assessment, guidance, monitoring, controlling of the risk management system and optimizing the capital structure of the Group, ensuring the compliance of financial statements, reports and disclosures, budgeting and cost management and managing and forecasting the cash flow of the Group	None

Name	Age	Position(s)	Date of appointment as Senior Management	Date of joining our Company	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Ms. Chen Pingxian (陳平仙)	38	Chief marketing officer	October 2021	October 2021	Responsible for overseeing all marketing and sales activities of the Group, shaping marketing demand for the Group's products offering, creating development and marketing strategy and annual sales target, building and managing the brand image and reputation of the Group, driving customer acquisition and retention, measuring and analyzing marketing performance, allocating sales and marketing resources and marketing activities of the Group	None

Ms. Lu Xiaohong (陸小紅), see "— Board of Directors — Executive Directors" in this section for details.

Mr. Xu Xiaoping (徐曉平), see "— Board of Directors — Executive Directors" in this section for details.

Mr. Zhang Manliang (張滿良), see "— Board of Directors — Executive Directors" in this section for details.

Mr. Zheng Hongwei (鄭洪偉), see "— Board of Directors — Executive Directors" in this section for details.

Ms. Zheng Tong (鄭彤), see "— Board of Directors — Executive Directors" in this section for details.

Ms. Huang Falian (黃發連), aged 48, has been the chief financial officer of our Company since June 2022. She also has been the chief financial officer and deputy general manager of Jietai Technology since June 2020 and May 2023, respectively. She is primarily responsible for overseeing the financial operation and management of the Group, formulating annual revenue goals and financial strategies of the Group, shaping investment portfolio strategies and major investment and financing decision, overseeing the internal control systems, the assessment, guidance, monitoring, controlling of the risk management system and optimizing the capital structure of the Group, ensuring the compliance of financial statements, reports and disclosures, budgeting and cost management and managing and forecasting the cash flow of the Group.

Prior to joining our Group, Ms. Huang served as the chief financial officer of HC SemiTek (Suzhou) Co., Ltd. (華燦光電(蘇州)有限公司), a subsidiary of a Shenzhen Stock Exchange listed company named HC SemiTek Corporation (華燦光電股份有限公司) (stock code: 300323.SZ), from May 2016 to June 2020. From June 2014 to May 2016, she served as the finance chief of Zhongyuan Union Stem Cell & Gene Engineering Co., Ltd. (中源協和細胞基因工程股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600645.SH) and was responsible for financial management. From November 2007 to June 2014, she served as a financial manager of Nanjing Meirui Pharma Co., Ltd. (南京美瑞製藥有限公司).

Ms. Huang received her bachelor's degree in accounting from China Coal Economics College (中國煤炭經濟學院) (currently known as Shandong Technology and Business University (山東工商學院)) in the PRC in 2000. She further obtained her master of business administration degree from Nanjing University (南京大學) in the PRC in March 2017.

Ms. Chen Pingxian (陳平仙), aged 38, has been the chief marketing officer of our Company since October 2021. She also has been the deputy general manager and chief marketing officer of Jietai Technology since December 2019. She is primarily responsible for overseeing all marketing and sales activities of the Group, shaping marketing demand for the Group's products offering, creating development and marketing strategy and annual sales target, building and managing the brand image and reputation of the Group, driving customer acquisition and retention, measuring and analyzing marketing performance, allocating sales and marketing resources and marketing activities of the Group.

Prior to joining our Group, Ms. Chen worked as a commercial director at Jinko, a company listed on the Shanghai Stock Exchange (stock code: 688223.SH) from February 2008 to August 2017. From August 2017 to December 2019, she worked as a general manager assistant at Jiangxi Uniex.

Ms. Chen obtained her executive master's degree in business administration from United Business Institutes in the PRC in 2018.

General

Save as disclosed in "— Senior Management" in this section, each of our senior management has confirmed that:

(1) he/she does not hold and has not held any other positions in our Company and any other members of our Company as at the Latest Practicable Date;

(2) he/she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as at the Latest Practicable Date; and

(3) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long distance learning or online courses.

JOINT COMPANY SECRETARIES

Ms. Zheng Tong (鄭彤), see "— Board of Directors — Executive Directors" in this section for details.

Ms. Yu Wing Sze (余詠詩) was appointed as our joint company secretary of the Company in January 2024 with effective from Listing Date. Ms. Yu is a manager of TMF Hong Kong Limited. She has over 15 years of working experience in company secretarial profession. Ms. Yu received a bachelor's degree of business administration from the Chinese University of Hong Kong. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

OTHER INFORMATION ABOUT MS. LU AND MS. ZHENG TONG (鄭彤)

In October 2023, our Company received an Order to Make Rectifications against Hainan Drinda New Energy Technology Co., Ltd., Ms. Lu and Ms. Zheng Tong (鄭彤) ("**Ms. Zheng**") (關於對海南鈞達新能源科技股份有限公司、陸小紅、鄭彤採取責令改正措施的決定) (the" **Order**") issued by Hainan Regulatory Bureau (the "**Hainan CSRC**") of China Securities Regulatory Commission (the "**Incident**"), which indicated that our Company failed to strictly comply with the Regulatory Guidelines for Listed Companies No. 5 — Registration and Management System for Insider Information of Listed Companies (《上市公司監管指引第5號—上市公司內幕信息知情人登記管理制度》) (the "**No. 5 Guidelines**"). According to the No. 5 Guidelines, the board of a listed company shall timely file and register inside information materials when the inside information is formed. In relation to our Company's major asset restructure related activities in 2022, our Company used the kick-off meeting with reference for determining the timing of formation of inside information, while the Hainan CSRC is of the view that inside information should have been formed upon Company's preliminary planning, discussion and/or conducting research. As a record procedure, the regulatory measure was filed in the corresponding database, the Capital Market Integrity Files (資本市場誠信檔案) (the "**Database**"). The recording of the Order in the Database is valid for public inspection for three years.

Our Company has submitted a rectification completion report to the Hainan CSRC (the "**Rectification Completion Report**"), pursuant to which, our Company has conducted following corrective measures:

(i) provided training regarding relevant requirements under relevant laws and regulation for the Directors, supervisors, senior management members and relevant personnel responsible for the Incident;

(ii) rectified the relevant registration materials submitted to the Shenzhen Stock Exchange; and

(iii) undertook to enhance communication with the regulatory authorities to obtain relevant guidance in the future.

As advised by our PRC Legal Advisor, pursuant to the relevant PRC laws and regulations, the Rectification Completion Report is required to be submitted to the stock exchange where our Company is listed for disclosure after no objection is raised by the CSRC. Our Company further confirmed that the Hainan CSRC did not raise objection to the Rectification Completion Report. The Rectification Completion Report was published on the website of the Shenzhen Stock Exchange on November 18, 2023. As a result, our Company has completed the rectification.

In addition, as advised by our PRC Legal Advisor, with which the PRC legal advisor of the Joint Sponsors concurred, (i) the Order is not an administrative penalty, instead it is a regulatory measure which is minor and mild in nature; (ii) the Order is a standard record procedure only and no integrity issue was indicated; (iii) the Database is not a "blacklist" and will not affect Ms. Lu or Ms. Zheng's eligibility to serve as a director, supervisor or senior management member of any PRC companies (including listed companies); (iv) the Order and the Incident will not affect eligibility of our Company for overseas listing on the Stock Exchange under PRC laws and regulations and filing with the CSRC; (v) the Incident does not constitute a situation in which the relevant laws and regulations of the PRC prohibit the Company, Ms. Lu and Ms. Zheng from engaging in civil and commercial activities (including borrowing bank loans); (vi) the Incident did not constitute material non-compliance nor did it involve any other illegal activities relating to our Company, Ms. Lu or Ms. Zheng such as insider trading; and (vii) except for the Order, since our Company's listing on the Shenzhen Stock Exchange in April 2017, our Company, Ms. Lu, Ms. Zheng and all other Directors have not been subject to any administrative penalty, regulatory measures taken by the CSRC, its branch offices, stock exchanges or other securities regulatory authorities or disciplined by Shenzhen Stock Exchange, nor have they been included in the list of dishonest persons subject to enforcement.

Having considered (i) our PRC Legal Advisor's above opinion, (ii) neither our Company, Ms. Lu nor Ms. Zheng had intended to violate the No. 5 Guidelines or conducted any other non-compliance or any illegal activities, such as insider trading, (iii) after the Order, our Company has taken rectification measures to ensure compliance with relevant rules and regulations regarding filings of inside information materials in line with the Hainan CSRC's guidance, and has submitted the Rectification Completion Report to the Hainan CSRC, (iv) the Hainan CSRC has no further enquiry or comments, and (v) all the Directors attended the trainings regarding the No. 5 Guidelines and other rules relating to the Incident to ensure no recurrence of such violation, our Directors believe that the Incident does not affect the suitability of Directors of our Company to act as Directors under Rules 3.08 and 3.09 and our Company's suitability under Rule 8.04 of the Listing Rules. In particular, our Directors are of the view that both Ms. Lu and Ms. Zheng are competent to act as Directors since (i) Ms. Lu and Ms. Zheng met all relevant requirements of the PRC law and regulations being directors; and (ii) both Ms. Lu and Ms. Zheng possesses extensive experience in corporate management.

Based on the independent due diligence conducted by the Joint Sponsors on the Incident, nothing has come to the attention of the Joint Sponsors which casts reasonable doubt on the above Directors' view that the Incident does not affect Ms. Lu's and Ms. Zheng's or any other Directors' suitability to act as Directors under Rule 3.08 and Rule 3.09 and the Company's suitability under Rule 8.04 of the Listing Rules.

COMPLIANCE ADVISER

We have appointed Somerley Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports required by regulatory authorities or applicable laws;

- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues and share repurchases;

- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and

- where the Stock Exchange makes an inquiry of us regarding unusual price movement and trading volume or other issues under Rule 13.10 of the Listing Rules.

The terms of the appointment shall commence on the Listing Date and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the Listing Date.

BOARD COMMITTEES

In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), the Company has established five committees on the Board of Directors, including the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee and ESG (Environmental, Social, and Governance) committee.

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Dr. Mao Xiaoying (茆曉穎), Mr. Xu Yong (徐勇) and Mr. Ma Shuli (馬樹立) with Dr. Mao Xiaoying (茆曉穎) serving as the chairman. Dr. Mao Xiaoying (茆曉穎) holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to the Board, and monitoring the independence of external auditors and evaluating their performance;
- examining the financial information of our Company and reviewing financial reports and statements of our Company;
- examining the financial reporting system, the risk management and internal control system of our Company, overseeing their rationality, efficiency and implementation and making recommendations to the Board; and
- dealing with other matters that are authorized by the Board.

Remuneration and Appraisal Committee

The Company has established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Ma Shuli (馬樹立), Dr. Mao Xiaoying (茆曉穎) and Mr. Zheng Hongwei (鄭洪偉), with Mr. Ma Shuli (馬樹立) serving as the chairman. The primary duties of the Remuneration and Appraisal Committee include, but not limited to, the following:

- advising the Board on the overall remuneration plan and structure of Directors, Supervisors and senior management and the establishment of transparent and formal procedures for determining remuneration policy of our Company;

- examining the criteria of performance evaluation of Directors, Supervisors and the senior management of our Company, conducting performance evaluation and making recommendations to the Board;

- formulating individual remuneration plans for Directors, Supervisors and members of the senior management in accordance with the terms of reference of the importance of their positions, the time they spend on such positions as well as the remuneration benchmarks for the relevant positions in the other comparable companies; and

- dealing with other matters that are authorized by the Board, and if necessary, engaging external experts to provide relevant independent services.

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Mr. Shen Wenzhong (沈文忠), Mr. Zheng Hongwei (鄭洪偉) and Mr. Zhang Liang (張亮), with Mr. Shen Wenzhong (沈文忠) as the chairman. The primary functions of the Nomination Committee include, but not limited to, the following:

- conducting extensive search and providing to the Board suitable candidates for Directors, general managers and other members of the senior management;

- overseeing the implementation of Board diversity policy; taking into account various factors when determining the composition of the Board, including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and service tenure;

- examining the size and composition of the Board and its members in respect of their skills, knowledge, experience and diversity at least once every year, and making recommendations to the Board on any change in Board composition in accordance with our Company's strategies;

- researching and developing standards and procedures for the election of the Board members, general managers and members of the senior management, and making recommendations to the Board; and

- dealing with other matters that are authorized by the Board.

Strategy Committee

Our Company has established the Strategy Committee, which consists of Ms. Lu Xiaohong (陸小紅), Mr. Zhang Manliang (張滿良) and Mr. Shen Wenzhong (沈文忠) and is chaired by Ms. Lu Xiaohong (陸小紅). The main duties of the Strategy Committee include but are not limited to:

- researching and recommending on long-term development strategy of our Company;
- researching and recommending on significant investment and financing plans of our Company;
- researching and recommending on major capital operation and asset management project, and annual financial budget plan of our Company;
- researching and recommending on significant matters relating to the development of our Company;
- monitoring the above matters and assessing, examining and recommending on significant changes; and
- performing such other duties determined by the Board.

ESG Committee

Our Company has established the ESG Committee, which consists of Mr. Zhang Manliang (張滿良), Mr. Zheng Hongwei (鄭洪偉) and Ms. Zheng Tong (鄭彤) and is chaired by Mr. Zhang Manliang (張滿良). For the main duties of the ESG Committee, please refer to the section headed "Business — Environmental, Social and Governance ("**ESG**") — Governance" in this prospectus.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the corporate governance requirements under the Corporate Governance Code after the Listing.

BOARD DIVERSITY

We have adopted a board diversity policy (the "**Board Diversity Policy**") to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director of the Company, the Nomination Committee will consider a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting and research and development. They obtained degrees in various majors including mechanical, economics and accounting, etc.. Furthermore, our Board has a relatively wide range of ages, ranging from 41 years old to 68 years old and consists of eight male members and two female members.

The Board of Directors is of the view that the Board satisfies the Board Diversity Policy. The Nomination Committee is responsible for reviewing the diversity of the Board, reviewing the Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the policy remains effective. The Company will (i) disclose the biographical details of each Director and (ii) report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report. In particular, our Company will take opportunities to increase the proportion of female members of the Board when selecting and recommending suitable candidates for Board appointments to help enhance gender diversity in accordance with stakeholder expectations and recommended best practices. Our Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that our Company will have a pipeline of female senior management and potential successors to the Board. We believe that such merit-based selection process with reference to our diversity policy and the nature of our business will be in the best interests of our Company and our Shareholders as a whole.

COMPENSATION OF DIRECTORS, SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

Our Company offers executive Directors, Supervisors and members of our senior management, who are also employees of our Company, emolument in the form of salaries, allowances, discretionary bonus and benefits in kind (if applicable). Our independent non-executive Directors receive emolument based on their responsibilities (including being members or the chair of our board committees). We adopt a market and incentive-based employee emolument structure and implement a multi-layered evaluation system which focuses on performance and management goals.

The aggregate amount of remuneration (including fees, salaries, allowances and benefits in kind, performance related bonuses and share incentive expense) paid to our Directors and Supervisors for the financial years ended December 31, 2022, 2023 and 2024 were approximately RMB14.5 million, RMB22.0 million and RMB5.8 million, respectively.

It is estimated that remuneration and benefits in kind (excluding any possible payment of discretionary bonus) equivalent to approximately RMB8.5 million in aggregate will be paid and granted to our Directors and Supervisors by us in respect of the financial year ending December 31, 2025 under arrangements in force at the date of this prospectus.

For the financial years ended December 31, 2022, 2023 and 2024, the aggregate amount of emolument (including fees, salaries, allowances and benefits in kind, performance related bonuses and share incentive expense) paid to the five highest paid individuals of our Company (excluding our Directors and Supervisors) were approximately RMB10.8 million, RMB36.1 million and RMB5.6 million, respectively.

During the Track Record Period, no remuneration was paid to, or receivable by, our Directors, Supervisors or the five highest paid individuals of our Group as an inducement to join or upon joining our Company or as a compensation for loss of office in the Track Record Period. Further, none of our Directors had waived any emolument during the same period.

Except as disclosed above, no other payments have been paid, or are payable, by our Company to our Directors, Supervisors or the five highest paid individuals of our Company during the Track Record Period.

For further details, please see Notes 11 of the Accountants' Report set out in Appendix IA to this prospectus.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, pursuant to the Acting-in-Concert Agreement, the Yang Family and their controlled entities (Yang Family Investment and Hainan Jindi), collectively being our Single Largest Group of Shareholders, were able to exercise an aggregate of approximately 22.61% voting rights in our Company. Immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes), the Yang Family and their controlled entities (Yang Family Investment and Hainan Jindi) are expected to be entitled to exercise an aggregate of approximately 17.71% voting rights in our Company. Yang Family together with Yang Family Investment and Hainan Jindi will remain as our Single Largest Group of Shareholders upon the Listing.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently of our Single Largest Group of Shareholders and their close associates after the Listing, taking into consideration of the factors below.

Management Independence

Our Board comprises ten Directors, including five executive Directors, one non-executive Director and four independent non-executive Directors. We believe that our Board as a whole, together with our senior management, is able to perform the managerial role in our Group independently from our Single Largest Group of Shareholders for the following considerations:

(a) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she acts for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) our daily management and operation decisions are made by all 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 interest of our Group. For details of the industry experience of our senior management, see “Directors, Supervisors and Senior Management” in this prospectus;

(c) 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 with a view to bringing independent judgment to the decision-making process of our Board;

(d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders which would support our independent management. For further details, please refer to the paragraph headed "Corporate Governance Measures" in this section.

In light of the above, our Directors believe that our Company has sufficient and effective control mechanisms to ensure that our Directors perform their respective duties properly and safeguard the interests of our Company and our Shareholders as a whole.

Operational Independence

We have full rights to make all decisions on, and to carry out, our own business operations independently. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate independently from our Single Largest Group of Shareholders and their close associates. We hold all the requisite licenses, intellectual property rights and qualifications that are material to carry on our principal business. We also have independent access to suppliers and customers and have sufficient capital, facilities and employees to operate our business independently from our Single Largest Group of Shareholders and their close associates.

Based on the above, our Directors believe that we will be able to operate independently from our Single Largest Group of Shareholders and their close associates.

Financial Independence

We have an independent financial system. We make financial decisions according to our own business needs and neither our Single Largest Group of Shareholders nor their close associates intervene with our use of funds. We have established an independent finance department with a team of financial staff and an independent audit, accounting and financial management system.

In addition, we have been and are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Single Largest Group of Shareholders or their close associates. As of the Latest Practicable Date, there was no loan, advance or guarantee provided by our Single Largest Group of Shareholders or their close associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently of and do not place undue reliance on our Single Largest Group of Shareholders and their close associates after the Listing.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Group of Shareholders:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Group of Shareholders or any of their associates has a material interest, our Single Largest Group of Shareholders or their associate will not vote on the relevant resolutions and shall not be counted in the quorum for the voting;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if our Company enters into connected transactions with our Single Largest Group of Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;

(c) our Board consists of a balanced composition of executive Directors, non-executive Director and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Single Largest Group of Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and

(e) we have appointed Somerley Capital Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Single Largest Group of Shareholders and to protect our Shareholders' interests as a whole after the Listing.

INTEREST IN COMPETING BUSINESS OF OUR SINGLE LARGEST GROUP OF SHAREHOLDERS AND THE DIRECTORS

None of the members of our Single Largest Group of Shareholders or our Directors was, as of the Latest Practicable Date, interested in or engaged in any business, other than our Company, which, competes or is likely to compete, either directly or indirectly, with our Group's businesses and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

So far as our Directors are aware, immediately following the completion of the Global Offering and without taking into account any H Shares which may be issued pursuant to the exercise of the Over-allotment Option and any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes, the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange 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 nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Number and type of Shares to be held after the Global Offering	Approximate percentage of shareholding in the relevant type of Shares immediately prior to the Global Offering	Approximate percentage of shareholding in the total share capital of our Company immediately after the Global Offering
			(%)	*(%)*
Hainan Jindi[(1)]	Beneficial owner	46,517,062 A Share	20.30	15.90
Yang Family Investment[(1)]. . . .	Interest in controlled corporations	46,517,062 A Share	20.30	15.90
Ms. Lu[(1)]	Beneficial owner	5,286,803 A Share	2.31	1.81
	Interest in controlled corporations and held jointly with other persons	51,803,865 A Share	22.61	17.71
Mr. Xu[(1)]	Interest in controlled corporations and held jointly with other persons	51,803,865 A Share	22.61	17.71
Mr. Lu Xuyang (陸徐楊)[(1)]	Interest in controlled corporations and held jointly with other persons	51,803,865 A Share	22.61	17.71
Mr. Yang Renyuan (楊仁元)[(1)]	Interest in controlled corporations and held jointly with other persons	51,803,865 A Share	22.61	17.71
Ms. Lu Huifen (陸惠芬)[(1)]	Interest in controlled corporations and held jointly with other persons	51,803,865 A Share	22.61	17.71

Name of Shareholder	Nature of interest	Number and type of Shares to be held after the Global Offering	Approximate percentage of shareholding in the relevant type of Shares immediately prior to the Global Offering	Approximate percentage of shareholding in the total share capital of our Company immediately after the Global Offering
			(%)	(%)
Mr. Xu Weidong (徐衛東)(1)	Interest in controlled corporations and held jointly with other persons	51,803,865 A Share	22.61	17.71
Ms. Lu Yuhong (陸玉紅)(1)	Interest in controlled corporations and held jointly with other persons	51,803,865 A Share	22.61	17.71
Mr. Xu Yong (徐勇)(1)	Interest in controlled corporations and held jointly with other persons	51,803,865 A Share	22.61	17.71
Ms. Lu Xiaowen (陸小文)(1)	Interest in controlled corporations and held jointly with other persons	51,803,865 A Share	22.61	17.71
Shangrao Economic and Technological Development Zone Industrial Development Investment Co., Ltd. (上饒經濟技術開發區產業發展投資有限公司) ("**Shangrao Development Zone**")(2)	Beneficial owner	22,244,267 A Share	9.71	7.60

Name of Shareholder	Nature of interest	Number and type of Shares to be held after the Global Offering	Approximate percentage of shareholding in the relevant type of Shares immediately prior to the Global Offering	Approximate percentage of shareholding in the total share capital of our Company immediately after the Global Offering
			(%)	*(%)*
Shangrao Economic Development Zone Talent Attraction Group Co., Ltd. (上饒經開區招才引資集團有限公司) ("**Shangrao Talent**")(2)	Interest in controlled corporations	22,244,267 A Share	9.71	7.60
		15,637,000(3) H shares	–	5.3(3)
Shangrao Economic and Technological Development Zone Management Committee (上饒經濟技術開發區管理委員會) ("**Development Zone Committee**")(2) . .	Interest in controlled corporations	22,244,267 A Share	9.71	7.60
		15,637,000(3) H shares	–	5.3(3)
Mr. Su Xianze (蘇顯澤)	Beneficial owner	13,768,491 A Share	6.01	4.71

Notes:

(1) As of the Latest Practicable Date, 80% equity interest of Hainan Jindi was owned by Yang Family Investment which was controlled by Yang Family pursuant to the Acting-in-Concert Agreement.

Lu Xuyang (陸徐楊) is the son of Ms. Lu. Yang Renyuan (楊仁元) is the father of Ms. Lu. Ms. Lu Huifen (陸惠芬) is the mother of Ms. Lu. Lu Yuhong (陸玉紅) and Ms. Lu Xiaowen (陸小文) are the sisters of Ms. Lu. Mr. Xu Yong (徐勇) is the spouse of Ms. Lu Xiaowen (陸小文). Mr. Xu Weidong (徐衛東) is the spouse of Ms. Lu Yuhong (陸玉紅).

As such, each of Hainan Jindi, Yang Family Investment, Ms. Lu, Mr. Xu, Mr. Lu Xuyang (陸徐楊), Mr. Yang Renyuan (楊仁元), Ms. Lu Huifen (陸惠芬), Ms. Lu Yuhong (陸玉紅), Ms. Lu Xiaowen (陸小文), Mr. Xu Weidong (徐衛東) and Mr. Xu Yong (徐勇) was deemed to be interested in the 46,517,062 A Shares held by Hainan Jindi and 5,286,803 A Shares held by Ms. Lu.

As of the Latest Practicable Date, to secure the obligations under certain financial loans provided by certain commercial banks to Yang Family's business other than our Group, Hainan Jindi pledged 15,834,325 A Shares in our Company in favour of respective commercial banks (the "**Share Pledge**"). The Share Pledge will be released upon the repayment of relevant financial loans. Our Company has obtained an undertaking from Hainan Jindi and Yang Family Investment to repay the relevant financial loans in the event that the lendee is unable to repay.

(2) As of the Latest Practicable Date, 60% equity interest of Shangrao Development Zone was owned by Shangrao Talent, which was a wholly-owned subsidiary of Development Zone Committee. The remaining 40% equity interests in Shangrao Development Zone were held by several other wholly-owned subsidiaries of Development Zone Committee. As such, each of Shangrao Talent and Development Zone Committee was deemed to be interested in the 22,244,267 A Shares held by Shangrao Development Zone.

(3) Immediately following the completion of the Global Offering, assuming an Offer Price of HK$24.50 per H Share (being the mid-point of the Offer Price range stated in the prospectus, 15,637,000 H Shares (calculated based on (a) rounded down to the nearest whole board lot of 100 H Shares) will be subscribed for by a cornerstone investor, i.e. Morden Direct Investment. As of the Latest Practicable Date, Shangrao Talent owns 69.9% partnership interest of Morden Direct Investment. Shangrao Talent is a wholly-owned subsidiary of Development Zone Committee. As such, each of Shangrao Talent and Development Zone Committee will be deemed to be interested in the 15,637,000 H Shares to be held by Morden Direct Investment upon the completion of the Global Offering. For details, see section headed "Cornerstone Investors" of this prospectus.

For details of the substantial Shareholders who will be, directly and/or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of our Group, please refer to the section headed "Appendix VI — Statutory and General Information — Further Information about our Directors, Supervisors and Substantial Shareholders — 1. Disclosure of Interests — (b) Interests of the Substantial Shareholders."

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), without taking into account the Offer Shares that may be taken up under the Global Offering, have interests or short positions in Shares or underlying Shares which would fall to be disclosed 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 nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

This section presents certain information regarding our share capital prior to and upon the completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered share capital of our Company was RMB 229,151,752 comprising 229,151,752 A Shares with a nominal value of RMB1.00 each (without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes), which are all listed on the Shenzhen Stock Exchange.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital
		(%)
A Shares	229,151,752	78.32
H Shares to be issued pursuant to the Global Offering	63,432,300	21.68
Total	292,584,052	100.00

Immediately upon completion of the Global Offering, assuming the Over-allotment Option is fully exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital
		(%)
A Shares	229,151,752	75.85
H Shares to be issued pursuant to the Global Offering	72,947,100	24.15
Total	302,098,852	100.00

OUR SHARE

Our H Shares in issue upon completion of the Global Offering, and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under Shenzhen-Hong Kong Stock Connect, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. Our H Shares can be subscribed for or traded by Hong Kong and other overseas investors and qualified domestic institutional investors. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by mainland Chinese investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of 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 may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR LISTING AND TRADING ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the Global Offering. 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 Hong Kong 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 listed and traded on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE GLOBAL OFFERING

We have obtained approval from our holders of A Shares to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. Such approval was obtained at the Shareholders' general meeting of our Company held on February 5, 2024 upon, among other things, the following major terms:

(1) Size of the offer

The proposed number of H Shares to be offered initially shall not exceed 25% of the total number of issued Shares as enlarged by the H Shares to be issued pursuant to the Global Offering and before the exercise of the Over-allotment Option. The number of H Shares to be issued pursuant to the exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered initially pursuant to the Global Offering.

(2) Method of offering

The method of offering shall be by way of a public offer for subscription in Hong Kong and an international offering to institutional and professional investors.

(3) Target investors

The H Shares shall be issued to overseas professional organizations, institutions, individual investors, the public and other eligible investors.

(4) Price determination basis

The issue price of the H Shares will be determined after due consideration of, among others, the interests of existing Shareholders, the acceptance of investors and the risks related to the offering and in accordance with international practices through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(5) Validity period

The approval is valid for 18 months from the date of passing of the resolutions at the Shareholders' general meeting of our Company held on February 5, 2024.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our Shareholders' general meeting is required, please refer to the sections headed "Appendix IV — Summary of Principal Legal and Regulatory Provisions and Appendix V — Summary of Articles of Association".

EMPLOYEE INCENTIVE SCHEMES

We have adopted the Employee Incentive Schemes. Please refer to the section headed "Appendix VI — Statutory and General Information — Employee Incentive Schemes" for details of the Employee Incentive Schemes.

You should note that we disposed of the Discontinued Business in June 2022. The financial performance of the Discontinued Business is presented as a discontinued operation. See "– Discontinued Business" in this section and Note 29 to the Accountants' Report in Appendix IA to this prospectus for details.

You should read the following discussion and analysis together with the consolidated financial information together with the accompanying notes in the Appendix IA to this prospectus. Our historical financial information and the consolidated financial statements of our Group have been prepared in accordance with the IFRS, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix IA and not rely merely on the information contained in this section. Unless the context otherwise requires, historical financial information in this section is described on a consolidated basis for the continuing operation.

The discussion and analysis set forth in this section contains forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. Our actual results may differ significantly from those projected. Factors that could cause or contribute to such differences include, without limitation, those discussed in the sections headed "Risk Factors" and "Business" and elsewhere in this prospectus. Discrepancies between totals and sums of amounts listed in this section in any table or elsewhere in this prospectus may be due to rounding.

OVERVIEW

We are a leading specialized manufacturer of PV cells. We have been continuously focusing on the R&D, production, and sales of high-efficiency PV cells. Leveraging our R&D innovation and key technologies, we maintained competitive position across different generations of mainstream PV cells, including both N-type TOPCon cells and P-type PERC cells. In particular, we have been leading the global PV cell industry transition from P-type PERC cells towards N-type TOPCon cells, achieving cost-efficient large-scale mass production while advancing technology innovation. According to Frost & Sullivan, based on the shipment volume in 2024, among specialized manufacturers, our N-type TOPCon cells' market share reached approximately 24.7% and ranked first globally, and our PV cells' market share reached approximately 17.9% and ranked second globally.

We generate revenue primarily from the sales of PV cells and the provision of manufacturing services. In 2022, 2023 and 2024, our revenue was RMB11,085.7 million, RMB18,610.8 million and RMB9,923.9 million, respectively. We had net profits from continuing operation of RMB616.9 million and RMB815.6 million in 2022 and 2023, respectively, and we incurred a net loss of RMB591.1 million in 2024.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our historical results of operations have been affected by a number of important factors which we believe will continue to affect our financial condition and results of operations in the future. Our results are primarily affected by the following factors:

General Conditions and the Growth of Overall PV Cell Market

We primarily engaged in the R&D, production and sales of high-efficiency PV cells. Accordingly, our growth, result of operations and financial condition are significantly affected by the market demand for PV cells. The global PV industry has been, and is expected to continue experiencing rapid growth. The global PV cell market size, as measured by shipment volume, has reached 605.4 GW in 2024. By 2030, the global PV cells market size, as measured by shipment volume is expected to reach 1,233.6 GW at a CAGR of 12.2% from 2025 to 2030.

The PV cells market in China, where we derived a significant majority of our revenue during the Track Record Period, experienced rapid growth in recent years. In particular, PV cells manufactured by factories located in China hold a dominant position in global market with a shipment volume of 605.4 GW in 2024, accounting for approximately 93% of the global market share. Our sales volume of PV cells reached 10.7 GW, 30.0 GW and 33.7 GW in 2022, 2023 and 2024, respectively.

Within the PV cells industry, P-type PERC cells have been the mainstream technology in recent years. However, driven by increasing market demand and advancement in technology, N-type TOPCon cells are gradually taking more market shares due to its superior performance and increasing cost efficiency. In the future, N-type TOPCon cells are expected to surpass P-type PERC cells as the absolute mainstream in the market, marking a significant shift in the landscape of PV cell technology. The market share of N-type cells increased from 1.5% in 2020 to 74.3% in 2024, and is estimated to increase to 99.1% in 2030. Among various types of N-type cells, N-type TOPCon cells currently lead N-type TOPCon cells commercialization and are expected to continue being a main beneficiary in the transition from P-type to N-type TOPCon cells. See "Industry Overview — Global PV Cell Market — Global PV Cell Market in the P-N Transition" for details. We led the development, manufacture and sales of N-type TOPCon cells. According to Frost & Sullivan, while N-type TOPCon cells entered large-scale mass production in 2022, we ranked first among specialized manufacturers with a shipment volume of 1.8 GW N-type TOPCon cells and a global market share that exceeds 75% in terms of shipment volume in 2022, and in 2024, our N-type TOPCon cells' global market share reached approximately 24.7% and ranked first globally.

Capitalizing on our strong technology capacity and leading market position that allow us to effectively capture market opportunities brought up by the growing market demand of PV cells in China and around the world, we derived revenue of RMB11,085.7 million, RMB18,610.8 million and RMB9,923.9 million in 2022, 2023 and 2024, respectively.

In recent years, nations across the globe, including China, have implemented policies and taken initiatives to prioritize the development of renewable energy sources, aiming to achieve carbon neutrality. Solar power, being the fastest-growing primary renewable energy source, is well positioned to continue dominating the renewable energy market in the foreseeable future. In particular, as part of global collaborative action to combating climate change, the Chinese government has established a series of favorable policies and regulation regarding the development and implementation of renewable energy technologies. Particularly, in February 2021, the NDRC, the Ministry of Finance, the NEA and the People's Bank of China jointly promulgated the *Notice on Guiding to Increase Financial Support to Promote the Healthy and Orderly Development of Wind Power and Photovoltaic Power Generation Industries* (《關於引導加大金融支持力度促進風電和光伏發電等行業健康有序發展的通知》), and the NDRC and the NEA promulgated the *Notice on Matters Concerning Promoting the Sound Development of the Photovoltaic Industry Chain* (《關於促進光伏產業鏈健康發展有關事項的通知》) in September 2022. For details, see "Industry Overview — Global Renewable Energy Power Generation Market — Market Drivers of Global Renewable Energy Market — Supportive Policies to Achieve Carbon Neutrality and Address Energy Security Concerns" in this prospectus. Going forward, leveraging our established leading market position and strong technology capacity fueled by successful innovation, we are well-positioned to capture future market opportunities to achieve continuous growth.

Expansion of Our Production Capacity

In observation of significant growth in market demand, including growth driven by the P-N transition, the growth in our revenue and market share during the Track Record Period largely relied upon, and is expected to continue depend on our ability to successfully expand our production capacity. It is critical for us to successfully manage production ramp-up and quality control so as to deliver products in adequate volume and of high quality to customers. In the past few years, we have significantly expanded our production capacity and output by establishing new and expanding our existing production plants. The construction periods of our Chuzhou and Huai'an Plants, i.e. the time between breaking ground and the manufacturing of the first PV cell, were only approximately five and four months, respectively. Our ability to establish our production plants in such short construction periods allowed us to effectively capture the first-mover advantages and related market opportunities, which further enhanced our industry leading position. This also demonstrated our strong technological leadership, extensive experience in selecting and tuning production equipment, strong production management capabilities and abundance of experience in the industry. As of December 31, 2024, our annualized production capacity for PV cells was approximately 44.4 GW, all of which was for N-type TOPCon cells. For 2022, 2023 and 2024, the utilization rates of our manufacturing facilities were 94.8%, 96.2% and 81.6%, respectively. For further details, see "Business — Our Production — Our Plants." Supported by our expanded production capacity, our sales volume increased from 10.7 GW in 2022 to 30.0 GW in 2023, and further to 33.7 GW for 2024. The timely expansion in our production capacity ensured we could effectively respond to the rising market demand and scale up our business during the Track Record Period.

Given the strong and continuing growth in global market demand for PV cells and the initial success of our global strategy, we have been proactively identifying and seeking suitable opportunities of overseas production capacity expansion to better serve relevant markets. In the future, we plan to reach an overseas annualized production capacity of around 10 GW to serve the overseas market demands. Please see "Business — Our Strategies — Catalyze global market development and capitalize on market opportunities through overseas expansion." Our future growth and results of operations will be affected by our investment in and continual maintenance and upgrading of manufacturing facilities and processes. Going forward, we expect that the further improvement of our production efficiency will be key to further improve our profitability.

Competition and Pricing

We face competition in the global PV cell markets. We believe the factors that are critical to our competitiveness in these markets include research and development capabilities, quality of our products, relationship with our customers, marketing and distribution channels, competitive pricing, brand recognition and after-sales services. We believe that we have enjoyed certain competitive advantages as a result of our technological superiority, quality of our product offerings at competitive prices, strong relationships with our customers, extensive sales, marketing and after-sale services network and a high level of brand recognition, among other factors. However, increased competition or our inability to sustain our competitive advantage could adversely affect our results of operations.

Our pricing directly affects our revenue, gross profit margin and results of operations. When pricing our products, we consider various factors, such as prevailing market prices and conditions, costs of production, years of business relationship, government awards policy and expected margins. During the Track Record Period, the average selling prices for our products experienced an overall downward trend with fluctuation, which was generally in line with the industry trend. For details, see "— Description of Major Components of Our Results of Operations — Revenue" in this section.

Ability to Control Cost of Raw Materials and Improvement in Production Efficiency

Our business results, profitability and future growth are affected by, among other things, our ability to continuously enhance and improve our production efficiency and cost optimization. Our cost of sales primarily consists of costs of raw materials, overhead, direct labor costs, and impairment loss of inventory. The cost of raw materials amounted to RMB8,904.6 million, RMB13,640.3 million and RMB7,952.1 million in 2022, 2023 and 2024, respectively, accounting for 90.2%, 80.6% and 79.4% of our total cost of sales in the respective years. Among the raw materials of PV cells, silicon wafers are the largest component, often exceeding 60% of the total material cost, followed by silver paste. Therefore, we are subject to the risks of fluctuations in the price of these materials. Changes in the availability and price of raw materials could have a significant impact on our operating costs, profit margin and results of operations. In the future, we intend to intensify the cooperation with upstream raw material suppliers, such as signing long-term partnership agreements to secure critical raw materials, which would ensure stability and continuity in our supply chain and help us to mitigate the risk of fluctuations in the price of raw materials.

During the Track Record Period, we continuously improved the manufacturing workflow and raw material utilization, successfully increasing raw material consumption and waste management efficiency during the manufacturing process. Leveraging our technological strength, we have successfully implemented comprehensive measures for production efficiency improvement, including adopting advanced production technology and equipment and implementing pioneering production processes and techniques.

Investment in R&D and Advance in Technology

The PV cell industry is characterized by evolving technologies and standards. These technological evolutions and developments place increasing demands on the improvement of our products, such as requiring PV cells to have higher conversion efficiency and lifetime electricity generation. During the Track Record Period, we primarily relied on our in-house R&D team to develop key technologies and ensure a rapid pace of innovation. We have also established close and deep R&D collaboration with numerous renowned domestic and international institutions for joint research and product development to widen our lead in the industry.

We focused on the advanced technology of PV cells and built our core competitiveness through continuous R&D. We have invested in talented developers and engineers to grow our strength in the new and key technologies of PV cells. While exploring new technological frontiers in the PV cell industry, we also continued to optimize the performance of our existing products through our R&D efforts. As the market evolves, the performance of our products also require consistent enhancement. Our ability to develop more advanced technologies and design innovative products that tailor to customers' changing requirements has been and will continue to be critical to our ability to maintain our competitive edge and excel in the market. Therefore, the outcome and effectiveness of our research efforts could affect our profitability and future results of operations.

BASIS OF PREPARATION

The consolidated financial statements of our Group for the Track Record Period, on which the historical financial information is based, have been prepared in accordance with the accounting policies which conform with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**") and were audited by Deloitte Touche Tohmatsu in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The historical financial information has been prepared in accordance with the accounting policies set out in Note 3 to the Accountants' Report in Appendix IA to this prospectus which conform with IFRSs.

Our Group has not early adopted the following amendments to IFRSs that have been issued but are not yet effective. The directors of our Company anticipate that the application of all these amendments to IFRSs will have no material impact on our Group's consolidated financial statements in the foreseeable future.

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	to be determined
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027

MATERIAL ACCOUNTING POLICY INFORMATION

We have identified certain accounting policies that are significant to the preparation of our historical financial information. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. We set out below some of the accounting policies and estimates that we believe are of critical importance to us or involve the most significant estimates and judgments used in the preparation of our financial statements. Our material accounting policy information, which are important for understanding our financial condition and results of operations, are set out in further details in Notes 3 and 5 to the Accountants' Report in Appendix IA to this prospectus.

Sale of Photovoltaic Cell Products and Related Services

Our 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.

Revenue arising from sales of photovoltaic cell products is recognized at a point in time when the goods are accepted by the customers after delivery to the customers' premises and revenue arising from services is recognized upon completion of the services contracts, since only by that time our Group passes control of the goods or services to the customers. We generally do not grant any credit period to our customers.

Customers are generally required to make full payment before we deliver the products to customers. Contract liabilities are recognized when consideration is received in which revenue has yet been recognized.

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 our Group, liabilities incurred by our Group to the former owners of the acquiree and the equity interests issued by our 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 issued by the IASB in March 2018 (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC – Int 21 *Levies*, in which our Group applies IAS 37 or IFRIC – Int 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 recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard; and

- lease liabilities are recognized and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within twelve months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognized and measured at the same amount as the relevant lease liabilities, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

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 of the acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds 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 interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

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.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of our Group's cash-generating units ("**CGUs**") (or group of CGUs) 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 not larger than an operating segment.

A CGU (or group of CGUs) 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 a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting 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 CGUs).

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When our Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

Property, Plant and Equipment

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 as described below). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with our Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible Assets

Intangible Assets Acquired Separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research Expenditure

Expenditure on research activities is recognized as an expense in the year in which it is incurred.

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which our Group must incur to make the sale.

Impairment on Property, Plant and Equipment, Right-of-use Assets and Intangible Assets

At the end of each reporting period, our Group reviews the carrying amounts of its goodwill, property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of goodwill, property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, our Group estimates the recoverable amount of the CGU to which the asset belongs. In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, our Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit of the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

OUR CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Continuing operation						
Revenue	11,085,713	100.0	18,610,794	100.0	9,923,894	100.0
Cost of sales	(9,870,370)	(89.0)	(16,914,686)	(90.9)	(10,008,952)	(100.9)
Gross profit/(loss)	1,215,343	11.0	1,696,108	9.1	(85,058)	(0.9)
Other income	24,111	0.2	106,799	0.6	172,909	1.7
Other gains and losses	(3,481)	(0.0)	4,226	0.0	24,123	0.2
Selling and marketing expenses	(16,449)	(0.1)	(73,599)	(0.4)	(63,006)	(0.6)
Administrative expenses	(146,043)	(1.3)	(416,305)	(2.2)	(337,562)	(3.4)

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Listing expenses	–	–	–	–	(5,236)	(0.1)
Research and development expenses	(235,207)	(2.1)	(303,758)	(1.6)	(206,953)	(2.1)
Net impairment losses under expected credit loss model	(11,761)	(0.1)	(10,332)	(0.1)	(6,748)	(0.1)
Other expenses	(535)	(0.0)	(13,056)	(0.1)	(3,331)	(0.0)
Finance costs	(146,042)	(1.3)	(245,594)	(1.3)	(220,557)	(2.2)
Profit/(loss) before tax	679,936	6.1	744,489	4.0	(731,419)	(7.4)
Income tax (expense)/credit	(63,036)	(0.6)	71,153	0.4	140,306	1.4
Profit/(loss) for the year from continuing operation	616,900	5.6	815,642	4.4	(591,113)	(6.0)
Discontinued operation						
Profit for the year from discontinued operation	204,087	1.8	–	–	–	–
Profit/loss for the year	**820,987**	**7.4**	**815,642**	**4.4**	**(591,113)**	**(6.0)**
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences arising on translation of foreign operations	–	–	–	–	23	0.0
Total comprehensive income (expenses) for the year	820,987	7.4	815,642	4.4	(591,090)	(6.0)
Profit/losses for the year attributable to owners of the Company:						
– from continuing operation	512,858	4.6	815,642	4.4	(591,113)	(6.0)
– from discontinued operation	204,087	1.8	–	–	–	–
	716,945	**6.5**	**815,642**	**4.4**	**(591,113)**	**(6.0)**
Profit for the year attributable to non-controlling interests:						
– from continuing operation	104,042	0.9	–	–	–	–
– from discontinued operation	–	–	–	–	–	–
	104,042	**0.9**	**–**	**–**	**–**	**–**

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Total comprehensive income/ (expenses) for the year attributable to:						
– Owners of the Company	716,945	6.5	815,642	4.4	(591,090)	(6.0)
– Non-controlling interest	104,042	0.9	–	–	–	–
	820,987	**7.4**	**815,642**	**4.4**	**(591,090)**	**(6.0)**
Total comprehensive income/ (expenses) attributable to owners of the Company:						
– from continuing operation	616,900	5.6	815,642	4.4	(591,090)	(6.0)
– from discontinued operation	204,087	1.8	–	–	–	–
	820,987	**7.4**	**815,642**	**4.4**	**(591,090)**	**(6.0)**

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we derived revenue from sales of our N-type TOPCon cells and P-type PERC cells to our customers, and the provision of manufacturing services, primarily for P-type PERC cells to our customers.

Our total revenue increased by 67.9% from RMB11,085.7 million in 2022 to RMB18,610.8 million in 2023, mainly due to the increase in the revenue generated from the sale of our N-Type TOPCon cells, as we focused on expanding the market of N-type TOPCon cells. To capture the market demand for our N-type TOPCon cells, we rapidly scaled up our production capabilities by establishing new and expanding existing production facilities. In 2023, with the expansion of our Chuzhou Plant and the establishment of our Huai'an Plant, the production capacity of our N-type TOPCon cells increased from 2.5 GW in 2022 to 21.9 GW in 2023. This expansion in production capacity supported an increase in sales volume of our N-type TOPCon cells from 1.8 GW in 2022 to 20.4 GW in 2023. The increase in the revenue generated from our N-type TOPCon cells was partially offset by the decrease in revenue generated from the sale of P-type PERC cells, as we strategically shifted our focus and increased our investment in the manufacture and sales of N-Type TOPCon cells, in line with the general P-N transition in the global PV cell market.

Our total revenue decreased by 46.7% from RMB18,610.8 million in 2023 to RMB9,923.9 million in 2024, mainly due to the decreases in revenues generated from both N-type TOPCon cells and P-type PERC cells. We recorded decrease in revenue generated from sale of N-type TOPCon cells primarily due to the decrease in the average selling price of N-type TOPCon cells in line with the decreased prevailing market price despite the increase in sales volume. The revenue generated from the N-type TOPCon cells decreased from RMB13,494.7 million in 2023 to RMB9,276.6 million in 2024. In addition, the revenue generated from the sales of P-type PERC cells decreased from RMB4,277.6 million in 2023 to RMB380.2 million in 2024, as we gradually phased out the sales and production of P-type PERC cells and pivoted our focus on N-type TOPCon cells.

The table below sets forth a breakdown of revenue of Jietai Technology and Huai'an Jietai and our Company for the years indicated.

	Year Ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Jietai Technology	11,085,713	16,760,970	6,184,035
Huai'an Jietai and our Company	–	5,769,297*	5,142,867
Elimination of intragroup transactions	–	(3,919,473)	(1,403,008)
Total	**11,085,713**	**18,610,794**	**9,923,894**

* Huai'an Jietai mainly engages in manufacture and sales of N-type TOPCon cells and generated revenue of RMB3,839.2 million in 2023. Our Company generated revenue of RMB1,930.1 million in 2023 from the sales of N-type TOPCon cells.

The table below sets forth a breakdown of the gross profit/(loss) of Jietai Technology and Huai'an Jietai and our Company for the years indicated.

	Year Ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Jietai Technology	1,215,343	2,401,432	(58,981)
Huai'an Jietai and our Company	–	188,868*	(26,077)
Impairment loss of Property, Plant and Equipment	–	(894,192)	–
Total	**1,215,343**	**1,696,108**	**(85,058)**

* Huai'an Jietai recorded gross profit of RMB176.1 million in 2023. Our Company recorded gross profit of RMB12.8 million in 2023. In 2023, Huai'an Jietai and our Company recorded a lower gross profit margin than Jietai Technology mainly because Huai'an Jietai commenced mass production of N-type TOPCon cells in late May 2023, prior to which such cells were at early stage of development. As a result, the majority of sales of N-type TOPCon cells from Huai'an Jietai in 2023 took place in late 2023. In late 2023, there was a decrease in the average selling price of N-type TOPCon cells, resulting in a decreased profit margin. The combination of ramping up operations at our Huai'an Plant in the first three quarters of 2023, and the drop in market prices of N-type TOPCon cells in the fourth quarter, caused Huai'an Jietai to record a low profit margin in 2023. Our Company recorded a comparatively lower profit margin primarily because it was designated within the Group to serve only as a sales channel to arrange relevant sales and procured PV cells from intra-group transactions with our subsidiaries, without contributing any significant added value to promote such sales nor engaging itself in the manufacturing or marketing of the PV cells. Therefore, the premium charged by the Company for relevant sales was comparatively lower. The gross profit which our Company generated from such relevant sales was less than 1.0% of our total gross profit in 2023.

The following table sets forth a breakdown of our revenue for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
N-type TOPCon	2,057,893	18.6	13,494,740	72.5	9,276,609	93.5
P-type PERC	8,872,274	80.0	4,227,624	22.7	380,161	3.8
Others*	155,546	1.4	888,430	4.8	267,124	2.7
Total	**11,085,713**	**100.0**	**18,610,794**	**100.0**	**9,923,894**	**100.0**

* Others mainly represented revenue generated through manufacturing services during the Track Record Period. For details, see "Business — Our Business — Our Products and Services."

The table below sets out details on sales volume of our PV cells and our manufacturing service for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	GW	*%*	*GW*	*%*	*GW*	*%*
Sales Volume						
N-type TOPCon	1.8	16.8	20.4	68.0	30.4	90.2
P-type PERC	8.3	77.7	5.7	19.0	1.2	3.6
Others*	0.6	5.5	3.9	13.0	2.1	6.2
Total	**10.7**	**100.0**	**30.0**	**100.0**	**33.7**	**100.0**

* Others mainly represented manufacturing services during the Track Record Period.

The table below sets out details on the average selling price (net of tax) of our PV cells and other service for the years indicated.

	Year Ended December 31,		
	2022	2023	2024
	RMB/W	*RMB/W*	*RMB/W*
Average Selling Price			
N-type TOPCon	1.14	0.67	0.31
P-type PERC	1.06	0.75	0.32
Others*	0.26	0.22	0.13

* Represents our manufacturing service revenue divided by our manufacturing service sales volume.

N-type TOPCon Cells

We recorded a revenue of RMB2,057.9 million generated from the sales of our N-type TOPCon cells in 2022, after we first launched our N-type TOPCon cells in August 2022. The revenue generated from the sales of our N-type TOPCon cells increased significantly from RMB2,057.9 million in 2022 to RMB13,494.7 million in 2023, mainly due to the increase in the sales volume, the effect of which was partially offset by the decrease in average selling price of our N-type TOPCon cells.

The sales volume of our N-type TOPCon cells increased from 1.8 GW in 2022 to 20.4 GW in 2023, which was mainly driven by the rapid growth in the market demand for our N-type TOPCon cells in recognition of the premium quality and our leading position in manufacturing the N-type TOPCon cells. In addition, the growth in the market demand of our N-type TOPCon cells was also supported by the increase in our production capacity. Our production capacity of N-type TOPCon cells increased from 2.5 GW in 2022 to 21.9 GW in 2023, as we ramped up the production of our Chuzhou and Huai'an Plants.

The average selling price of our N-type TOPCon cells decreased from RMB1.14 per watt in 2022 to RMB0.67 per watt in 2023, mainly due to the decrease in the prevailing market price of N-type TOPCon cells, primarily reflecting the decreased market price of silicon wafers in 2023.

Our revenue generated from the sales of our N-type TOPCon cells decreased by 31.3% from RMB13,494.7 million in 2023 to RMB9,276.6 million in 2024, mainly due to the decrease in the average selling price, the effect of which was partially offset by the increase in the sales volume of our N-type TOPCon cells.

The average selling price of our N-type TOPCon cells decreased from RMB0.67 per watt in 2023 to RMB0.31 per watt in 2024, primarily due to (i) the decrease in the market price of silicon wafers in 2024 compared to 2023, and (ii) temporary supply-demand imbalance and intensified market competition in 2024.

The sales volume of our N-type TOPCon cells increased from 20.4 GW in 2023 to 30.4 GW in 2024, mainly reflecting the increased market demand for our N-type TOPCon cells in 2024 compared to 2023, as a result of the industry-wide P-N transition in 2023 and the market recognition of our industry-leading product quality.

P-type PERC Cells

The revenue generated from the sales of our P-type PERC cells decreased by 52.4% from RMB8,872.3 million in 2022 to RMB4,227.6 million in 2023, mainly due to (i) the decrease in the average selling price of our P-type PERC cells, and (ii) the decrease in the sales volume of our P-type PERC cells.

The average selling price of our P-type PERC cells decreased from RMB1.06 per watt in 2022 to RMB0.75 per watt in 2023, mainly due to the decrease in the prevailing market price of P-type PERC cells caused by (i) the decreased market price of silicon wafers in 2023, and (ii) the prevailing supply and demand mechanism in the market during the Track Record Period.

The sales volume of our P-type PERC cells decreased from 8.3 GW in 2022 to 5.7 GW in 2023, mainly because we strategically shifted our focus to promote the sales of our N-type TOPCon cells to capture the competitive advantages in the industry trend of P-N transition. However, to properly utilize our P-type PERC cells production capacity, we provided manufacturing services to serve customers' demand for P-type PERC cells.

The revenue generated from the sales of our P-type PERC cells decreased by 91.0% from RMB4,227.6 million in 2023 to RMB380.2 million in 2024, primarily due to the deceases in both the sales volume and the average selling price of our P-type PERC cells.

The sales volume of our P-type PERC cells decreased from 5.7 GW in 2023 to 1.2 GW in 2024, primarily because we have gradually phased out the sales and production of P-type PERC cells and manufacturing services for P-type PERC cells to pivot our focus to N-type TOPCon cells, in response to the industry-wide P-N transition, including via suspending our production in Shangrao Plant.

The average selling price of our P-type PERC cells decreased from RMB0.75 per watt in 2023 to RMB0.32 per watt in 2024, primarily due to decrease in the prevailing market price of P-type PERC cells resulting from the industry-wide P-N transition and the decrease in the market price of silicon wafers in 2024 compared to 2023.

Others

The revenue generated from our manufacturing service increased significantly from RMB155.5 million in 2022 to RMB888.4 million in 2023. Such increase was mainly due to the increased sales volume of the PV cells we manufactured on behalf of our customers from 0.6 GW in 2022 to 3.9 GW in 2023. In 2023, we expanded our manufacturing service customers base, as the number of our manufacturing service customers increased from 27 in 2022 to 47 in 2023, and our existing customers placed more manufacturing orders in 2023, in recognition of our premium manufacturing service.

The revenue generated from our manufacturing service decreased by 69.9% from RMB888.4 million in 2023 to RMB267.1 million in 2024. This decrease in revenue of our manufacturing service was mainly due to the decrease in the manufacturing fee we charged our customers for our manufacturing service, which decreased from RMB0.22 per watt in 2023 to RMB0.13 per watt, in line with the decrease in the market price for PV cells.

Revenue by Region

During the Track Record Period, mainland China was our major market, accounting for over 95.0% of our total revenue. Our revenue generated from mainland China increased from RMB11,054.5 million in 2022 to RMB17,736.1 million in 2023, mainly due to the increased market demands in Mainland China for our PV cells. Our revenue generated from mainland China decreased from RMB17,736.1 million in 2023 to RMB7,550.7 million in 2024, primarily due to the reduced average selling price of our PV cells in mainland China, which decreased from RMB0.62 per watt in 2023 to RMB0.31 per watt in 2024.

The revenue generated outside mainland China increased from RMB31.2 million in 2022 to RMB874.6 million in 2023. Such increases was resulted from our expansion of production capacity and our marketing efforts to explore overseas markets such as Turkey and India. The revenue generated outside mainland China increased from RMB874.6 million in 2023 to RMB2,373.2 million in 2024, primarily due to our increased overseas sales volume from 1.24 GW in 2023 to 8.29 GW in 2024, reflecting our effort to expand the global market and the increased market demand for our PV cell products from overseas markets.

The following table sets forth a breakdown of our revenue by region for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Mainland China	11,054,542	99.7	17,736,145	95.3	7,550,690	76.1
Outside Mainland China	31,171	0.3	874,649	4.7	2,373,204	23.9
Total	**11,085,713**	**100.0**	**18,610,794**	**100.0**	**9,923,894**	**100.0**

Cost of Sales

Our cost of sales primarily consists of raw materials, overhead, direct labor costs, impairment loss of inventory, and impairment loss of property, plant and equipment. The following table sets forth a breakdown of our cost of sales by nature for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
Cost of sales of goods and services						
Cost of raw materials	8,904,620	80.3	13,640,316	73.3	7,952,054	80.1
Overhead	796,921	7.2	1,954,509	10.5	1,697,037	17.1
Direct labor costs	115,992	1.0	307,250	1.7	212,669	2.1
Impairment loss of inventory	44,368	0.4	95,828	0.5	130,094	1.3
Others*	8,469	0.1	22,591	0.1	17,098	0.2
Subtotal of cost of sales of goods and services	**9,870,370**	**89.0**	**16,020,494**	**86.1**	**10,008,952**	**100.8**
Impairment loss of Property, Plant and Equipment	–	–	894,192	4.8	–	–
Total	**9,870,370**	**89.0**	**16,914,686**	**90.9**	**10,008,952**	**100.8**

* Others mainly include transportation costs.

Cost of Raw Materials

Cost of raw materials remained the largest component of our cost of sales throughout the Track Record Period and primarily consists of the cost of silicon wafers, silver pastes, and other auxiliary materials.

Our cost of raw materials increased by 53.2% from RMB8,904.6 million in 2022 to RMB13,640.3 million in 2023, mainly due to the increase in the sales volume of our N-type TOPCon cells. Our cost of raw materials accounted for 80.3% and 73.3%, respectively, of our total revenue in 2022 and 2023. The decrease in the percentage of cost of raw material to our total revenue was mainly due to (i) the decrease in the market price of silicon wafers in 2023 and (ii) our effort to control our cost of raw materials, including diversifying our pool of suppliers, enhancing our centralized procurement, and improving the utilization efficiency of our raw material.

Our cost of raw materials decreased from RMB13,640.3 million in 2023 to RMB7,952.1 million in 2024, primarily due to the decrease in the market price of silicon wafers in 2024, partially offset by the increase in our sales volume of N-type TOPCon cells. Our cost of raw materials accounted for 73.3% and 80.1%, respectively, of our total revenue for 2023 and 2024.

Sensitivity Analysis

	Impact on profit/(loss) before tax		
	Year Ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Change in price of raw materials			
-/+ 5%	445,231	682,016	397,603
-/+ 10%	890,462	1,364,032	795,205

Overhead

Overhead primarily consists of depreciation of our plants and manufacturing machinery, costs of utilities, indirect labor costs, and maintenance costs of manufacturing machinery.

Our overhead increased by 145.3% from RMB796.9 million in 2022 to RMB1,954.5 million in 2023. Such increase was primarily due to the substantial increase in our production volume, driven by the increased market demand for our products. In 2022 and 2023, our overhead accounted for 7.2% and 10.5%, respectively, of our total revenue in the respective years. The increase in the percentage of overhead to our total revenue was mainly because we acquired more manufacturing equipment and expanded our plants to support the growth of our business, resulting in the increased depreciation of our plants and manufacturing machinery.

Our overhead decreased by 13.2% from RMB1,954.5 million in 2023 to RMB1,697.0 million in 2024. In 2023 and 2024, our overhead accounted for 10.5% and 17.1%, respectively, of our total revenue in the respective years. The increase in the percentage of overhead to our total revenue was mainly attributable to (i) the decrease in our revenue and increase in our sales volume in 2024, which resulted in an increased proportion of fixed costs to total revenue and (ii) the increased depreciation of our plants and manufacturing machinery resulting from the expansion of our Chuzhou Plant and ramp up of our Huai'an Plants since April 2023.

Direct Labor Costs

Our direct labor costs represent salaries, bonus, and welfare benefits for our manufacturing staff.

Our direct labor costs increased by 164.9% from RMB116.0 million in 2022 to RMB307.3 million in 2023. In 2022 and 2023, our direct labor costs accounted for 1.0% and 1.7%, respectively, of our total revenue in the respective years. The increase in the percentage of direct labor costs to our total revenue was mainly due to the increases in the headcounts and average salaries of our manufacturing staff, as we expanded our Chuzhou Plant and established our Huai'an Plant in 2023 which required us to attract more talent to support our business expansion.

Our direct labor costs decreased by 30.8% from RMB307.3 million in 2023 to RMB212.7 million in 2024. In 2023 and 2024, our direct labor costs accounted for 1.7% and 2.1%, respectively, of our total revenue in the respective years. The decrease in our direct labor costs was mainly due to the decrease in the headcounts of our manufacturing staff as we took effort to control our cost and improve operational efficiency.

Impairment Loss of Property, Plant and Equipment, Inventories and Goodwill

The impairment loss of property, plant and equipment represent the decrease in net carrying value of our certain property, plant and equipment associated with the production of P-type PERC cells. As a result of the unexpected accelerated shift in market demand from P-type PERC cells to N-type TOPCon cells during the fourth quarter of 2023, we recognized a one-off impairment loss on property, plant and equipment of RMB894.2 million in 2023 on certain P-type PERC cell production lines and production facilities in our Shangrao Plant. See "Industry Overview — Global PV Cell Market — Global PV Cell Market in the P-N Transition" and Note 17A to the Accountants' Report in Appendix IA to this prospectus.

The gross carrying amount of property, plant and equipment relating to our P-type PERC cells was RMB2,071.8 million, RMB999.1 million and RMB998.0 million, as of December 31, 2022, 2023 and 2024, respectively.

The gross carrying amount of our P-type PERC cell inventories was RMB197.7 million, RMB70.1 million and nil as of December 31, 2022, 2023 and 2024, respectively. We recognized impairment loss on our P-type PERC cell inventories of RMB24.5 million, RMB10.6 million and RMB1.0 million in 2022, 2023 and 2024, respectively.

The gross carrying amount of goodwill was RMB860.5 million, RMB856.7 million and RMB854.8 million as of December 31, 2022, 2023 and 2024, respectively. No impairment loss was recognized during the Track Record Period.

The carrying value of our P-type PERC cell inventories at the end of each year during the Track Record Period is determined based on the lower of cost and net realizable value. The net realizable value of our P-type PERC cells is calculated by estimating the selling price in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale which include incremental costs directly attributable to the sale and non-incremental costs which we must incur to make the sale. If the carrying amount of the inventories exceeds their net realizable value, an impairment loss is recognized.

Under the requirements of IAS 36 Impairment of Assets, entities are required to disclose the amount of impairment losses recognized in profit or loss during the period, and the specific line items in the statement of profit or loss and other comprehensive income where these losses are included.

At the time of impairment testing a CGU to which goodwill has been allocated, there may be an indication of an impairment of an asset within the unit containing the goodwill. In such circumstances, we tests the asset for impairment first, and recognizes impairment loss for that asset before testing for impairment the CGU containing the goodwill.

The impairment loss of RMB894.2 million related to the P-type PERC cell production lines and facilities at the Shangrao Plant is classified under cost of sales, as these assets are directly involved in the manufacturing operations of PV cells, which is our principal business activity.

The recoverable amounts of these property, plant and equipment have been determined based on their fair value less costs of disposal. We uses direct comparison approach to estimate the fair value less costs of disposal which is based on the recent transaction and market quoted prices for similar property, plant and equipment adjusted for nature, location and conditions. The fair value measurement is categorized into Level 3 fair value hierarchy. The relevant assets were impaired to their recoverable amount of RMB104,936,000, which is their carrying values as of December 31, 2023 and the impairment of RMB894,191,000 has been recognized in profit or loss in the cost of sales line item during the year ended December 31, 2023.

For the purpose of impairment testing, patent included in intangible assets and goodwill in relation to the acquisition of Jietai Technology together with Huai'an Jietai's relate property, plant and equipment and right-of assets have been assessed as a CGU, the Current Business. The carrying amount of the Current Business (including related PERC and TOPCon property, plant and equipment, right-of-use assets and allocation of corporate assets) that generate cash flows together with the related intangible assets and goodwill are also included in the Current Business for the purpose of impairment assessment. As of December 31, 2022, 2023 and 2024, the carrying amount of the Current Business amounted to RMB6,311,288,000, RMB11,270,807,000 and RMB10,480,069,000, respectively. The recoverable amount has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by our management covering a 5-year period and pre-tax discount rate of 13.58%, 12.89% and 11.77% per annum as of December 31, 2022, 2023 and 2024, respectively. The management of our Group did not assume any growth to the cash flows subsequent to the 5-year period. This is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include gross profit ratio of 14.85%, 13.68% and 14.00% as of December 31, 2022, 2023 and 2024, respectively, such estimation is based on the Current Business's past performance and our management's expectations for the market development. Apart from pre-tax discount rate and gross profit ratio, our management consider there is no other key assumptions to the value in use calculation.

As of December 31, 2022, 2023 and 2024, the recoverable amount of Current Business CGU exceeds its carrying amount by RMB682,504,000, RMB2,248,861,000 and RMB1,300,648,000, respectively. If the discount rate was changed to 14.22%, 15.36% and 13.09% per annum as of December 31, 2022, 2023 and 2024, respectively, while other parameters remain constant, the recoverable amount of Current Business CGU would equal its carrying amount. If the gross profit ratio was changed to 14.35%, 12.08% and 12.82% per annum as of December 31, 2022, 2023 and 2024, respectively, while other parameters remain constant, the recoverable amount of Current Business CGU would equal its carrying amount. Therefore, as of December 31, 2023, and 2024, a reasonably possible change in key parameters would not cause the carrying amount of the Current Business CGU to exceed its recoverable amount. For more details, see Note 17A to Appendix IA to this prospectus.

At the time of the First Acquisition, we conducted comprehensive due diligence, during which we were aware of the ongoing development in the PV industry regarding the P-N transition and its potential implications on future operations including the rapid establishment of production lines of N-type TOPCon cells. At the time of the First Acquisition, the consideration paid was greater than the fair value of the net assets acquired, as we looked not only at Jietai Technology's status quo as of the First Acquisition, but also at the future potential of the PV industry.

We recognized that P-type PERC cell technology, which was introduced to the market in 2017, was subject to evolving market dynamics that could favor the transition to more advanced N-typed cells. As part of our strategic evaluation, we considered the ability of Jietai Technology to adapt to these industry changes and the associated risks. We were cognizant of various developments within the PV industry, including the broader trend of P-N transition. Subsequent to the First Acquisition, we monitored the performance of Jietai Technology closely and performed regular impairment tests in accordance with our accounting policies and applicable accounting standards.

We incorporate the P-N transition's effects into our impairment testing models to ensure the goodwill assigned to Jietai Technology accurately reflects the anticipated shifts in technology and market dynamics. This includes revising Jietai Technology's cash flow forecasts to account for the industry's rapid adoption of N-type technologies, which may affect the valuation of the acquired operations and the recoverability of the recorded goodwill. We remain committed to proactively managing the integration of Jietai Technology and to making adjustments as required in response to industry evolution, including the P-N transition. We will continue to rigorously test for impairment of goodwill if events or changes in circumstances indicate that it might be impaired or as required by applicable accounting policies. For further details on our goodwill impairment testing methodologies and results, see "Financial Information — Material Accounting Policy Information."

The government grants of RMB9.8 million, RMB283.3 million and RMB746.6 million related to subsidies for utilities, equipment and employment were deducted from cost of sales in 2022, 2023 and 2024, respectively.

Cost of Sales of Goods and Services Breakdown

The following table sets forth a breakdown of our cost of sales of goods and services for the years indicated.

	Year Ended December 31,					
	2022		**2023**		**2024**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
N-type TOPCon	1,863,734	18.9	11,643,152	72.7	9,332,244	93.2
P-type PERC	7,913,776	80.2	3,797,987[1]	23.7	396,889	4.0
Others[2]	92,860	0.9	579,355	3.6	279,819	2.8
Total	**9,870,370**	**100.0**	**16,020,494**[1]	**100.0**	**10,008,952**	**100.0**

(1) Does not include impairment loss of property, plant and equipment of RMB894.2 million.

(2) Others mainly represented the cost of sales of manufacturing services we provided during the Track Record Period.

N-type TOPCon Cells

The following table sets forth a breakdown of the cost of sales of our N-type TOPCon cells and the percentage to the revenue of N-type TOPCon cells for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*
Cost of raw materials	1,639,136	79.7	10,122,185	75.0	7,485,466	80.7
Overhead	170,237	8.3	1,212,301	9.0	1,514,275	16.3
Direct labor costs	33,609	1.6	212,426	1.6	189,289	2.0
Impairment loss of inventory	19,877	1.0	82,530	0.6	129,049	1.4
Others*	875	0.0	13,710	0.1	14,165	0.2
Total	**1,863,734**	**90.6**	**11,643,152**	**86.3**	**9,332,244**	**100.6**

* Others mainly include transportation costs.

We recorded cost of sales of RMB1,863.7 million for our N-type TOPCon cells in 2022, after we launched our N-type TOPCon cells in August 2022. The cost of sales of our N-type TOPCon cells increased significantly from RMB1,863.7 million in 2022 to RMB11,643.2 million in 2023, mainly due to the increased sales volume of our N-type TOPCon cells from 1.8 GW in 2022 to 20.4 GW in 2023. The percentage of cost of sales to the revenue of our N-type TOPCon cells decreased from 90.6% in 2022 to 86.3% in 2023, mainly due to decrease in the market price of silicon wafers in 2023.

The cost of sales of our N-type TOPCon cells decreased from RMB11,643.2 million in 2023 to RMB9,332.2 million in 2024, mainly due to the decreased cost of raw materials from RMB10,122.2 million in 2023 to RMB7,485.5 million in 2024. The percentage of cost of sales to the revenue of our N-type TOPCon cells increased from 86.3% in 2023 to 100.6% in 2024, mainly due to decrease in the profit margin of our N-type TOPCon cells, resulting from the decreased average selling price of our N-type TOPCon cells.

We recognized impairment loss of inventory for N-type TOPCon cells because the carrying amount of the N-type TOPCon cells exceeds their net realizable value. The decrease in their net realizable value was primarily due to the reduction in their average selling price, in line with the decrease in the prevailing market prices of N-type TOPCon cells. The impairment loss of inventory of N-type TOPCon cells increased from RMB19.9 million in 2022 to RMB82.5 million in 2023, mainly due to the increase in inventory levels of N-type TOPCon cells. After we first mass-produced our N-type TOPCon cells in August 2022, driven by market demand, the sales and production our N-type TOPCon cells ramped up significantly in 2023, resulting in the increase in the inventory level of N-type TOPCon cells in 2023. Impairment loss of inventory of N-type TOPCon cells increased from RMB82.5 million in 2023 to RMB129.0 million in 2024, mainly due to the temporary increase in inventory level and the decrease in the prevailing market prices of N-type TOPCon cells.

P-type PERC Cells

The following table sets forth a breakdown of the cost of sales of our P-type PERC cells and the percentage to the revenue of P-type PERC cells for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*
Cost of raw materials	7,223,235	81.4	3,277,813	77.5	320,379	84.3
Overhead	582,839	6.6	443,788	10.5	65,957	17.3
Direct labor costs	76,107	0.9	57,853	1.4	8,312	2.2
Impairment loss of inventory	24,491	0.3	13,298	0.3	1,045	0.3
Others*	7,104	0.1	5,235	0.1	1,196	0.3
Total	**7,913,776**	**89.3**	**3,797,987**	**89.8**	**396,889**	**104.4**

* Others mainly include transportation costs.

The cost of sales of our P-type PERC cells decreased by 52.0% from RMB7,913.8 million in 2022 to RMB3,798.0 million in 2023, mainly due to the decrease in the sales volume of our P-type PERC cells, as the sales volume of our P-type PERC cells decreased from 8.3 GW in 2022 to 5.7 GW in 2023. The percentage of cost of sales to the revenue of our P-type PERC cells increased from 89.3% in 2022 to 89.8% in 2023, mainly because the decrease in revenue outpaced the decrease in the cost of sales of our P-type PERC cells in 2023.

The cost of sales of our P-type PERC cells decreased significantly from RMB3,798.0 million in 2023 to RMB396.9 million in 2024, mainly due to the decrease in the sales volume of our P-type PERC cells, as the sales volume of our P-type PERC cells decreased from 5.7 GW in 2023 to 1.2 GW in 2024. The percentage of cost of sales to the revenue of our P-type PERC cells increased from 89.8% in 2023 to 104.4% in 2024, mainly because the decrease in revenue outpaced the decrease in the cost of sales of our P-type PERC cells as the industry-wide P-N transition caused the decreases in the sales volume and average selling price of our P-type PERC cells.

We recognized impairment loss of inventory for P-type PERC cells because the carrying amount of the P-type PERC cells exceeds their net realizable value. The decrease in their net realizable value was primarily due to the reduction in their average selling price, in line with the decrease in the prevailing market prices of P-type PERC cells. The impairment loss of inventory of P-type PERC cells decreased from RMB24.5 million in 2022 to RMB13.3 million in 2023, primarily due to the smaller reduction in net realizable value of P-type PERC cells subsequent to the end of 2023 than subsequent to the end of 2022. The smaller decrease in the prevailing market price and average selling price of P-type PERC cells subsequent to the end of 2023 resulted in a smaller reduction of net realizable value of P-type PERC cells. Therefore, we recognized a lower impairment loss of inventory for the P-type PERC cells in 2023.

Others

The cost of sales of our manufacturing service increased significantly from RMB92.9 million in 2022 to RMB579.4 million in 2023, mainly due to the increased sales volume of the PV cells we manufactured on behalf of our customers from 0.6 GW in 2022 to 3.9 GW in 2023.

The cost of sales of our manufacturing service decreased from RMB579.4 million in 2023 to RMB279.8 million in 2024, in line with the decreased sales volume of the PV cells we manufactured on behalf of our customers from 3.9 GW to 2.1 GW from the same years, respectively.

Gross Profit/(Loss) and Gross Profit Margin

Our gross profit increased from RMB1,215.3 million in 2022 to RMB1,696.1 million in 2023. Our gross loss was RMB85.1 million in 2024. Our gross profit margin was 11.0% and 9.1%, respectively, in 2022 and 2023, and we had a negative gross profit margin of 0.9% in 2024.

The following table sets forth our gross profit/(loss) and gross profit margin for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit/(loss)	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
N-type TOPCon	194,159	9.4	1,851,588	13.7	(55,635)	(0.6)
P-type PERC	958,498	10.8	429,637	10.2	(16,728)	(4.4)
Others*	62,686	40.3	309,075	34.8	(12,695)	(4.8)
Subtotal	**1,215,343**	**11.0**	**2,590,300**	**13.9**	**(85,058)**	**(0.9)**
Impairment loss of Property, Plant and Equipment	–	–	(894,192)	–	–	–
Total	**1,215,343**	**11.0**	**1,696,108**	**9.1**	**(85,058)**	**(0.9)**

* Others mainly represented the gross profit and gross profit margin of the manufacturing service we provided during the Track Record Period.

N-type TOPCon Cells

The gross profit of N-type TOPCon cells increased significantly from RMB194.2 million in 2022 to RMB1,851.6 million in 2023, primarily due to rapid growth in the sales volume of N-type TOPCon cells after we launched our N-type TOPCon cells in August 2022. The gross profit margin increased from 9.4% in 2022 to 13.7% in 2023. We recorded a lower gross profit margin in 2022, mainly because our N-type TOPCon cells, after being firstly introduced to the market in August 2022, were at an early stage of commercialization leading to a higher cost of sales. The increase in the gross profit margin was also attributable to (i) the decrease in the cost of raw materials as the market price for silicon wafers dropped in 2023, (ii) our ability to charge customers a higher premium for N-type TOPCon cells, due to the recognition of our industry-leading product quality and advanced technology specifications, and (iii) the decrease in our direct labor costs per watt of N-type TOPCon cells as we achieved economies of scale and improved our production efficiency, partially offset by the decrease in the average selling price of our N-type TOPCon cells from RMB1.14 per watt in 2022 to RMB0.67 per watt in 2023.

We recorded a gross loss of RMB55.6 million for our N-type TOPCon cells in 2024, compared with a gross profit of RMB1,851.6 million in 2023. In addition, we recorded a negative gross profit margin of N-type TOPCon cells of 0.6% in 2024 compared with a gross profit margin of 13.7% in 2023. The decrease in the gross profit margin of our N-type TOPCon cells was mainly due to the decrease in the average selling price of our N-type TOPCon cells from RMB0.67 per watt in 2023 to RMB0.31 per watt in 2024. According to Frost & Sullivan, the decrease in our average selling price was in line with the drop in the prevailing market price in the PV cells industry, which was caused by temporary supply-demand imbalance and intensified market competition in 2024. As our N-type TOPCon cell sales volume was 8.5 GW, 7.4 GW, 7.3 GW and 7.3 GW in the first, second, third and fourth quarters, respectively, the -0.6% gross profit margin in 2024 is between the gross profit margins for the sale of N-type TOPCon cells of 6.6%, -9.3%, -3.5% and 0.1% in the first, second, third and fourth quarters, respectively.

P-type PERC Cells

The gross profit of P-type PERC cells decreased by 55.2% from RMB958.5 million in 2022 to RMB429.6 million in 2023, mainly due to the decrease in the sales volume of P-type PERC cells. The gross profit margin of P-type PERC cells slightly decreased from 10.8% in 2022 to 10.2% in 2023, mainly due to the decrease in the average selling price of our P-type PERC cells from RMB1.06 per watt in 2022 to RMB0.75 per watt in 2023, partially offset by the decrease in the cost of raw materials for our P-type PERC cells as the market price of silicon wafers decreased in 2023.

For our P-type PERC cells, we recorded a gross loss of RMB16.7 million in 2024 compared to a gross profit of RMB429.6 million in 2023. In addition, we recorded a negative gross profit margin of 4.4% for our P-type PERC cells compared with a gross profit margin of 10.2% in 2023. The gross loss and negative gross profit margin were mainly attributable to the decreased average selling price from RMB0.75 per watt in 2023 to RMB0.32 per watt in 2024, as a result of the declined market price during the industry-wide P-N transition.

As our P-type PERC cell sales volume in the first and second quarters of 2024 were relatively stable at 0.6 GW, the negative 4.4% gross profit margin in the six months ended June 30, 2024 is near the average of the gross profit margins of the first and second quarters of 2024, which was negative 2.4% and negative 6.8%, respectively. Since June 30, 2024, our gross loss from the sale of P-type PERC cells has become immaterial compared with that in the six months ended June 30, 2024 and did not materially contribute to our gross profit margin from our sale of P-type PERC cell.

Others

The gross profits of our manufacturing service increased significantly from RMB62.7 million in 2022 to RMB309.1 million in 2023, mainly due to the increased sales volume of the PV cells we manufactured on behalf of our customers from 0.6 GW in 2022 to 3.9 GW in 2023. The gross profit margin of our manufacturing service decreased from 40.3% in 2022 to 34.8% in 2023, as the manufacture fee we charged our customers for manufacturing P-type PERC cells decreased from RMB0.26 per watt in 2022 to RMB0.21 per watt in 2023. Such decrease in manufacture fee mainly resulted from the decreased market price of P-type PERC cells in 2023.

We recorded a gross loss of RMB12.7 million and a negative gross profit margin of 4.8% for our manufacturing services in 2024, compared with a gross profit of RMB309.1 million and a gross profit margin of 34.8% in 2023. The gross loss and negative gross profit margin were mainly attributable to the reduced manufacturing fee we charged our customers for our manufacturing service, which decreased from RMB0.22 per watt in 2023 to RMB0.13 per watt in 2024, as a result of the declined market price of PV cells.

Other Income

Our other income primarily consists of (i) bank interest income, (ii) sales of materials, and (iii) government grants. The following table sets forth a breakdown of our other income for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Continuing operation						
Bank interest income	10,734	44.5	45,297	42.4	27,073	15.7
Sales of materials	11,013	45.7	26,081	24.4	27,873	16.1
Extra deduction of input Value-added tax ("VAT")	–	–	23,730	22.2	104,127	60.2
Government grants	2,364	9.8	11,691	11.0	13,836	8.0
Total	**24,111**	**100.0**	**106,799**	**100.0**	**172,909**	**100.0**

Bank interest income represents the interest income we obtained from our bank deposits. The bank interest income increased significantly from RMB10.7 million in 2022 to RMB45.3 million in 2023, mainly due to (i) the bank interest income generated from the proceeds of our non-public offering in May 2023, and (ii) the interest income generated from our increased bank deposits in relation to the bank's acceptance bill we used to pay for the construction of our Huai'an Plant and the expansion of our Chuzhou Plant. The bank interest income decreased from RMB45.3 million in 2023 to RMB27.1 million in 2024, mainly because we had lower average balance of bank deposits in 2024.

Sales of materials represent the income we obtained from the disposal of raw materials and scrapped products. The gain on sales of raw and other materials increased from RMB11.0 million in 2022 to RMB26.1 million in 2023, mainly because we disposed of more scrapped products, due to the growth of our business scale and our enhanced R&D activities. Our sales of materials increased from RMB26.1 million in 2023 to RMB27.9 million in 2024, mainly because we disposed of more scrapped products, due to the growth of our production volume.

Government grants represent grants received from local governments in connection with the support and incentives for enterprise development and innovation capability. The government grants increased from RMB2.4 million in 2022 to RMB11.7 million in 2023, mainly attributable to the subsidies we received in relation to employment and general support for the manufacturing industry. The government grants increased from RMB11.7 million in 2023 to RMB13.8 million in 2024, mainly because we received more subsidies in relation to the general support for the manufacturing industry.

We recorded an extra deduction of input value-added tax of RMB104.1 million in 2024, mainly due to the deduction of input value-added tax associated with construction of our Chuzhou Plant.

Other Gains and Losses

Our gains and losses primarily consist of (i) net gain on disposal of property, plant and equipment, (ii) net foreign exchange gains/(losses), and (iii) net gain on financial assets at FVTPL.

We recorded other gains of RMB4.2 million in 2023, mainly due to the increase in our net foreign exchange gains resulting from the appreciation of US dollars against Renminbi in 2023.

We recorded other gains of RMB24.1 million in 2024 compared to RMB4.2 million in 2023, mainly due to (i) the increase in our net foreign exchange gains resulting from the appreciation of U.S. dollars against Renminbi, and (ii) the increase in our net gain on financial assets at FVTPL.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) employee salaries and benefit expenses, (ii) share-based payment expenses, (iii) advertising expenses, (iv) entertainment expenses, (v) consulting service expenses, and (vi) sample products expenses. The following table sets forth a breakdown of our selling and marketing expenses for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee salaries and benefits expenses	8,315	50.6	26,985	36.7	29,502	46.8
Share-based payment expenses	3,356	20.4	27,926	37.9	(1,089)	(1.7)
Advertising expenses	466	2.8	4,997	6.8	13,551	21.5
Entertainment expenses	1,513	9.2	4,166	5.7	5,331	8.5
Travelling expenses	428	2.6	2,697	3.7	5,382	8.5
Consulting service expenses	370	2.2	3,066	4.2	5,751	9.1
Sample products expenses	651	4.0	775	1.1	1,178	1.9
Others*	1,350	8.2	2,987	4.1	3,400	5.3
Total	**16,449**	**100.0**	**73,599**	**100.0**	**63,006**	**100.0**

* Others include insurance expenses and leasing expenses.

The employee salaries and benefits expenses represent salaries, bonus and employee benefits paid to our employees involved in the selling and marketing activities. Our employee salaries and benefits expenses increased significantly from RMB8.3 million in 2022 to RMB27.0 million in 2023, mainly due to the enlargement of our selling and marketing team and the increase in the average salary paid to our selling and marketing team, as we attracted more selling and marketing talent to expand our market share. Our employee salaries and benefits expenses increased from RMB27.0 million in 2023 to RMB29.5 million in 2024, mainly due to the enlargement of our selling and marketing team to support our expanded scale.

The share-based payment expenses represent share-based incentive we paid to our key marketing personnel. Our share-based payment expenses increased from RMB3.4 million in 2022 to RMB27.9 million in 2023, mainly because we issued more share-based payment to our key marketing personnel in 2023. We recorded reversal of share-based payment expenses of RMB1.1 million in 2024, compared with recognition of share-based payment expenses of RMB27.9 million in 2023, mainly because we recorded reversal of expenses as the vesting conditions to exercise were expected not to be met in 2024.

The advertising expenses represent fees we incurred in relation to the advertisement and promotion of our PV cells. Our advertising expenses increased from RMB0.5 million in 2022 to RMB5.0 million in 2023, mainly due to our increased marketing effort to promote the sales of our N-type TOPCon cells. Our advertising expenses increased from RMB5.0 million in 2023 to RMB13.6 million in 2024, mainly due to our increased marketing effort to expand our overseas market and promote our overseas sales.

Administrative Expenses

Our administrative expenses primarily consist of (i) employee benefit expenses, (ii) share-based payment expenses, (iii) consulting service expenses, (iv) handling expenses, (v) tax and surcharges, (vi) depreciation and amortization expenses, (vii) entertainment expenses, and (viii) utilities expenses. The following table sets forth a breakdown of our administrative expenses for the years indicated.

	Year Ended December 31,					
	2022		**2023**		**2024**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee salaries and benefits expenses	58,506	40.1	214,067	51.5	139,779	41.4
Share-based payment expenses	21,869	15.0	54,653	13.1	(12,733)	(3.8)
Consulting service expenses	23,306	16.0	42,747	10.3	30,666	9.1
Handling expenses	6,927	4.7	2,512	0.6	3,812	1.1
Tax and surcharges	19,663	13.5	42,171	10.1	47,289	14.0
Depreciation and amortization expenses	5,133	3.5	10,728	2.6	71,168	21.1
Entertainment expenses	2,161	1.5	5,147	1.2	4,371	1.3
Utilities expenses	638	0.3	2,031	0.5	5,040	1.5
Others*	7,840	5.4	42,249	10.1	48,170	14.3
Total	**146,043**	**100.0**	**416,305**	**100.0**	**337,562**	**100.0**

* Others mainly include costs incurred in relation to recruit staff, purchase administrative and office supplies, hold conference, training program and business trips.

The increase in other administrative expenses from RMB7.8 million in 2022 to RMB42.3 million in 2023 was mainly attributable to the expansion of our business operations. This includes increased expenses associated with the expansion of our Chuzhou Plant and the establishment of our Huai'an Plant in 2023, such as recruitment costs, and administrative and office supplies. Our other administrative expenses increased from RMB42.3 million in 2023 to RMB48.2 million in 2024, mainly due to the increase in expenses associated with maintaining and upgrading administrative system.

Our employee salaries and benefits expenses represent salaries, bonus and employee benefits paid to our administrative employees. Our employee benefit expenses increased from RMB58.5 million in 2022 to RMB214.1 million in 2023, mainly because we recruited more administrative staff to support the operation of our Huai'an Plant in 2023. Our employee salaries and benefits expenses decreased from RMB214.1 million in 2023 to RMB139.8 million in 2024, mainly because we optimized our administrative team to control costs and increase operational efficiency.

The share-based payment expenses represent share-based incentive we paid to our key administrative personnels. Our share-based payment expenses increased from RMB21.9 million in 2022 to RMB54.7 million in 2023, mainly because we issued more share-based payment to our key administrative personnels. We recorded reversal of share-based payment expenses of RMB12.7 million in 2024, compared with recognition of share-based payment expenses of RMB54.7 million in 2023, mainly because the vesting conditions to exercise were expected not to be met in 2024.

Our consulting service expenses represent fees we paid for the strategic consulting service. The increases in the consulting service expenses during the Track Record Period were mainly because we engaged more consulting service regarding our business operation and administrative strategy to support the expansion of our business. In addition, the increase in consulting service expenses from RMB23.3 million in 2022 to RMB42.7 million in 2023 was also attributable to the consulting service we engaged in relation to our non-public offering in May 2023. Our consulting service expenses decreased from RMB42.7 million in 2023 to RMB30.7 million in 2024, mainly due to in 2023 we recorded consulting services related to our non-public offering.

Our handling expenses represent the fees we paid to the banks for completing transactions in the ordinary course of our business. Our handling expenses decreased from RMB6.9 million in 2022 to RMB2.5 million in 2023, mainly due to the reduction in the handling expenses related to letters of credit and bank acceptance bills in 2023, as we utilized more letters of credit and bank acceptance bills in 2022 to support our business expansion. Our handling expenses increased from RMB2.5 million in 2023 to RMB3.8 million in 2024, mainly because we incurred more handling expenses associated with bank loans and other transactions in 2024.

Research and Development Expenses

Our research and development expenses primarily consist of (i) staff costs, (ii) materials consumed, (iii) cost of utilities, and (iv) depreciation and amortization. The following table sets forth a breakdown of our research and development expenditure for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff costs	61,290	26.1	199,181	65.6	141,154	68.2
Materials consumed	139,982	59.5	90,326	29.7	40,698	19.7
Cost of utilities	15,729	6.7	1,929	0.7	10,876	5.3
Depreciation and amortization	11,171	4.7	4,337	1.4	8,810	4.3
Others	7,035	3.0	7,985	2.6	5,415	2.5
Total	**235,207**	**100.0**	**303,758**	**100.0**	**206,953**	**100.0**

Staff costs represent salaries and bonus paid to our employees involved in the R&D activities. Our staff costs increased significantly from RMB61.3 million in 2022 to RMB199.2 million in 2023, mainly due to the enlargement of our R&D team and the expansion of our business scale, as we attracted more R&D talent to our Chuzhou Plant and Huai'an Plant to strengthen our leading position in the PV cells technology and support the expansion of our business. Our staff costs decreased from RMB199.2 million in 2023 to RMB141.2 million in 2024, mainly because we optimized our R&D team.

Materials consumed represent the cost of raw materials we used in the process of our R&D activities. Our material consumed decreased from RMB140.0 million in 2022 to RMB90.3 million in 2023, mainly due to the decrease in the market price of silicon wafers. Our materials consumed significantly decreased from RMB90.3 million in 2023 to RMB40.7 million in 2024, mainly due to the decrease in the market price of silicon wafers.

The depreciation and amortization in our research and development expenses was RMB11.2 million, RMB4.3 million and RMB8.8 million in 2022, 2023 and 2024, respectively. We recorded a higher depreciation and amortization in 2022, mainly because we focused on laying the groundwork for our N-type TOPCon cells, which requires substantial investment and extensive use of equipment related to the R&D activities of N-type TOPCon cells. As our N-type TOPCon cells had achieved mass production in 2022, the focus of our R&D activities shifted towards the advancement and the upgrade of TOPCon technology, resulting in a reduced depreciation and amortization expenses in 2023. The depreciation and amortization in our research and development expenses increased from RMB4.3 million in 2023 to RMB8.8 million in 2024, mainly due to our increased investment in the R&D equipment for the advancement and the upgrade of N-type TOPCon cells.

Net Impairment Losses Under Expected Credit Loss Model

Our net impairment losses under expected credit loss model mainly represent net impairment losses on trade receivable, bills receivables and other receivables subjected to the expected credit loss model. We had net impairment losses under expected credit loss model of RMB11.8 million, RMB10.3 million, and RMB6.7 million in 2022, 2023 and 2024, respectively.

Other Expenses

Our other expenses primarily represent materials cost. We had other expenses of RMB0.5 million, RMB13.1 million, and RMB3.3 million in 2022, 2023 and 2024, respectively. We recorded a higher other expenses in 2023, mainly due to the increased materials cost associated with the inventories we disposed of in 2023.

Finance Costs

Our finance costs include (i) interest on bank and other borrowings, (ii) expense on discounting bills receivables and receivables at FVTOCI, (iii) interest on lease liabilities, (iv) interest on payables for acquisition of property, plant and equipment, and (v) interest on consideration payables. The following table sets forth a breakdown of our finance costs for the years indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Interest on bank and other borrowings	112,546	77.1	141,390	57.6	110,228	50.0
Expense on discounting bills receivables and receivables at FVTOCI	11,012	7.5	10,159	4.1	4,663	2.1
Interest on lease liabilities	119	0.1	269	0.1	282	0.1
Interest on payables of acquisition of property, plant and equipment	10,243	7.0	70,668	28.8	103,407	46.9
Interest on consideration payables	12,122	8.3	23,108	9.4	–	–
Interest on payables for acquisition of intangible assets	–	–	–	–	1,977	0.9
Total	**146,042**	**100.0**	**245,594**	**100.0**	**220,557**	**100.0**

The government grants of RMB1.0 million and RMB41.3 million related to compensation of sales and leaseback transaction were recognized in financial costs in 2022 and 2023, respectively. The government grants of RMB56.4 million related to compensation of sales and leaseback transaction were recognized in financial costs in 2024.

Income Tax Expenses (Credit)

The following table sets forth a breakdown of our income tax expenses for the years indicated.

	Year Ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
PRC Enterprise Income Tax ("**EIT**")	10,401	66,605	29,996
Deferred tax expenses (credit)	52,635	(137,758)	(170,302)
Total	**63,036**	**(71,153)**	**(140,306)**

We recorded an income tax credit of RMB71.2 million in 2023 compared with tax expenses of RMB63.0 million in 2022, mainly due to the deferred tax credit of RMB137.8 million resulting from the one-off impairment loss we recognized in 2023.

Our Company and Jietai Technology obtained the "High Technology Enterprise" certification in October and November 2021, respectively, and was therefore entitled to a preferential tax rate of 15% for a period of 3 years from the date of certification, while our Company applied an actual tax rate of 25% since 2023 due to the change of its business. Chuzhou Jietai New Energy Technology Co., Ltd.* (滁州捷泰新能源科技有限公司) ("Chuzhou Jietai") and Huai'an Jietai New Energy Technology Co., Ltd.* (淮安捷泰新能源科技有限公司) ("Huai'an Jietai") obtained the "High Technology Enterprise" certification in December 2023 and November 2024, respectively, and was therefore entitled to a preferential tax rate of 15% for a period of 3 years from the date of certification.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue decreased from RMB18,610.8 million in 2023 to RMB9,923.9 million in 2024, mainly due to the decreases in the revenues generated from the sale of N-type TOPCon cells and P-type PERC cells. We recorded decrease in revenue generated from N-type TOPCon cells primarily due to the decrease in the average selling price of N-type TOPCon cells in line with the decreased prevailing market price. As we focused on the manufacture and sale of N-type TOPCon cells, the sales volume of our N-type TOPCon cells increased from 20.4 GW in 2023 to 30.4 GW in 2024. Nevertheless, the revenue generated from the sales of N-type TOPCon cells decreased from RMB13,494.7 million in 2023 to RMB9,276.6 million in 2024. In addition, our revenue generated from the sale of P-type PERC cells decreased in 2024, as we gradually phased out the sales and production of P-type PERC cells and pivoted our focus on N-type TOPCon cells. The sales volume of our P-type PERC cells decreased from 5.7 GW in 2023 to 1.2 GW in 2024.

Cost of Sales

Our cost of sales decreased from RMB16,914.7 million in 2023 to RMB10,009.0 million in 2024, mainly due to the decreased market price of silicon wafers, the effect of which was partially offset by the increase in our sales volume. Our total sales volume increased from 30.0 GW in 2023 to 33.7 GW in 2024.

Gross Profit/(loss) and Gross Profit Margin

We recorded a gross loss of RMB85.1 million and a negative gross profit margin of 0.9% in 2024, compared with a gross profit of RMB1,696.1 million and a gross profit margin of 9.1% in 2023, mainly due to the decrease in the average selling price of our PV cells. The average selling price of our N-type TOPCon cells decreased from RMB0.67 per watt in 2023 to RMB0.31 per watt in 2024. The average selling price for our P-type PERC cells decreased from RMB0.75 per watt in 2023 to RMB0.32 per watt in 2024. According to Frost & Sullivan, the decrease in our average selling price was in line with the drop in the prevailing market price in the PV cells industry, which was caused by (i) the decrease in the market price of silicon wafers and (ii) temporary supply-demand imbalance and intensified market competition in 2024.

Other Income

Our other income increased from RMB106.8 million in 2023 to RMB172.9 million in 2024, mainly due to the extra deduction of input value-added tax and the increases in our government grants and sales of materials.

Other Gains and Losses

We recorded other gains of RMB24.1 million in 2024 compared to RMB4.2 million in 2023, mainly due to (i) the increase in our net foreign exchange gains resulting from the increased revenue generated outside mainland China, and (ii) the net gain on financial assets at FVTPL resulted from the wealth management products we purchased during the year.

Selling and Marketing Expenses

Our selling and marketing expenses decreased from RMB73.6 million in 2023 to RMB63.0 million in 2024, mainly because we recorded reversal of share-based payment expenses in 2024.

Administrative Expenses

Our administrative expenses decreased from RMB416.3 million in 2023 to RMB337.6 million in 2024, mainly because (i) we reduced our employee salaries and benefits expenses and (ii) we recorded reversal of share-based payment expenses in 2024.

Research and Development Expenses

Our research and development expenses decreased from RMB303.8 million in 2023 to RMB207.0 million in 2024, mainly due to (i) the decrease in staff costs as we optimized our R&D team, and (ii) the decrease in materials consumed, resulting from the decrease in the market price of silicon wafers.

Other Expenses

Our other expenses decreased from RMB13.1 million in 2023 to RMB3.3 million in 2024, primarily due to the reduced material cost as we disposed of less inventories in 2024.

Finance Costs

Our finance costs decreased from RMB245.6 million in 2023 to RMB220.6 million in 2024, mainly due to the decreases in the interest on bank and other borrowings, and interest on consideration payables.

Profit/(loss) for the Year from continuing operation

As a result of the foregoing, we recorded net loss of RMB591.1 million in 2024, as compared to a net profit of RMB815.6 million in 2023.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Revenue

Our revenue increased significantly from RMB11,085.7 million in 2022 to RMB18,610.8 million in 2023 primarily due to the increase in the revenue generated from the sale of our N-type TOPCon cells, which increased from RMB2,057.9 million in 2022 to RMB13,494.7 million in 2023, as we continued to focus on expanding the market of N-type TOPCon cells to capture the competitive advantage in the industry trend of P-N transition. In addition, the increase in revenue was also attributable to the increase of revenue generated from our manufacturing service, from RMB155.5 million in 2022 to RMB888.4 million in 2023.

The increases in the revenue generated from the sale of our N-type TOPCon cells and our manufacturing service were partially offset by the decrease in the revenue generated from the sales of P-type PERC cells, which decreased from RMB8,872.3 million in 2022 to RMB4,227.6 million in 2023, mainly due to the decreases in the average selling price and the sales volume of our P-type PERC cells for in 2023.

Cost of Sales

Our cost of sales increased significantly from RMB9,870.4 million in 2022 to RMB16,914.7 million in 2023, primarily due to (i) the increase in the sales volume of our N-type TOPCon cells, and (ii) the impairment loss of property, plant and equipment of RMB894.2 million we recorded in 2023.

Gross Profit and Gross Profit Margin

Our gross profit increased from RMB1,215.3 million in 2022 to RMB1,696.1 million in 2023. Our gross profit margin decreased from 11.0% in 2022 to 9.1% in 2023, mainly because we recorded a one-off impairment loss of property, plant and equipment of RMB894.2 million in 2023. Adding back the impairment loss of property, plant and equipment, we recorded a gross profit margin of 13.9% in 2023, mainly due to the increased revenue contribution of our N-type TOPCon cells, which carried a higher profit margin in 2023 than they did in 2022. The revenue contribution of our N-type TOPCon cells to the total revenue increased from 18.6% in 2022 to 72.5% in 2023, as we focused on expanding the market and promoting the sales of our N-type TOPCon cells. The gross profit margin of N-type TOPCon cells increased from 9.4% in 2022 to 13.7% in 2023, mainly because (i) we recorded a lower gross profit margin in 2022 when our N-type TOPCon cells were at an early stage of commercialization and incurred a higher cost of sales; and (ii) our cost of raw materials decreased in 2023 as the market price for silicon wafers fell in 2023. To a lesser extent, the increase in our gross profit margin was also due to the increased revenue contribution of our manufacturing services, which carried a higher profit margin.

Other Income

Our other income increased significantly from RMB24.1 million in 2022 to RMB106.8 million in 2023, primarily due to (i) the increase in bank interest income, and (ii) the increase in sales of materials as we disposed of more scrapped products in 2023.

Other Gains and Losses

We recorded other losses of RMB3.5 million in 2022 and other gains of RMB4.2 million in 2023, primarily due to the increase in net foreign exchange gains.

Selling and Marketing Expenses

Our selling and marketing expenses increased significantly from RMB16.4 million in 2022 to RMB73.6 million in 2023, primarily due to the increase in the share-based payment expenses and the employee salaries and benefits expenses.

Administrative Expenses

Our administrative expenses increased significantly from RMB146.0 million in 2022 to RMB416.3 million in 2023, primarily due to the increases in employee benefit expenses, and share-based payment expenses, in line with the expansion of business.

Research and Development Expenses

Our research and development expenses increased from RMB235.2 million in 2022 to RMB303.8 million in 2023, primary due to the increase in the staff costs, the effect of which was partially offset by the decrease in the materials consumed.

Other Expenses

Our other expenses increased from RMB0.5 million in 2022 to RMB13.1 million in 2023, primarily due to the increased materials cost associated with the inventories we disposed of in 2023.

Finance Costs

Our finance costs increased significantly from RMB146.0 million in 2022 to RMB245.6 million in 2023, primarily due to the increase in interest on bank and other borrowings to support our business expansion and production capacity enhancement.

Profit for the Year from continuing operation

As a result of the above, our profit for the year increased significantly from RMB616.9 million in 2022 to RMB815.6 million in 2023.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	4,073,434	9,351,973	8,483,140
Right-of-use assets	68,156	168,264	167,256
Intangible assets	96,242	75,332	160,818
Goodwill	860,510	856,679	854,842
Deferred tax assets	2,685	274,997	368,112
Deposits paid for acquisition of property, plant and equipment	98,816	191,509	78,380
Other receivables	80,506	6,488	–
Total non-current assets	**5,280,349**	**10,925,242**	**10,112,548**
Current assets			
Inventories	338,924	727,285	552,077
Trade, bills and other receivables	169,048	434,365	824,799
Receivables at fair value through other comprehensive income ("**FVTOCI**")	1,014,656	1,739,083	187,790
Value-added tax recoverable	163,624	450,829	752,116
Income tax recoverable	–	41,221	49,064
Financial assets at fair value through profit or loss ("**FVTPL**")	–	–	430,183
Restricted bank deposits	629,122	958,078	919,356
Cash and cash equivalents	1,243,953	2,649,852	2,616,276
Total current assets	**3,559,327**	**7,000,713**	**6,331,661**

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
LIABILITIES			
Current liabilities			
Trade, bills and other payables	2,851,690	4,696,825	3,800,785
Contract liabilities	317,134	474,622	82,549
Tax payable	2,787	–	–
Bank and other borrowings	1,204,167	1,285,621	2,491,935
Lease liabilities	1,694	3,618	2,170
Total current liabilities	**4,377,472**	**6,460,686**	**6,377,439**
Net current (liabilities)/assets	**(818,145)**	**540,027**	**(45,778)**
Total assets less current liabilities	**4,462,204**	**11,465,269**	**10,066,770**
Non-current liabilities			
Other payables	663,422	3,262,694	3,148,068
Bank and other borrowings	2,503,682	3,045,480	2,886,001
Lease liabilities	2,497	666	5,136
Deferred income	220,328	270,151	28,385
Deferred tax liabilities	21,445	177,038	112,183
Total non-current liabilities	**3,411,374**	**6,756,029**	**6,179,773**
Capital and reserves			
Share capital	141,524	227,395	229,152
Treasury shares	–	–	(100,956)
Share premium	9,351	2,822,336	2,941,889
Reserves	899,955	1,659,509	816,912
Total equity	**1,050,830**	**4,709,240**	**3,886,997**

Property, Plant and Equipment

Our property, plant and equipment primarily consist of buildings, plant, machinery, office equipment, motor vehicles, and construction in progress.

Our property, plant and equipment increased from RMB4,073.4 million as of December 31, 2022 to RMB9,352.0 million as of December 31, 2023, mainly due to the increases in our buildings, plant and machinery, as we further expanded the scale of our Chuzhou Plant and set up our Huai'an Plant in 2023. Our property, plant and equipment decreased to RMB8,483.1 million as of December 31, 2024, mainly due to the depreciation of our property, plant and machinery.

Right-of-use Assets

The right-of-use assets mainly related to our leasehold lands, staff quarters and office properties. Our right-of-use assets increased from RMB68.2 million as of December 31, 2022 to RMB168.3 million as of December 31, 2023, mainly associated with the expansion of our Chuzhou Plant and the establishment of Huai'an Plant, as we rented more land, staff quarters and working space to support our business growth. Our right-of-use assets remained relative stable at RMB167.3 million as of December 31, 2024.

Goodwill

Our goodwill arose from our acquisition of Jietai Technology in 2021. The carrying amount of goodwill was RMB860.5 million as of December 31, 2022, RMB856.7 million as of December 31, 2023, and RMB854.8 million as of December 31, 2024. For details on the impairment assessment on goodwill, see Note 17A to the Accountants' Report in Appendix IA to this prospectus.

Inventories

Our inventories include (i) raw materials, (ii) work-in-progress, (iii) finished goods and (iv) goods in transit. For more information on our inventory management, see "Business — Warehousing, Logistics and Inventory Management." The following table sets forth our inventories as of the dates indicated.

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	114,427	331,593	219,545
Work-in-progress	63,662	99,947	20,402
Finished goods	68,179	189,031	104,113
Goods in transit	92,656	106,714	208,017
	338,924	727,285	552,077

Our inventories increased from RMB338.9 million as of December 31, 2022 to RMB727.3 million as of December 31, 2023, mainly due to the increases in raw materials, finished goods and work-in-progress, as we increased our inventory level to meet the increasing market demands for our products and support our business growth. Our inventories decreased to RMB552.1 million as of December 31, 2024, mainly due to (i) the decrease in the market price of silicon wafers and (ii) our efforts to optimize our inventory control.

The following table sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	RMB'000 *(unaudited)*	*RMB'000* *(unaudited)*	*RMB'000* *(unaudited)*
0-30 Days	360,372	599,258	424,083
31-60 Days	14,178	40,177	14,835
Over 60 days	8,743	152,197	146,639
	383,293	**791,632**	**585,557**
Less: Inventories provision	(44,369)	(64,347)	33,480
	338,924	727,285	552,077

The increase in our aged inventories over 60 days as of December 31, 2023 was primarily because we strategically increased our procurement of quartz pieces in 2023. For the same reason, our aged inventories over 60 days remained at a relatively high level as of December 31, 2024.

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

	Year Ended December 31,		
	2022	2023	2024
Inventory turnover days*	14.2	11.3	23.0

* Inventory turnover days for each year equals the average of the beginning and ending balances of inventory for that year divided by the corresponding cost of sales from continuing operation for the year, multiplied by the number of days during such years (i.e. 360 days for one fiscal year).

Our inventory turnover days decreased from 14.2 days in 2022 to 11.3 days in 2023, mainly because we improved our inventory management in 2023, including setting up specific inventory maintenance targets and enhancing overall operational efficiency. Our inventory turnover days increased from 11.3 days in 2023 to 23.0 days in 2024 mainly due to the reduced percentage of cost of raw materials to our cost of revenue in 2024, resulting from the decreased market price of silicon wafers.

As of March 31, 2025, RMB423.0 million, or 76.6% of our inventories outstanding as of December 31, 2024 had been subsequently sold or utilized.

Trade, Bills and Other Receivables

We had trade, bill and other receivables of RMB249.6 million, RMB440.9 million and RMB826.6 million as of December 31, 2022, 2023 and 2024. The table below sets forth our trade, bills and other receivables as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	47,954	14,025	32,519
Bills receivables	7,987	147,715	623,804
Less: Impairment loss allowance for trade and bills receivables	*(1,560)*	*(5,478)*	*(10,735)*
Other receivables and prepayments	206,237	302,069	187,941
Less: Impairment loss allowance for other receivables	*(11,064)*	*(17,478)*	*(8,730)*
Total	**249,554**	**440,853**	**824,799**

Trade and Bills Receivables

Our trade and bills receivables primarily represent the outstanding amounts due from customers in connection with the PV cells we sold and the manufacturing services we provided. For our Current Business, we generally did not grant any credit period to our customers and required payment before delivery. However, to promote sales of certain types of PV cells and management our inventory level, we may extend a credit term of 30 days to our customers in exceptional circumstances. The trade receivables for our Current Business accounted for 0.4%, 0.1% and 0.3% of our total revenue in 2022, 2023 and 2024, respectively.

Our trade receivables decreased from RMB48.0 million as of December 31, 2022 to RMB14.0 million as of December 31, 2023, mainly because more trade receivables were settled as of December 31, 2023 due to our enhanced receivable collection effort. Our trade receivables increased from RMB14.0 million as of December 31, 2023 to RMB32.5 million as of December 31, 2024, mainly due to the growth of our overseas sales as we received increased amount of letter of credit from our overseas customers.

The following is an aging analysis of trade receivables, net of impairment loss allowance, presented based on revenue recognition date at the end of each reporting year indicated.

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Current Business			
0-1 year	46,015	7,834	26,782
1-2 years	423	2,167	1,231
2-3 years	37	23	–
3-4 years	–	–	9
	46,475	10,024	28,022

The increase in our aged trade receivables over one year as of December 31, 2023 was primarily attributable to a delayed settlement from one of our customer. We do not expect to have any recoverability concerns.

Our Group writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Our bills receivables increased from RMB8.0 million as of December 31, 2022 to RMB147.7 million as of December 31, 2023, mainly due to the increased amount of letter of credit we received, in line with the growth in our sales volumes and scale of business. Our bills receivables increased from RMB147.7 million as of December 31, 2023 to RMB623.8 million as of December 31, 2024, mainly due to the growth of our overseas sales.

The following is an aging analysis of bills receivables, net of impairment loss allowance, presented based on the issue dates of bills receivables as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Current Business			
0 to 180 days	7,906	146,238	617,566

The following table sets forth our trade and bills receivables turnover days for the years indicated.

	Year Ended December 31,		
	2022	2023	2024
Current Business			
Trade and bills receivables turnover days*	1.9	2.0	14.5

* Trade and bills receivables turnover days were calculated using the average of the opening and closing balance of the trade and bills receivables for the relevant year, divided by the corresponding revenue from continuing operation for the year, multiplied by the number of days during such years (i.e. 360 days for one fiscal year).

Our trade and bills receivables turnover days remained stable at 2.0 days in 2023. Our trade and bills receivables turnover days increased to 14.5 days in 2024 mainly due to the increase in our trade and bills receivables, resulting from the growth of our overseas sales.

As of March 31, 2025, RMB538.2 million, or 83.4%, of our trade and bills receivables as of December 31, 2024, had been subsequently settled.

Other Receivables and Prepayments

Other receivables and prepayments consist primarily of advance to suppliers, deposits paid for sales and leaseback arrangement, other receivables, amounts due from associates, and deferred issue costs.

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

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Advance to suppliers	143,440	214,560	90,515
Deposits paid for sales and leaseback arrangement	41,541	49,750	–
Prepayment for listing expenses	–	57	106
Deferred issue costs	–	12,678	31,266
Government grant receivables	–	–	40,000
Other receivables(1)	21,256	25,019	26,054
Amount due from Yang Family	–	5	–
	206,237	302,069	187,941
Less: Impairment loss allowance for other receivables(2)	(11,064)	(17,478)	(8,730)
	195,173	284,591	179,211

Notes:

(1) Other receivables mainly include receivables from suppliers previously prepaid for purchase raw materials, deposits relating to our daily operation, and reserve fund for employees (i.e. advance payment to employees for business-related activities, such as business trips). Our employees can access these funds to cover anticipated expenses, and such balance will be settled upon the completion of the business activities.

(2) Impairment loss allowance for other receivables primarily represents the impairment loss recorded on the receivables from suppliers previously prepaid for purchasing raw materials, which were impaired as there was no realistic prospect of recovery due to the financial difficulties of the raw materials suppliers based on our evaluation.

Our other receivables and prepayment increased from RMB195.2 million as of December 31, 2022 to RMB284.6 million as of December 31, 2023, mainly due to (i) the increase in our advance to suppliers as we increased our procurement of raw materials to support our business expansion, and (ii) the increase in deferred issue costs, resulting from our recognition of incurred listing expenses. Our other receivables and prepayment decreased from RMB284.6 million as of December 31, 2023 to RMB179.2 million as of December 31, 2024, mainly due to the decrease in our advance to suppliers, resulting from the decreased market prices of silicon wafers.

Receivables at FVTOCI

Our receivables at FVTOCI consist primarily of the acceptance bills, issued by banks of high credit rating, which we received from the sales of our products and utilized for bills discounting and endorsement. Our receivables at FVTOCI increased from RMB1,014.7 million as of December 31, 2022 to RMB1,739.1 million as of December 31, 2023, mainly due to the expansion of business scale. Our receivables at FVTOCI decreased from RMB1,739.1 million as of December 31, 2023 to RMB187.8 million as of December 31, 2024 mainly due to (i) the decrease in revenue we generated from mainland China and (ii) the endorsement and the settlement of such receivables due to their maturities.

The table below sets forth the top five banks where we hold the largest receivables of FVTOCI and the corresponding amount as of the dates indicated.

As of December 31, 2022:

Banks	*RMB'000*
China Zheshang Bank Co., Ltd	179,703
Bank of Beijing Co., Ltd.	129,513
Postal Savings Bank of China Co., Ltd.	65,500
Bank of Jiangsu Co., Ltd.	59,351
Industrial Bank Co., Ltd.	56,413
Total	**490,480**

As of December 31, 2023:

Banks	*RMB'000*
China Merchants Bank Co., Ltd.	152,692
Industrial and Commercial Bank of China Ltd.	146,316
China CITIC Bank Corporation Limited	135,366
Agricultural Bank of China Ltd.	122,890
Shanghai Pudong Development Bank Co., Ltd.	122,298
Total	**679,562**

As of December 31, 2024:

Banks	*RMB'000*
Industrial Bank Co., Ltd.	27,782
China Zheshang Bank Co., Ltd.	17,309
Agricultural Bank of China	17,186
Bank of Communications Co., Ltd.	12,606
Ping An Bank Co., Ltd.	11,999
Total	**86,882**

The table below sets forth the aging analysis of our receivables of FVTOCI based on maturity dates as of the dates indicated.

	Year Ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
0-180 days	834,722	1,739,083	187,790
180 days to 1 year	179,934	–	–
Total	**1,014,656**	**1,739,083**	**187,790**

We expect all of our receivables at FVTOCI to be fully settled by December 2024, either through the process of bill discounting and endorsed transfer or upon their respective maturities.

Financial Assets at Fair Value Through Profit or Loss

We had financial assets at fair value through profit or loss of nil, nil, and RMB430.2 million as of December 31, 2022, 2023 and 2024, respectively. During the Track Record Period, we purchased open-ended and redeemable short-term wealth management products, mainly structured deposits, from reputable financial institutions in China in line with our liquidity management policies. All such wealth management products were redeemed within a year.

For financial reporting purposes, fair value measurements of financial assets are categorized into level 1, level 2 or level 3, based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement. Our financial assets at fair value through profit or loss were level 3 financial assets because the inputs used in determining the fair value are not based on observable market data. The fair value of our financial assets was estimated using a discounted cash flow model. The significant unobservable inputs are the interest return rates.

We may continue to invest in similar wealth management products in the future using our surplus cash. Upon Listing, our investment in financial assets at fair value through profit or loss will be subject to compliance with Chapter 14 of the Listing Rules. Our Board and the finance department are mainly responsible for making, implementing and supervising our investment decisions. During the Track Record Period, we have implemented the following investment policies:

- our Board is responsible for the overall planning and approval of our investment in wealth management products. Specifically, our chief financial officer or senior finance director is authorized to approve for investment in wealth management products;

- our finance department is responsible for the analysis and research of investment in wealth management products, and performs a valuation of level 3 financial assets for financial reporting purposes. It manages the valuation exercise of the investments on a case-by-case basis;

- investments in wealth management products could be made when we have surplus cash that is not required for our short-term working capital purposes;

- we mainly make investments in short-term wealth management products with low risk, high liquidity and reasonable returns; and

- our financial department assesses the risk associated with the underlying financial instruments on regular basis based on the risk classification provided by the issuing licensed commercial bank and reports to senior management and our Board.

Restricted Bank Deposits

Our restricted bank deposits were deposited to banks for the issue of bank borrowings, bills payable and letter of credits. We had restricted bank deposits of RMB629.1 million and RMB958.1 million as of December 31, 2022, and 2023, respectively. The increases in the restricted bank deposits were mainly due to the growth of our business. Our restricted bank deposits decreased to RMB919.4 million as of December 31, 2024, primarily due to the settlement of certain bills payable upon maturity.

Cash and Cash Equivalents

We had cash and cash equivalents of RMB1,244.0 million, RMB2,649.9 million and RMB2,616.3 million as of December 31, 2022, 2023 and 2024, respectively. See "— Liquidity and Capital Resources — Cash Flow Analysis" for more details.

Trade, Bills and Other Payables

We had trade, bills and other payables of RMB3,515.1 million, RMB7,959.5 million and RMB6,948.9 million as of December 31, 2022, 2023 and 2024. The table below sets forth our trade, bills and other payables as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	500,786	1,023,404	961,347
Bills payables	509,102	743,785	725,543
Other payables			
– Payables for acquisition of property, plant and equipment	1,169,148	5,281,683	4,714,360
– Consideration payables and related interest payables	788,608	–	–
– Accrued payroll and welfare	60,402	193,881	60,261
– Other taxes payables	70,031	75,431	27,820
– Amount due to an independent third party	20,000	20,000	20,000
– Amounts due to Yang Family and the vendors of Jietai Technology	2,140	–	–
– Dividend payables	90	–	–
– Accrued issue costs	–	10,264	11,040
– Other payables	102,903	113,416	242,507
– Deposits received from customers	291,902	497,655	102,225
– Payable for acquisition of intangible assets	–	–	83,750
	2,505,224	6,192,330	5,261,963
Total	**3,515,112**	**7,959,519**	**6,948,853**

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Analyzed as			
Current	2,851,690	4,696,825	3,800,785
Non-current	663,422	3,262,694	3,148,068
Total	**3,515,112**	**7,959,519**	**6,948,853**

Trade Payables

Our trade payables were outstanding amount due to third parties, mainly our suppliers for raw materials and service providers.

Our trade payables increased from RMB500.8 million as of December 31, 2022 to RMB1,023.4 million as of December 31, 2023, mainly because we increased our procurement for raw materials to satisfy the increased market demand and sales volume of our product. Our trade payables decreased to RMB961.3 million as of December 31, 2024, primarily due to a reduction in trade payables related to the procurement of raw materials.

The following table sets forth an aging analysis of our trade payables of the Current Business presented based on the invoice dates as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
0 to 1 year	499,409	1,019,699	947,543
1 year to 2 years	676	2,914	10,995
Over 2 years	701	791	2,809
	500,786	1,023,404	961,347

The following table sets forth our trade payables turnover days for the years indicated.

	Year Ended December 31,		
	2022	2023	2024
Current Business			
Trade payables turnover days*	15.4	17.1	35.5

* Trade payables turnover days were calculated using the average of the opening and closing balance of the trade payables for the relevant year, divided by the corresponding cost of revenues from continuing operation for the year, multiplied by the number of days during such years (i.e. 360 days for one fiscal year).

Our trade payables turnover days remained relatively stable at 15.4 days in 2022 and 17.1 days in 2023. Our trade payables turnover days increased from 17.1 days in 2023 to 35.5 days in 2024 mainly due to (i) the reduced percentage of cost of raw materials to our cost of revenue in 2024, resulting from the decreased market price of silicon wafers, and (ii) our improved management on the credit terms with suppliers.

Bills Payables

Our bills payables increased from RMB509.1 million as of December 31, 2022 to RMB743.8 million as of December 31, 2023, mainly due to (i) our increased raw material procurement, and (ii) the increased bill payables related to the construction of our Huai'an Plant and the expansion of our Chuzhou Plant. Our bills payable remained relatively stable at RMB725.5 million as of December 31, 2024.

The following table sets forth an aging analysis of bills payables presented based on issue dates as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Current Business			
0 to 180 days	458,524	743,592	725,543
Over 180 days	50,578	193	–
	509,102	**743,785**	**725,543**

As of March 31, 2025, RMB1,123.3 million, or 66.6%, of our trade and bills payables as of December 31, 2024, had been subsequently settled.

Other Payables

Our other payables primarily consists of (i) payables for acquisition of property, plant and equipment, (ii) consideration payables and related interest payables, (iii) other tax payables and (iv) accrued payroll and welfare. Our other payables increased from RMB2,505.2 million as of December 31, 2022 to RMB6,192.3 million as of December 31, 2023, mainly due to the increase in our payables for acquisition of property, plant and equipment, resulting from the expansion in the scale of our Chuzhou Plant and the establishment of our Huai'an Plant in 2023. Our other payables decreased from RMB6,192.3 million as of December 31, 2023 to RMB5,262.0 million as of December 31, 2024 mainly because we settled certain payables in 2024.

The table below sets forth our payables for acquisition of property, plant and equipment as of the dates indicated.

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Payables for construction projects and equipment	515,483	2,022,744	1,555,757
Long-term payables for government construction project	643,422	3,234,028	3,082,157
Short-term payables for the interests related to government construction project	10,243	24,911	76,446
Total	**1,169,148**	**5,281,683**	**4,714,360**

Our payables for acquisition of property, plant and equipment increased from RMB1,169.1 million as of December 31, 2022 to RMB5,281.7 million as of December 31, 2023, mainly due to increases in the payables for construction project and equipment and the long-term payables for government construction project, associated with the establishment of our Huai'an Plant in 2023. Our payables for acquisition of property, plant and equipment decreased to RMB4,714.4 million as of December 31, 2024, primarily because we settled certain payables for construction project and equipment in 2024.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows Analysis

The following table sets forth our consolidated statements of cash flows for the years indicated.

	Year Ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) before tax from continuing and discontinued operations	891,709	744,489	(731,419)
Operating cash flows before movements in working capital	1,346,937	2,594,371	220,092
(Increase)/decrease in inventories	(271,574)	(484,190)	45,114
Increase in trade, bills and other receivables	(934,246)	(285,518)	(441,353)
(Increase) decrease in receivables at FVTOCI	(795,397)	(2,254,615)	1,106,361
Increase in value-added tax recoverable	(65,757)	(287,205)	(301,287)
Increase in trade, bills and other payables	375,388	1,121,963	577,029
Increase (decrease) in contract liabilities	255,627	157,488	(392,073)
Cash (used in) from operations	(89,022)	562,294	813,883
PRC Enterprise Income Tax paid	(10,344)	(86,982)	(33,338)
Net cash flows (used in)/generated from operating activities	(99,366)	475,312	780,545
Net cash flows used in investing activities	(521,646)	(1,516,729)	(1,428,375)
Net cash flows from financing activities	1,650,886	2,446,492	611,930
Net increase/(decrease) in cash and cash equivalents	1,029,874	1,405,075	(35,900)
Effect of exchange rate changes	–	824	2,324
Cash and cash equivalents at beginning of the year	214,079	1,243,953	2,649,852
Cash and cash equivalents at end of the year	**1,243,953**	**2,649,852**	**2,616,276**

Net Cash Flows from/(Used in) Operating Activities

For the year ended December 31, 2024, our net cash from operating activities was RMB780.5 million. This net cash inflow was mainly attributable to our loss before income tax of RMB731.4 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of depreciation of property, plant and equipment of RMB705.4 million, finance costs of RMB220.6 million and provision for inventories of RMB130.1 million; and (ii) changes in working capital, which primarily resulted from the decrease in receivables at FVTOCI of RMB1,106.4 million, the increase in trade, bills and other payables of RMB577.0 million and the increase in trade, bills and other receivables of RMB441.4 million.

For the year ended December 31, 2023, our net cash from operating activities was RMB475.3 million. This net cash inflow was primarily attributable to our profit before income tax from continuing and discontinued operations of RMB744.5 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of impairment loss on property, plant and equipment of RMB894.2 million, depreciation of property, plant and equipment of RMB522.7 million, and the financial costs of RMB245.6 million; and (ii) changes in working capital, which primarily resulted from the increase in receivables at FVTOCI of RMB2,254.6 million, the increase in trade, bills and other payables of RMB1,122.0 million, and the increase in inventories of RMB484.2 million, all of which were generally in line with our business expansion and revenue growth.

For the year ended December 31, 2022, our net cash used in operating activities was RMB99.4 million. This net cash outflow was primarily attributable to our profit before income tax from continuing and discontinued operations of RMB891.7 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of the depreciation of property, plant and equipment of RMB379.6 million, the gain on disposal of Discontinued Business of RMB214.5 million, and the finance costs of RMB151.8 million; and (ii) changes in working capital, which primarily resulted from the increase in trade, bill and other receivables of RMB934.2 million, the increase in receivables at FVTOCI of RMB795.4 million, and the increase in contract liabilities of RMB255.6 million, all of which were generally in line with our business expansion and revenue growth.

Net Cash Flows Used in Investing Activities

For the year ended December 31, 2024, our net cash used in investing activities was RMB1,428.4 million. This cash outflow was primarily due to (i) purchase of financial assets at FVTPL of RMB6,498.3 million, (ii) placement of restricted bank deposits of RMB1,691.2 million and (iii) purchase of and deposits paid for property, plant and equipment of RMB604.5 million, the effect of which was partially offset by (i) proceeds on disposal of financial assets at FVTPL of RMB6,068.3 million and (ii) withdrawal of restricted bank deposits of RMB818.9 million.

For the year ended December 31, 2023, our net cash used in investing activities was RMB1,516.7 million. This cash outflow was primarily due to (i) purchase of and deposits paid for property, plant and equipment of RMB2,591.8 million, (ii) placement of restricted bank deposits of RMB2,503.5 million and (iii) the purchase of financial assets at fair value through profit or loss of RMB2,050.0 million, the effect of which was partially offset by (i) withdrawal of restricted bank deposits of RMB2,159.9 million, and (ii) proceeds on disposal of financial assets at FVTPL of RMB2,050.0 million.

For the year ended December 31, 2022, our net cash used in investing activities was RMB521.6 million. This cash outflow was primarily due to (i) the placement of restricted bank deposits of RMB1,340.2 million, and (ii) the net cash outflow on acquisition of Jietai Technology of RMB584.2 million, the effect of which was partially offset by (i) the withdrawal of restricted bank deposits of RMB957.0 million, and (ii) the receipt of government grant related to property, plant and equipment of RMB620.0 million.

Net Cash Flows From Financing Activities

For the year ended December 31, 2024, our net cash from financing activities was RMB611.9 million. This cash outflow was primarily due to (i) new bank and other borrowings raised of RMB3,651.9 million, and (ii) proceeds from exercise of share options of RMB61.7 million, the effect of which was partially offset by (i) repayment of bank and other borrowings of RMB2,450.7 million and (ii) purchase of property, plant and equipments of RMB180.0 million.

For the year ended December 31, 2023, our net cash from financing activities was RMB2,446.5 million. This cash inflow was primarily attributable to (i) new bank and other borrowings raised of RMB3,126.2 million, and (ii) proceeds on issuance of ordinary shares of RMB2,738.2 million, the effect of which was partially offset by (i) repayment of bank and other borrowings of RMB2,276.2 million, (ii) acquisition of non-controlling interests of Jietai Technology Group of RMB811.7 million, and (iii) interest paid of RMB280.7 million.

For the year ended December 31, 2022, our net cash from financing activities was RMB1,650.9 million. This cash inflow was primarily attributable to new bank and other borrowing raised of RMB3,528.6 million, the effect of which was partially offset by (i) the acquisition of non-controlling interests of Jietai Technology of RMB742.5 million, (ii) repayment of bank and other borrowings of RMB1,058.7 million, and (iii) interest paid of RMB64.9 million.

Net Current Assets/Liabilities

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)
Current assets				
Inventories	338,924	727,285	552,077	743,384
Trade, bills and other receivables	169,048	434,365	824,799	907,488
Receivables at FVTOCI	1,014,656	1,739,083	187,790	177,546
Value-added tax recoverable	163,624	450,829	752,116	753,300
Income tax recoverable	–	41,221	49,064	49,064
Financial assets at FVTPL	–	–	430,183	1,620,000
Restricted bank deposits	629,122	958,078	919,356	1,288,317
Cash and cash equivalents	1,243,953	2,649,852	2,616,276	2,545,847
Total current assets	**3,559,327**	**7,000,713**	**6,331,661**	**8,084,946**
Current liabilities				
Trade, bills and other payables	2,851,690	4,696,825	3,800,785	4,008,135
Contract liabilities	317,134	474,622	82,549	57,177
Tax payable	2,787	–	–	–
Bank and other borrowings	1,204,167	1,285,621	2,491,935	3,131,436
Lease liabilities	1,694	3,618	2,170	1,735
Total current liabilities	**4,377,472**	**6,460,686**	**6,377,439**	**7,198,483**
Net current (liabilities)/assets	**(818,145)**	**540,027**	**(45,778)**	**886,463**

We turned from a net current liabilities position of RMB818.1 million as of December 31, 2022 to a net current assets position of RMB540.0 million as of December 31, 2023, mainly due to (i) the increases in our cash and cash equivalent, (ii) the increase in receivables at FVTOCI, as we expanded our business scale, and (iii) the increase in inventories resulted from our expanded production capacity in 2023, partially offset by the increase in our trade, bills and other payables.

We recorded net current liabilities of RMB45.8 million as of December 31, 2024, compared with net current assets of RMB540.0 million as of December 31, 2023, mainly due to (i) the decrease in receivables at FVTOCI, (ii) the increase in bank and other borrowings, and (iii) the decrease in inventories, partially offset by the decrease in trade, bills and other payables.

We recorded net current assets position of RMB886.5 million as of March 31, 2025, compared to a net current liabilities position of RMB45.8 million as of December 31, 2024, mainly due to (i) the increase in our financial assets at FVTPL and (ii) the increase in restricted bank deposits.

Working Capital Sufficiency

Taking into account our available financial resources that, as of March 31, 2025,

(i) our unutilized bank facilities amounted to RMB4,089.6 million, RMB1,776.6 million of which are working capital loans on which no usage restrictions (e.g. to repay other bank loans) exist;

(ii) our cash and cash equivalents of RMB2,545.8 million and our financial assets at FVTPL of RMB1,620.0 million;

(iii) we recorded net cash inflow from operating activities in 2023, 2024 and the three months ended March 31, 2025;

(iv) we had no material default in the repayment of bank borrowing and we have not experienced any withdrawal of facilities nor request for early repayment of bank borrowings during the Track Record Period; and

(v) the estimated net proceeds from the Global Offering,

our Directors are of the view that we have sufficient financial resources to operate for at least the next 12 months from the date of this prospectus, and there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on our ability to continue operation. After making reasonable inquiries of our management about our working capital, the Joint Sponsors concur with the Directors' view.

We carefully managed our working capital and implemented working capital policies during the Track Record Period. We generally require customers to make prepayments for orders placed. For silicon wafer suppliers, we typically agree to delivery upon payment, with the payment made either through wire transfer or using a 6-month bank acceptance draft. For other suppliers, we typically purchase on credit terms based on industry norms. We have delegated a team responsible to record, collect, manage and assess the credit risk or our bills receivables. In addition, we review the recoverable amount of each individual receivables at the end of each reporting period to ensure that adequate impairment losses allowance are made for irrecoverable amounts. We have also implemented procedures to manage the settlement of our payables, including planning and authorizing settlements of our payables based on our monthly capital plan and the cash management needs of our daily operation.

During the Track Record Period, we endorsed certain bills receivables to suppliers. According to Article 37 of the Negotiable Instruments Law of the People's Republic of China ("Negotiable Instruments Law"), an endorser who transfers a bill of exchange via endorsement assumes subsequent liability for its acceptance and payment. In the event that an endorser fails to secure acceptance or payment of the bill, it is obligated to compensate the holder for the amount due as well as any associated costs, in accordance with the pertinent regulations. Our PRC legal adviser is of the view that the payer or acceptor is the first-ranking debtor for the encashment of the bill and is obliged to pay the bill amount to the holder after the due date of the bill of exchange. However, when the bill of exchange is not accepted or paid, the endorser, i.e. our Group, has to bear the corresponding supplementary liability.

In accordance with IFRS 9, an entity shall derecognize a financial asset when, and only when (i) the contractual rights to the cash flows from the financial asset expire, or (ii) it transfers the financial asset and the transfer qualifies for derecognition. In accordance with the aforementioned accounting policy, we have adopted two approaches regarding our receivables:

- For our receivables at FVTOCI which are issued or guaranteed by reputable PRC banks with high credit ratings: As our management determined that the significant risks associated with these bills are predominantly interest rate risks, while the credit risk is minimal. Consequently, after the endorsement, we have transferred substantially all the risks to the respective suppliers. Therefore, we derecognize bills classified as receivables at FVTOCI.

- For other bills classified as bills receivables which are issued or guaranteed by reputable PRC banks with a lower credit ratings: The suppliers have the right to request us to pay the unsettled balance if the bills are not paid on maturity. As we have not transferred the significant risks and rewards relating to the bills receivables to our suppliers upon endorsement, we continue to recognize the full carrying amount of bills receivables and have recognized the payables from the endorsement of the bills with full recourse.

Article 27 and Article 36 of the Negotiable Instruments Law stipulate that if a drawer places the word "non-negotiable" on a bill of exchange, that bill shall not be negotiated, and where acceptance or payment of a bill of exchange has been refused or where the time limit for presentment for payment has been exceeded, such a bill shall not be permitted to be negotiated by means of endorsement. Our directors confirm that our Group is not involved in the circumstances under which the Company may not negotiate the bill by means of endorsement in the Negotiable Instruments Law.

According to Article 10 of the Negotiable Instruments Law , the issuing, obtaining and negotiating of a negotiable instrument shall be in conformity with the principles of honesty and trustworthiness and there must be genuine transaction relations and genuine relations of obligor and obligee. Our directors confirm that each bill of exchange by means of endorsement during the Track Record Period corresponds to a genuine transaction.

Our directors confirm that our Group did not engage in any dishonest practices during the Track Record Period as stipulated in the Negotiable Instruments Law, such as falsification or alteration of a negotiable instrument, or knowingly making use of a falsified or altered negotiable instrument.

In addition, during the Track Record Period, our Group was not subject to any administrative penalties for illegal use of instruments, nor was it involved in any litigation or arbitration cases arising from the negotiation of a bill of exchange by means of endorsement.

Based on the above, the PRC legal adviser is of the view that the negotiation of a bill of exchange by means of endorsement of our Group during the Track Record Period were in compliance with the relevant provisions of the Negotiable Instruments Law in material respects.

Our Directors have confirmed that, up to the date of this prospectus, there have been no material defaults in payment of trade and non-trade payables and borrowings, and/or no breaches of covenants during the Track Record Period.

INDEBTEDNESS

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

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Bank and other borrowings				
– *Non-current*	2,503,682	3,045,480	2,886,001	3,773,666
– *Current*	1,204,167	1,285,621	2,491,935	3,131,436
Total bank and other borrowings	**3,707,849**	**4,331,101**	**5,377,936**	**6,905,102**
Lease liabilities				
– *Non-current*	2,497	666	5,136	5,189
– *Current*	1,694	3,618	2,170	1,735
Total lease liabilities	**4,191**	**4,284**	**7,306**	**6,924**
Payables for acquisition of property, plant and equipment	3,258,939	3,279,401	3,140,192	3,049,902
Payable for acquisition of intangible assets	–	84,956	81,922	68,806
Amount due to an independent third party	20,000	20,000	20,000	–
Amounts due to Yang Family and the Vendors	2,140	–	–	–
Total	**6,993,119**	**7,719,742**	**8,267,356**	**10,030,734**

Bank and Other Borrowings

Our bank and other borrowings increased from RMB3,707.8 million as of December 31, 2022, to RMB4,331.1 million as of December 31, 2023, mainly because we incurred more bank loans and other borrowings to satisfy our financial needs for the construction of our Chuzhou Plant and Huai'an Plant. Our bank and other borrowings increased from RMB4,331.1 million as of December 31, 2023 to RMB5,377.9 million as of December 31, 2024 mainly because we incurred more bank and other borrowings to increase working capital reserve to support our operations.

The table below sets forth our bank and other borrowings as of the dates indicated.

	Year Ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Long-term bank borrowings	1,902,879	2,658,276	2,142,226
Short-term bank borrowings	589,082	450,085	2,425,132
Other borrowings:			
– Borrowings related to Chengjian Agreements	500,000	500,000	400,000
– Interest accrued on borrowings related to Chengjian Agreements	24,419	24,500	19,229
– Borrowings related to sale-leaseback agreements	691,469	698,240	391,349
Total	**3,707,849**	**4,331,101**	**5,377,936**

The borrowings related to Chengjian Agreements was under the financing agreement we entered with Shangrao Chengjian in November 2020. Based on the Chengjian Agreements, we recognized the investment funds from Shangrao Chengjian to Hongye New Energy as other borrowings in the consolidated statement. For details, see "History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes Of Our Group — Our Subsidiaries — Hongye New Energy" in this prospectus. These borrowings are secured by certain of our equity interests in Hongye New Energy, and carried interest at Loan Prime Rate ("LPR") per annum on December 31, 2022, 2023 and 2024, respectively.

The borrowing related to sale-leaseback agreements was arising from the long-term sale and leaseback agreements we signed with financing lease companies. Upon expiration of the agreements, the company repurchases the equipment at a lower retention price. We accounts for this type of transaction as a secured borrowing. The payment terms are in accordance with the contract, generally range from two to five years, and the applicable interest rate is the implicit rate of return in each sale and leaseback contract, ranging from 5.25% to 10.33% per year.

Certain of our bank and other borrowings was secured by buildings, leasehold land, trade and bills receivables or equity interest, and/or guaranteed by our shareholder or independent third party. Such related bank and other borrowings with guarantee by Shareholders had been fully repaid in 2023. As of December 31, 2024, we do not have any bank and other borrowings that are guaranteed by the Shareholders. The ranges of effective interest rates (which are also equal to contracted interest rates) on our borrowings are as follows:

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Effective interest rates:			
Fixed-rate borrowings	1.52% to 12.66%	1.52% to 7.56%	1.25% to 7.18%
Variable-rate borrowings	LPR-70 basic points to LPR+165 basic points	LPR-70 basic points to LPR+85 basic points	LPR-75 basic points to 5 year Loan Prime Rate

For more details, see Note 25 to the Accountants' Report in Appendix IA to this prospectus. For maturity analysis of our financial liabilities, see Note 35 to the Accountants' Report in Appendix IA to this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we had not been in violation of any of the covenants pursuant to the applicable loan agreements we entered into with the banks. We are not subject to other material financial covenants under any agreements with respect to any bank loans or other borrowings. There was no delay or default in the repayment of borrowings during the Track Record Period. Taking our financial position into consideration, we are able to abide by these covenants amid current market conditions, and that our capital raising abilities were not materially affected as of December 31, 2024.

We had not experienced any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

As of March 31, 2025, we had banking facilities of RMB10,800.0 million for bank and other borrowings, of which RMB4,089.6 million remained unutilized. In such unutilized banking facilities, RMB1,776.6 million are working capital loans on which no usage restrictions (e.g. to repay other bank loans) exist.

Lease Liabilities

Our lease liabilities represent the present value of outstanding lease payments under our lease agreements for our office and employee apartment.

Our lease liabilities remained stable at RMB4.2 million and RMB4.3 million as of December 31, 2022 and 2023. Our lease liabilities increased from RMB4.3 million as of December 31, 2023 to RMB7.3 million as of December 31, 2024, mainly because we leased new office in 2024.

Amount Due to An Independent Third Party

As of December 31, 2022, 2023 and 2024, our amount due to an independent third party was RMB20.0 million, RMB20.0 million, and RMB20.0 million, respectively. The amount due to an independent third party represents the loan provided by Jiangxi Venture to Hongye New Energy, with the principal amount of RMB20.0 million with a term of three years ending on February 13, 2025, to support the research and development of high-efficiency large-size PV cells. See Note 23 to the Accountants' Report in Appendix IA to this prospectus.

Amounts Due to Yang Family and the Vendors

As of December 31, 2022, 2023 and 2024, our amount due to Yang Family and the Vendors was RMB2.1 million, nil and nil, respectively. In 2022, the amounts due to Yang Family and the Vendors of RMB600.0 million was offset with the consideration in relation to the disposal of Discontinued Business. See Note 23 to the Accountants' Report in Appendix IA to this prospectus.

Except as disclosed above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of December 31, 2024. After due and careful consideration, our Directors confirm that there had been no material change in our indebtedness since March 31, 2025 and up to the date of this prospectus.

CONTINGENT LIABILITIES

We did not have any material contingent liabilities during the Track Record Period and up to the Latest Practicable Date.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our related party transactions, see Note 37 to the Accountants' Report in Appendix IA to this prospectus.

Our Directors are of the view that each of the related party transactions set out in Note 37 to the Accountants' Report in Appendix IA to this prospectus was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

CAPITAL EXPENDITURES

We regularly incur capital expenditures to expand our factories, upgrade our facilities and acquire our equipment. Our capital expenditures represent payment for purchases and deposits of property, plant and equipment, during the Track Record Period. In 2022, 2023, and 2024, we incurred capital expenditure of RMB571.0 million, RMB2,591.8 million, and RMB604.5 million, respectively.

CAPITAL COMMITMENTS

In 2022, 2023, and 2024, our capital commitments were RMB2,668.4 million, RMB1,007.0 million, and RMB211.2 million, respectively, which were the capital expenditures in respect of the acquisition of property, plant and equipment and intangible assets we contracted for but not provided in the financial statements.

KEY FINANCIAL RATIO

The table below sets forth our key financial ratio for the years, or as of the dates indicated.

	Year Ended/ As of December 31,		
	2022	2023	2024
Gross Margin(1)	11.0%	9.1%	(0.9)%
Profit Margin(2)	5.6%	4.4%	(6.0)%
Debt to Asset Ratio(3)	88.1%	73.7%	76.4%
Current Ratio(4)	0.8	1.1	1.0
Return on Equity(5)	46.5%	28.3%	(13.8)%
Gearing Ratio(6)	353.2%	92.1%	138.5%

Notes:

(1) Gross margin is calculated using gross profit from continuing operation divided by revenue from continuing operation for the year and multiplied by 100%. We recorded a negative gross margin in 2024 mainly due to the decrease in the average selling price of our PV cells. See "Financial Information — Period to Period Comparison of Results of Operations — Year Ended December 31, 2024 Compared with Year Ended December 31, 2023 — Gross Profit/(loss) and Gross Profit Margin."

(2) Profit margin is calculated using profit for the year from continuing operation divided by revenue from continuing operation for the year and multiplied by 100%. We recorded a negative profit margin in 2024 mainly due to the decrease in the average selling price of our PV cells. See "Financial Information — Period to Period Comparison of Results of Operations — Year Ended December 31, 2024 Compared with Year Ended December 31, 2023."

(3) Debt to asset ratio is calculated using total liabilities divided by total assets as of the end of the year and multiplied by 100%.

(4) Current ratio is calculated using current assets divided by current liabilities as of the end of the year.

(5) Return on equity is calculated using net profit/(loss) from continuing operation for the year divided by the average of total equity as of the beginning and ending of the year and multiplied by 100%. We recorded a negative return on equity in 2024 because of our net loss, which was primarily due to the decrease in the average selling price of our PV cells. See "Financial Information — Period to Period Comparison of Results of Operations — Year Ended December 31, 2024 Compared with Year Ended December 31, 2023 — Gross Profit/(loss) and Gross Profit Margin."

(6) Gearing ratio is calculated using total debt (including bank and other borrowings, and lease liabilities) divided by shareholders' equity as of the end of the year. Our gearing ratio decreased from 353.2% as of December 31, 2022 to 92.1% as of December 31, 2023, mainly due to the increase in our equity, as we issued additional ordinary shares in 2023. Our gearing ratio increased from 92.1% as of December 31, 2023 to 138.5% as of December 31, 2024, mainly due to the increase in our bank and other borrowings and our decrease in reserves.

MARKET RISK DISCLOSURE

Our Group's major financial instruments include trade, bills and other receivables, receivables at FVTOCI, financial assets at FVTPL, restricted bank deposits, cash and cash equivalents, trade, bills and other payables, bank and other borrowings and convertible loan notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of our Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. See Note 35 to the Accountants' Report in Appendix IA to this prospectus for a detailed description of our financial risk management.

Interest Rate Risk

Our Group is exposed to fair value interest rate risk in relation to fixed-rate payables for acquisition of property, plant and equipment, bank and other borrowings, lease liabilities and convertible loan notes. Our Group currently does not have formal interest rate hedging policies. The management of our Group monitors our exposures on an on-going basis and will consider hedging interest rate risk should the need arise.

Our Group is also exposed to cash flow interest rate risk in relation to floating-rate restricted bank deposits, cash and cash equivalents and bank and other borrowings. In the opinion of the management of our Group, the exposure of cash flow interest rate risk arising from floating-rate restricted bank deposits, cash and cash equivalents and bank and other borrowings is insignificant and thus no sensitivity analysis is prepared.

Credit Risk and Impairment Assessment

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to our Group. Our Group considers all elements of credit risk exposure such as counterparty default risk and sector risk for risk management purposes.

Our Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of each reporting period in relation to each class of recognized financial assets is the carrying amount of those assets stated in the consolidated statements of financial position. Our Group's credit risk is primarily attributable to our trade, bills and other receivables, receivables at FVTOCI, restricted bank deposits and bank balances.

In order to minimize the credit risk, the management of our Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, our Group reviews the recoverable amount of each individual receivables at the end of each reporting period to ensure that adequate impairment losses allowance are made for irrecoverable amounts. In this regard, the management of our Group considers that our Group's credit risk is significantly reduced.

The restricted bank deposits, bank balances, bills receivables and receivables at FVTOCI are determined to have low credit risk at the end of each reporting period. The credit risk on restricted bank deposits, bank balances, bills receivables and receivables at FVTOCI is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

Our Group has concentration of credit risk as 5.32%, 33.92% and nil of the total trade receivables was due from our Group's largest customer as of December 31, 2022, 2023 and 2024, respectively. Also, our Group has concentration of credit risk as 44.36%, 36.81% and 78.65% of the total trade receivables was due from our Group's five largest customers as of December 31, 2022, 2023 and 2024, respectively.

In addition to the credit risk limit management and other mitigation measures as described above, our Group monitors all financial assets, that are subjected to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, our Group will measure the impairment loss allowance based on lifetime ECL rather than 12m ECL.

For more details on the credit risk and impairment assessment, see Note 35 to the Accountants' Report in Appendix IA to this prospectus.

Liquidity Risk

The management of our Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance our Group's operations and mitigate the effects of fluctuations in cash flows. For more details on our Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms, see Note 35 to the Accountants' Report in Appendix IA to this prospectus.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and as of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

DIVIDENDS

On February 6, 2023, the Board of Directors approved our "Shareholder Return Plan for the Next Three Years (2023-2025)" (the "**Shareholder Return Plan**"). According to our Shareholder Return Plan, and subject to relevant PRC laws and applicable regulations, and our Articles of Association, after making up for any losses (if any), allocating statutory reserve funds, and allocating discretionary reserve funds (if necessary), from the year of 2023 to 2025, except for special circumstances, we target to distribute cash dividends to our Shareholders no less than 10% of our distributable profit for the year if our Company is profitable for the year and has a positive cumulative undistributed profit. The aforementioned special circumstances include: (i) the occurrence of significant investments or capital expenditure events (excluding fundraising projects), including but not limit to, any investment or future investment within the next twelve months, fixed assets investments, asset acquisitions, or procurement of equipment and service, with cumulative expenditures reaching or exceeding 50% of our net assets based on the audited financial statements from the latest financial year; (ii) our audited debt-to-asset ratio exceeds 70% at the end of the year; or (iii) the cumulative distributable profit per share for the year is less than RMB0.1. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that we have entered into or may enter into in the future.

In April 2023, we declared cash dividend of RMB84.9 million and stock dividend of 56.6 million A Shares for the year ended December 31, 2022, which has been fully distributed in June 2023. In April 2024, we declared cash dividend of RMB170.0 million for the year ended December 31, 2023, which has been fully distributed in April 2024. We believe that the distribution of the dividends will not have a material impact on the sufficiency of our working capital after the Listing and we will be able to maintain sufficient funds to meet our working capital requirements and debt obligations.

DISTRIBUTABLE RESERVES

As of December 31, 2024, we had no distributable reserves of the Company available for distribution to our shareholders.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission, and other fees incurred in connection with the Global Offering. As of December 31, 2024, we incurred RMB36.5 million (HK$39.7 million) in listing expenses, in which amount of RMB5.2 million (HK$5.6 million) were recognized in the profit or loss and amount of RMB31.3 million (HK$34.0 million) will be deducted from equity upon Listing.

We estimate that additional listing expenses of approximately RMB74.6 million (HK$80.4 million), including (1) underwriting-related expenses, which consist of sponsor fee and underwriting commissions, of approximately RMB60.2 million (HK$64.8 million), and (2) non-underwriting related expenses of approximately RMB14.4 million (HK$15.6 million), which consist of (i) fees and expenses of legal advisors of approximately RMB5.8 million (HK$6.2 million), (ii) fees and expenses of our Reporting Accountant of approximately RMB3.7 million (HK$4.0 million), and (iii) other fees and expenses of approximately RMB4.9 million (HK$5.4 million), assuming the Over-allotment Option is not exercised and based on the Offer Price of HK$24.5 per Offer Share (being the mid-point of the Offer Price range stated in the prospectus), will be incurred by our Company, approximately RMB1.2 million (HK$1.3 million) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB73.4 million (HK$79.1 million) of which is attributable to the issue of shares and will be deducted from equity upon Listing. Our listing expenses as a percentage of gross proceeds is 7.7%, at an Offer Price of HK$24.50 per Share, assuming the Over-allotment Option is not exercised. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF OUR GROUP ATTRIBUTABLE TO OWNERS OF OUR COMPANY

The following unaudited pro forma statement of our adjusted consolidated net tangible assets attributable to owners of our Company which has been prepared in accordance with paragraph 4.29 of the Listing Rules is for the purpose of illustrating the effect of the proposed Hong Kong public offering and international offering of the H Shares of our Company (the "Global Offering") as if the Global Offering had taken place on December 31, 2024.

This unaudited pro forma statement of our adjusted consolidated net tangible assets attributable to owners of our Company has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of our consolidated net tangible assets attributable to owners of our Company had the Global Offering been completed at December 31, 2024 or at any further dates. It is prepared based on our audited consolidated net tangible assets attributable to owners of our Company at December 31, 2024 as derived from the Accountants' Report set out in Appendix IA to this prospectus and adjusted as described below.

	Consolidated net tangible assets of our Group attributable to owners of our Company at December 31, 2024	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company at December 31, 2024**	**Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per share at December 31, 2024**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$20.40 per H Share	2,871,337	1,105,895	3,977,232	13.67	14.73
Based on an Offer Price of HK$28.60 Per H Share	2,871,337	1,566,981	4,438,318	15.26	16.44

Notes:

1. The consolidated net tangible assets of our Group attributable to owners of our Company at December 31, 2024 is arrived at after deducting intangible assets and goodwill attributable to owners of our Company of RMB1,015,660,000 from the audited consolidated net assets of RMB3,886,997,000 attributable to owners of our Company at December 31, 2024 as extracted from the Accountants' Report set out in Appendix IA to this prospectus.

2. The estimated net proceeds from the issue of the new shares pursuant to the Global Offering are based on 63,432,300 H Shares at the Offer Price of HK$20.4 and HK$28.6 per H Share, being the low-end and high-end of the stated Offer Price Range, after deduction of the estimated underwriting fees and commissions and other related expenses (excluding the listing expenses that have been charged to profit or loss during the Track Record Period). It does not take into account of any share which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by our Company.

   For the purpose of this unaudited pro forma statement, the estimated net proceeds from the Global Offering are converted from HK$ into RMB at an exchange rate of RMB0.9283 to HK$1.00, which was the exchange rate prevailing on the Latest Practicable Date with reference to the rate published by the People's Bank of China. No representation is made that the HK$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or any other rates or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per share is arrived at on the basis that 290,847,876 shares (excluding treasury shares) at December 31, 2024 were in issue assuming that the Global Offering had been completed on December 31, 2024 and without taking into account of any share which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by our Company.

4. The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per share, is converted from RMB into HK$ at an exchange rate of RMB0.9283 to HK$1.00, which was the exchange rate prevailing on the Latest Practicable Date with reference to the rate published by the People's Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or any other rates or at all.

5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of our Group at December 31, 2024 to reflect any trading result or other transaction of our Group entered into subsequent to December 31, 2024.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in our financial, operational or prospects since December 31, 2024, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report included in Appendix IA to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

DISCONTINUED BUSINESS

Historically, we have engaged in the R&D, manufacturing and sales of car plastic accessories ("**Discontinued Business**"). The principal subsidiaries engaged in the Discontinued Business were Suzhou Junda Automobile Technology Co., Ltd. (蘇州鈞達車業科技有限公司) ("**Suzhou Junda**") and Hainan Xinsu Mould Plastic Industrial Trade Co., Ltd. (海南新蘇模塑工貿有限公司) ("**Hainan Xinsu**").

On March 12, 2022, we entered into a transfer agreement with Yang Family pursuant to which we agreed to sell and Yang Family agreed to acquire 100% equity interest of Suzhou Junda and Hainan Xinsu, as well as all assets relating to the Discontinued Business for a cash consideration of RMB1,015,056,000. Pursuant to the completion of the share transfer registration, the disposal of Suzhou Junda and Hainan Xinsu were completed on April 30, 2022 and June 6, 2022, respectively, on which dates the control of Suzhou Junda and Hainan Xinsu were passed to Yang Family ("Date of Disposal"). For details, see "History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes of our Group" in this prospectus.

In 2022, we recorded a gain from discontinued operations of RMB204.1 million (including gain on disposal of Discontinued Business of RMB214.5 million). The table below sets forth the consolidated statement of profit or loss and other comprehensive income from the Discontinued Business for the period indicated.

	For the period from 1 January 2022 to Date of Disposal
	RMB'000
Revenue	464,356
Cost of sales	(409,570)
Gross profits	54,786
Other income	17,755
Other gains and losses	(1,936)
Selling and marketing expenses	(4,263)
Administrative expenses	(30,245)
Research and development expenses	(14,260)
Net impairment losses under expected credit loss model	(2,020)
Share of results of associates	(2,940)
Other expenses	(13,871)
Finance costs	(5,734)
Loss before tax	(2,728)
Income tax expenses	(7,686)
Loss and total comprehensive expense for the period	**(10,414)**

Analysis of assets and liabilities over which control was lost on the Date of Disposal of Discontinued Business:

	RMB'000
Property, plant and equipment	699,746
Right-of-use assets	130,655
Investment properties	10,122
Intangible assets	6,956
Interests in associates	40,930
Deferred tax assets	13,678
Inventories	316,453
Trade, bills and other receivables	1,047,537
Receivables at FVTOCI	63,769
Value-added tax recoverable	32,536
Financial assets at FVTPL	3,000
Restricted bank deposits	34,161
Cash and cash equivalents	38,830
Trade, bills and other payables	(1,447,011)
Contract liabilities	(31,892)
Tax payable	(2,625)
Bank and other borrowings	(156,290)
Net assets disposed of	800,555

For more details regarding results of Discontinued Business included in our financial statements, see Note 29 to the Accountants' Report in Appendix IA in this prospectus.

THE CORNERSTONE PLACING

We have entered into two cornerstone investment agreements (each a "Cornerstone Investment Agreement", together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause its designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) as may be purchased for an aggregate amount of approximately HK$493.09 million (the "**Cornerstone Placing**"). The final number of H Shares to be subscribed by the Cornerstone Investors will be set out in the allotment results announcement in respect of the Global Offering to be issued by the Company.

Assuming an Offer Price of HK$20.40 per Offer Share (being the low-end of the indicative Offer Price range), the number of Offer Shares to be subscribed for by the Cornerstone Investors would be 23,981,800 Offer Shares, representing (i) approximately 37.8% of the Offer Shares to be issued pursuant to the Global Offering and approximately 8.2% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the options granted under the Employee Incentive Schemes are not exercised), and (ii) approximately 32.9% of the Offer Shares to be issued pursuant to the Global Offering and approximately 7.9% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is fully exercised and the options granted under the Employee Incentive Schemes are not exercised).

Assuming an Offer Price of HK$24.50 per Offer Share (being the mid-point of the indicative Offer Price range), the number of Offer Shares to be subscribed for by the Cornerstone Investors would be 19,968,500 Offer Shares, representing (i) approximately 31.5% of the Offer Shares to be issued pursuant to the Global Offering and approximately 6.8% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the options granted under the Employee Incentive Schemes are not exercised), and (ii) approximately 27.4% of the Offer Shares to be issued pursuant to the Global Offering and approximately 6.6% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is fully exercised and the options granted under the Employee Incentive Schemes are not exercised).

Assuming an Offer Price of HK$28.60 per Offer Share (being the high-end of the indicative Offer Price range), the number of Offer Shares to be subscribed for by the Cornerstone Investors would be 17,105,900 Offer Shares, representing (i) approximately 27.0% of the Offer Shares to be issued pursuant to the Global Offering and approximately 5.8% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the options granted under the Employee Incentive Schemes are not exercised), and (ii) approximately 23.4% of the Offer Shares to be issued pursuant to the Global Offering and approximately 5.7% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is fully exercised and the options granted under the Employee Incentive Schemes are not exercised).

Our Company became acquainted with Zhuhai Gokin New Energy Investment Co., Ltd (珠海市高景新能源投資有限公司) ("**Zhuhai Gokin**") through our business and industry network. Modern Direct Investment New Energy Technology Co., Limited (現代直投新能源科技有限公司) ("**Modern Direct Investment**") is a close associate of Shangrao Development Zone, an existing shareholder of our Company. Our Company is of the view that the Cornerstone Placing will help raise the profile of our Company and signify that such investors have confidence in our business and prospects. In particular, the Cornerstone Placing, leveraging on the cornerstone investors' experiences in solar energy industry or investment experiences in Shangrao local enterprises, will further deepen our cooperations in the long-term future.

The Cornerstone Placing will form part of the International Offering and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreement).

The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Shares in issue following the completion of the Global Offering. The Offer Shares to be subscribed by Zhuhai Gokin will be counted towards the public float of our Company under Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, Zhuhai Gokin will not become a substantial Shareholder of our Company and will not have any Board representation in our Company.

Immediately following the completion of the Global Offering, assuming an Offer Price of HK$24.50 per H Share (being the mid-point of the Offer Price range stated in the prospectus, the 15,637,000 H Shares (calculated based on (a) rounded down to the nearest whole board lot of 100 H Shares) to be subscribed for by Morden Direct Investment, representing approximately 5.3% of our total issued Shares upon the Listing (assuming that the Over-allotment Option is not exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes), will not count towards the public float. Morden Direct Investment and Shangrao Development Zone collectively will hold over 10% of our total issued Share immediately following completion of the Global Offering (taking into account the 22,244,267 A Shares held by Shangrao Development Zone, representing approximately 7.60% of our total issued Shares upon the Listing (assuming that the Over-allotment Option is not exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes), which will not be converted into H Shares and listed upon completion of the Global Offering). As such, the Offer Shares to be subscribed by Modern Direct Investment will not be counted towards the public float of our Company. All the A Shares and H Shares owned by Modern Direct Investment and Shangrao Development Zone will not be counted towards public float for the purpose of Rule 8.08 of the Listing Rules. For further details, see "History, Development and Corporate Structure — Public Float". For the avoidance of doubt, the aggregation of the A Shares held by Shangrao Development Zone and H Shares to be held by Modern Direct Investment exceeding 10% of our total issued Share immediately following completion of the Global Offering is for the calculation of public float purpose only. Modern Direct Investment will not become a substantial shareholder as defined under the Listing Rules. Modern Direct Investment has been permitted to participate in the Cornerstone Investments under a waiver from strict compliance with the requirements under Rule 10.04 of, and the consent of the Stock Exchange under paragraph 5(2) of Appendix F1 to the Listing Rules granted by the Stock Exchange.

For the purpose of the Cornerstone Placing, Zhuhai Gokin has engaged GF Securities Asset Management (Guangdong) Co., Ltd. (廣發證券資產管理(廣東)有限公司) ("**GF Securities AM**"), an asset manager that is a qualified domestic institutional investor as approved by the relevant PRC authority, in the name of GFAM GAOJING NO. 1 ASSET MANAGEMENT ACCOUNT (QDII) (資管高景1號單一資產管理計劃), to subscribe for and hold such Offer Shares on a non-discretionary basis on behalf of Zhuhai Gokin.

GF Securities (Hong Kong) Brokerage Limited ("**GF Securities (Hong Kong) Brokerage**") has been appointed as one of the Capital Market Intermediaries of the Global Offering. GF Securities AM is a direct wholly-owned subsidiary of GF Securities Co., Ltd. (Stock Code: 1776) ("**GF Securities**") and GF Securities (Hong Kong) Brokerage is an indirect wholly-owned subsidiary of GF Securities. Each of GF Securities AM and GF Securities (Hong Kong) Brokerage is a member of the same group of companies. Therefore, Zhuhai Gokin is a connected client of GF Securities (Hong Kong) Brokerage. We have applied to the Stock Exchange for, and the Stock Exchange has granted us its consent under paragraph 5(1) of Appendix F1 to the Listing Rules to permit Zhuhai Gokin to participate in the Global Offering as a cornerstone investor subject to certain conditions. For details, please refer to the section headed "Waivers from Strict Compliance with Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Consent in Respect of the Proposed Subscription of H Shares by Zhuhai Gokin through GF Securities AM" in this prospectus.

Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders.

To the best knowledge of our Company, save for the fact that Modern Direct Investment is a close associate of an existing Shareholder, (i) each of the Cornerstone Investors is an Independent Third Party; (ii) neither of the Cornerstone Investors is accustomed to take instructions in relation to the acquisition, disposal, voting or other disposition of Offer Shares registered in its name or otherwise held by it from our Company, our Directors, chief executive, Single Largest Group of Shareholders, substantial Shareholders, existing Shareholders or any of our subsidiaries or their respective close associates; and (iii) the subscription of the relevant Offer Shares by the Cornerstone Investors is not financed directly or indirectly by our Company, our Directors, chief executive, Single Largest Group of Shareholders, substantial Shareholders, existing Shareholders or any of our subsidiaries or any of their respective close associates.

As confirmed by each of the Cornerstone Investors, their subscription under the Cornerstone Placing would be financed by their own internal resources. There is no side arrangement or agreement between our Company and the Cornerstone Investors, nor benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

The number of Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the paragraph headed "The Structure of the Global Offering — The Hong Kong Public Offering — Reallocation" in this prospectus. Details of the actual number of Offer Shares to be allocated to the relevant Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around May 7, 2025.

If there is over-allocation in the International Offering, the settlement of such over-allocation may be effected through delayed delivery of the Offer Shares to be subscribed by all Cornerstone Investors under the Cornerstone Placing. Where delayed delivery takes place, each Cornerstone Investor that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares on or before 8:00 a.m. on the Listing Date. If there is no over-allocation in the International Offering, delayed delivery will not take place. As such, there will be no deferred settlement of the investment amount for the Offer Shares to be subscribed by the Cornerstone Investors pursuant to the Cornerstone Investment Agreements. For details of the Over-allotment Option, please refer to the paragraph headed "The Structure of the Global Offering — Over-allotment Option" in this Prospectus.

The following table sets forth details of the Cornerstone Placing:

Based on the Offering Price of HK$20.40 (being the low-end of the indicative Offer Price range)

			Assuming the Over-allotment Option is not exercised without taking into account any A Shares to be issued pursuant to the Employee Incentive Schemes		Assuming the Over-allotment Option is fully exercised without taking into account any A Shares to be issued pursuant to the Employee Incentive Schemes	
Cornerstone Investors	**Total Investment Amount**	**Number of Offer Shares(2)**	**Approximate % of the Offer Shares**	**Approximate % of the total issued share capital following the completion of the Global Offering**	**Approximate % of the Offer Shares**	**Approximate % of the total issued share capital following the completion of the Global Offering**
	(in million)					
Zhuhai Gokin	HKD106.12	5,202,100	8.2	1.8	7.1	1.7
Modern Direct Investment	HKD386.97(1)	18,779,700	29.6	6.4	25.7	6.2
Total	HKD493.09	23,981,800	37.8	8.2	32.9	7.9

Based on the Offering Price of HK$24.50 (being the mid-point of the indicative Offer Price range)

			Assuming the Over-allotment Option is not exercised without taking into account any A Shares to be issued pursuant to the Employee Incentive Schemes		Assuming the Over-allotment Option is fully exercised without taking into account any A Shares to be issued pursuant to the Employee Incentive Schemes	
Cornerstone Investors	Total Investment Amount	Number of Offer Shares(2)	Approximate % of the Offer Shares	Approximate % of the total issued share capital following the completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the total issued share capital following the completion of the Global Offering
	(in million)					
Zhuhai Gokin	HKD106.12	4,331,500	6.8	1.5	5.9	1.4
Modern Direct Investment	HKD386.97(1)	15,637,000	24.7	5.3	21.4	5.2
Total	HKD493.09	19,968,500	31.5	6.8	27.4	6.6

Based on the Offering Price of HK$28.60 (being the high-end of the indicative Offer Price range)

			Assuming the Over-allotment Option is not exercised without taking into account any A Shares to be issued pursuant to the Employee Incentive Schemes		Assuming the Over-allotment Option is fully exercised without taking into account any A Shares to be issued pursuant to the Employee Incentive Schemes	
Cornerstone Investors	Total Investment Amount	Number of Offer Shares(2)	Approximate % of the Offer Shares	Approximate % of the total issued share capital following the completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of the total issued share capital following the completion of the Global Offering
	(in million)					
Zhuhai Gokin	HKD106.12	3,710,600	5.8	1.3	5.1	1.2
Modern Direct Investment	HKD386.97(1)	13,395,300	21.1	4.6	18.4	4.4
Total	HKD493.09	17,105,900	27.0	5.8	23.4	5.7

Notes:

(1) Inclusive of the brokerage fee, the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy.

(2) Rounded down to the nearest whole board lot of 100 H Shares.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Investments.

Zhuhai Gokin

Zhuhai Gokin is a company with limited liability incorporated in the PRC on March 1, 2024. It is wholly owned by Gaojing Solar Energy Co., Ltd (高景太陽能股份有限公司) ("**Gaojing Solar**"). The largest shareholder of Gaojing Solar is Zhuhai Tianyan Investment Co., Ltd (珠海天雁投資有限公司) ("**Zhuhai Tianyan**") holding approximately 24.76% in Gaojing Solar. Zhuhai Tianyan is owned by Xu Zhiqun (徐志群) and Xu Zihan (徐自寒) as to 67% and 33%, respectively. Zhuhai Tianyan, Xu Zhiqun and Xu Zihan are Independent Third Parties. There is no other shareholder of Gaojing Solar controls more than 30% shareholding in Gaojing Solar. Established in 2019, Gaojing Solar is a sizeable group in the photovoltaic industry. It focuses on photovoltaic green energy with four major production bases and five major photovoltaic solar farms business development centers around the world. It primarily provides large-size monocrystalline silicon wafers and high efficiency modules. Gaojing Solar is one of our five largest suppliers of our Group. For details, see "Business — Supply Chain Management — Major Suppliers" in this prospectus. Gaojing Solar also purchased PV cells from us with transaction amount less than 1% of our total revenue in each year during the Track Record Period.

Modern Direct Investment

Modern Direct Investment is a limited company incorporated under the laws of Hong Kong in November 2024 as an investment holding platform. Modern Direct Investment is wholly owned by Shangrao Modern Industry Guide Fund Centre (Limited Partnership) (上饒市現代產業引導基金中心(有限合夥)) ("**Shangrao Industry Guide Fund**"). As of the Latest Practicable Date, Shangrao Industry Guide Fund is held as 0.1% by Jiangxi Guokong Private Equity Fund Management Co., Ltd. (江西國控私募基金管理有限公司) ("**Jiangxi Guokong**") as a general partner, 0.1% by Jiangxi Yunjin Asset Management Co., Ltd (江西雲錦資產管理有限公司) ("**Jiangxi Yunjin**") as a general partner, 29.9% by Jiangxi Province Modern Industry Guide Fund (Limited Partnership) (江西省現代產業引導基金(有限合夥)) ("**Jiangxi Industry Guide Fund**") as a limited partner and 69.9% by Shangrao Economic and Technological Development Zone Talent Attraction Group Co., Ltd. (上饒經開區招才引資集團有限公司) ("**Shangrao Talent**") as a limited partner.

Both Jiangxi Guokong and Jiangxi Industry Guide Fund are ultimately controlled by Jiangxi Provincial State-owned Assets Supervision and Administration Commission (江西省國有資產監督管理委員會). Shangrao Talent is wholly owned by Shangrao Economic and Technological Development Zone Management Committee (上饒經濟技術開發區管理委員會) ("**Development Zone Committee**"). Jiangxi Yunjin is ultimately beneficially owned as to 55% by Shangrao State-owned Assets Supervision and Administration Commission (上饒市國有資產監督管理委員會) and 45% by Development Zone Committee.

Shangrao Talent owns 60% equity interest in Shangrao Development Zone, an existing Shareholder. As Shangrao Development Zone is a subsidiary of Shangtao Talent and Shangrao Talent owns 69.9% partnership interest of Modern Direct Investment, therefore, Modern Direct Investment is a close associate of Shangrao Development Zone.

CLOSING CONDITIONS

The obligation of the Cornerstone Investors to subscribe for the Offer Shares under the Cornerstone Investment Agreements are subject to, among other things, the following closing conditions:

(i) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in these Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;

(ii) the Offer Price having been agreed according to the Underwriting Agreements and price determination agreement to be signed among the parties thereto in connection with the Global Offering;

(iii) the Stock Exchange having granted the listing of, and permission to deal in, the H Shares (including the Offer Shares to be subscribed for by the Cornerstone Investors) as well as other applicable approvals and waivers, and such approvals, permissions or waivers having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(iv) that no law shall have been enacted or promulgated by any governmental authority prohibiting the consummation of the transactions contemplated in the Global Offering or in the Cornerstone Investment Agreements, and there shall be no order or injunction from a court of competent jurisdiction in effect precluding or prohibiting the consummation of such transactions; and

(v) that the respective representations, warranties, undertakings, acknowledgements and confirmations of the relevant Cornerstone Investors under the Cornerstone Investment Agreements are accurate and true in all respects and not misleading, and there is no material breach of the Cornerstone Investment Agreements on the part of relevant Cornerstone Investors.

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "**Lock-up Period**"), dispose of any of the Offer Shares it has subscribed for pursuant to the relevant Cornerstone Investment Agreements, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries which will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restrictions.

FUTURE PLANS

Please see "Business — Our Strategies" for a detailed discussion of our future plans.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK$24.50 per H Share (being the mid-point of the Offer Price range stated in the prospectus), will be approximately HK$1,434.0 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised.

In accordance with our strategy, we plan to use the proceeds for the following intended purposes in the amounts set forth below:

- approximately 75.0% of the proceeds (approximately HK$1,075.5 million) will be used for our construction of an overseas PV cell production plant with an annualized production capacity of approximately 5 GW, which is equivalent to approximately 11.3% of the 44.1 GW annualized production capacity as of December 31, 2024 and is expected to commence commercial production in 2026 (the "**Overseas Plant**"). Through the Overseas Plant, we seek to better serve our existing and prospective overseas clientele, furthering our overseas expansion strategy.

  The construction of the Overseas Plant is a strategic move to expand our overseas footprint. It will enable us to more efficiently serve overseas markets due to closer geographic proximity, which is anticipated to lower logistics costs and ensure better commutation. The establishment of a local manufacturing presence is expected to offer competitive benefits, including tariff reductions and compliance with local manufacturing requirements, which not only mitigates the risk of regulatory penalties but also reinforces competitive advantage by fostering trust and credibility among local customers and authorities, leading to preferential treatment in procurement processes. All of which are aligned with our goals to grow our international market share and secure long-term revenue streams. The cumulative additional installed capacity of PV modules in China is expected to reach 1,859.7 GW in 2030, with a CAGR of 9.1% from 2023 to 2030. During the same years, the cumulative additional installed capacity of PV modules overseas is expected to reach 2,204.9 GW, with a higher CAGR of 14.6%, not only exceeding that in China in absolute amount but also expanding at a faster pace.

The construction of our Overseas Plant in Oman is a strategic move that aligns with our business plan to tap into the rapidly expanding PV markets there and beyond. In June 2024, we entered into a non-legally binding letter of intent (the "**Omani LOI**") with an Omani government entity, pursuant to which both parties indicated their mutual interest in further negotiating and potentially entering into a definitive agreement regarding the establishment of a N-type TOPCon cell production plant with a total production capacity of around 10 GW separated into two phases in total. We have established a local entity, Jietai FZC, for investment operations and management in July 2024, and we have subsequently entered into a land lease agreement where we agreed to lease land, commence construction, and start trial operation in accordance with schedule.

Our sales strategy in overseas countries will focus on leveraging local production capabilities to directly engage with regional and other international customers, offering tailored PV solutions that meet local energy requirements and regulatory standards. This approach is expected to not only reduce logistical costs but also enhance our market responsiveness and customer service quality. We plan to increase our visibility and credibility by participating in local and regional industry conferences and trade shows. These events offer excellent opportunities for networking and showcasing our latest PV technology. Additionally, we will expand our local sales team to better understand and meet the specific needs of the local market. This expansion will allow us to provide tailored support and build stronger relationships with regional customers. Regular communication with local customers will also be a priority, ensuring that we offer personalized solutions and keep them informed about advancements and regulatory changes. Through these efforts, we aim to establish ourselves as a reliable and responsive partner in the local PV market.

Our decision to construct the Overseas Plant is well-justified given our historical growth in revenue from the overseas market and the projected growth in market size of the overseas market. Many manufacturers of PV modules are also establishing factories abroad. By setting up our Overseas Plant, we will be better positioned to serve these manufacturers more effectively. Proximity to our customers will not only reduce logistics costs and lead times but also enhance our responsiveness to their needs, enabling us to provide superior service and support. In addition, the pricing dynamics in overseas markets are favorable. Sales prices for PV cell components are generally higher abroad than domestically. By tapping into these markets directly through a local production facility, we can capitalize on these higher prices, thereby significantly enhancing our profitability. The overseas solar power installed capacity additions is expected to grow at a CAGR of 14.6% from 2023 to 2030. This trend signals a momentum towards international markets which are becoming increasingly promising. By establishing a manufacturing presence in an overseas country, we not only position ourselves to capture a larger share of these emerging markets but also mitigate future risks associated with trade barriers and market access. Furthermore, our local production will adhere to regional manufacturing standards and practices, which enhances our competitiveness and positions us as a committed and reliable partner in the local energy sector. This strategic expansion is essential for securing long-term revenue streams and achieving sustained growth in the global PV market.

The global drive towards energy autonomy and regional economic stimulation incentivizes the localization of the PV supply chain, presenting a strategic opportunity for our Overseas Plant development. Furthermore, overseas countries are actively promoting the localization of PV industry supply chain, which further benefits our construction of the Overseas Plant. Leveraging our extensive expertise, we are well-positioned to fill this market and rapidly grow. Additionally, by adopting localized production, we can better integrate into the local supply chain, enhancing our brand influence and competitive edge in the market. China, already having the largest PV shipment volume, has reached a stable growth stage, while the overseas market is poised for continued rapid expansion. Additionally, the current and planned production capacities of PV cell manufacturers fall short of meeting the rising demand for PV cells in the overseas PV market. This gap presents a strategic opportunity for Chinese specialized manufacturers to invest in overseas capacity expansion, which would enable them to meet the demand and establish competitive presence in the global market.

The main expenses include the funds required for land acquisition, building construction, production machinery and equipment purchases, and operational costs of the plant, of which:

i. approximately 2.0% of the proceeds (approximately HK$28.7 million) will be used to acquire the land needed for the construction of the Overseas Plant with a total GFA of approximately 182 thousand sq.m.. As a foundational step in our expansion strategy, land acquisition involves purchasing strategically located land parcels that offer accessibility, suitable infrastructure, proximity to key customers and suppliers. This is essential for establishing a robust base for our Overseas Plant. The main expenses include purchase price of the land, surveying costs, environmental assessment fees, and other transaction expenses.

ii. approximately 15.0% of the proceeds (approximately HK$215.1 million) will be used towards constructing buildings of the Overseas Plant. This includes designing and constructing buildings that are optimized for high-efficiency PV cell manufacturing, with considerations for environmental sustainability, energy efficiency, and scalability to accommodate future growth and technological advancements. The main expenses include the funds required for the material and labor costs of the buildings, infrastructure and utility expenses, and other pre-construction preparation inputs in relation to the project.

iii. approximately 15.0% of the proceeds (approximately HK$215.1 million) will be used towards the development of essential power infrastructure of the Overseas Plant. This encompasses the establishment of robust electrical systems, including machinery power, high and low voltage electrical systems, and peripheral power systems. The allocated funds in this area serve multiple purposes. Firstly, they guarantee the construction of industry-standard buildings. Secondly, they facilitate the incorporation of advanced technology to enhance energy efficiency and scalability. Vital expenses include material and labor costs, infrastructure development, and crucial pre-construction inputs, underscoring the dedication to enhancing the operational capacities of the Overseas Plant.

iv. approximately 30.0% of the proceeds (approximately HK$430.2 million) will be used to pay expenses for the purchase and installment of production equipment and machinery. It includes acquiring advanced manufacturing tools, automation systems, quality control apparatus, and other necessary technical equipment to ensure high production efficiency, quality output, and safety standards in the production lines.

v. approximately 13.0% of the proceeds (approximately HK$186.4 million) will be used to pay expenses for the initial operation of the Overseas Plant. It covers expenses such as staffing, training, raw material procurement, utility costs after construction completion, and other operational expenses necessary to kickstart and sustain the daily activities of the Overseas Plant.

In determining the investment amount in the Overseas Plant, we referred to various factors, including the feasibility study report issued by third-parties, while taking into account the planned production capacity, the expected timeline of construction, the logistics of production facility procurement and our overseas sales and marketing network. As we estimate that the total investment amount of the Overseas Plant will exceed 75.0% of the proceeds (approximately HK$1,075.5 million), the shortfall amount may come from other sources, including capital contribution, our operating cashflow, local partners and project loans.

We believe that providing local PV module manufacturers with high-efficiency, low-cost quality PV cells from our Overseas Plant align with our overseas expansion strategy. From 2023 to 2030, the global PV market is expected to continue to maintain rapid growth, continuing to drive the expansion of the PV cell market. By 2030, the global shipment volume of PV cells is expected to reach 1,233.6 GW at a CAGR of 12.2% from 2024 to 2030, with the overseas market expected to grow at a CAGR of 23.8% during the same period and promising great growth opportunities. In addition, we have already experienced success of our global strategy, evidenced by our rapid growth in overseas revenue during the Track Record Period. The revenue generated outside mainland China increased from RMB31.2 million in 2022 to RMB874.6 million in 2023, and increased further to RMB2,373.2

million in 2024. In view of the above, we believe the establishment of the Overseas Plant will allow us to capture the rapidly growing overseas market demand for our PV cells. For details related to the feasibility and sustainability of such expansion plans for Chinese PV cell manufacturers like us, please see "Industry Overview — Sustainable Overseas Expansion of Chinese PV Cell Manufacturers." For more details on our need for overseas expansion, please see "Business — Our Strategies — Catalyze global market development and capitalize on market opportunities through overseas expansion." We expect to fund the establishment of Overseas Plant primarily with the allocated net proceeds of the Global Offering, and in the event that allocated net proceeds of the Global Offering are not sufficient to cover all the investment cost, we will finance the remaining part by other resources including our operating cash flow and project loans.

- approximately 8.0% of the proceeds (approximately HK$114.7 million) will be used for R&D of advanced technologies to maintain our technological leadership in PV cells and its production process, which include:

  i. approximately 2.0% (approximately HK$28.7 million) will be used for the R&D and material procurement for new technologies applicable in advanced PV cells. We will continue R&D in HJT and perovskite tandem PV cell technologies and xBC and push towards mass production. Our primary focus is on the R&D of xBC cells, as xBC cells have a higher conversion efficiency, averaging 26.0%, with a theoretical cap of 29.1%, surpassing the cap of N-type TOPCon cells. We will invest further to achieve mass production of N-type xBC cells, and we will also invest in our effort to achieve pilot-scale experiment for perovskite tandem PV cells, which have the potential to reach approximately 30% conversion efficiency. As of the Latest Practicable Date, we have already achieved important milestones in TBC, and we have conducted pilot-scale experiment for N-type TBC cells, though they have not entered into large-scale mass production. At the current stage, we would require additional investment in the R&D and procurement of material and production equipment to advance N-type TBC cells to mass production. In addition, the pilot-scale experiment for perovskite tandem PV cells would also require additional investment in the R&D and procurement of material and production equipment to achieve pilot-scale experiment.

ii. approximately 3.0% (approximately HK$43.0 million) will be used for the establishment of R&D centers in our Chuzhou Plant and Huai'an Plant to comprehensively enhance our R&D capabilities. The establishment of R&D centers aims to bolster our R&D endeavors and significantly improve our overall R&D capabilities. Our forthcoming technological research and development will prioritize both "consolidation" and "innovation" approaches. This means reinforcing our existing strengths by enhancing the efficiency and reducing the costs of N-type TOPCon cells, while simultaneously pushing the boundaries of scientific innovation in the PV cell industry. For instance, we will explore the feasibility of mass-producing PV cells incorporating xBC and other types of PV cells, thereby maintaining our industry's leadership in quality capacity development.

    Our commitment to the R&D of cutting-edge technologies, evidenced by our philosophy of "researching one generation ahead, pilot testing the next, and mass-producing the current", is forward-thinking. This strategic approach establishes a robust groundwork for technological evolution, consistent expansion of our production capabilities, and swift business growth. The allocated funds for advancing technology development will accelerate the pace of PV cell innovation, ensuring our sustained leadership in the field of PV cell technology and product advancement.

iii. approximately 3.0% (approximately HK$43.0 million) will be used for the recruitment of R&D and technical personnel with relevant industry experience. This includes recruiting individuals with expertise in PV cell R&D, chemistry and engineering. As we continue to advance our N-type TBC cells from pilot-scale experiment to large-scale mass production, we need to recruit R&D personnel with extensive expertise in xBC technology to perfect N-type TBC cell's process technologies, operate and improve manufacturing equipment, and master various steps in the manufacturing process. We will also recruit additional senior R&D personnel to staff our Overseas Plant and advance the development of other types of new PV cells, who can expect to receive incentives and bonuses that are commensurate to their contribution to our R&D efforts. Moreover, we plan to provide training to our employees for technical skills, soft skills, and industry-specific training opportunities.

    The above investment aims to research and develop advanced technologies and continuously optimize the production process and reduce potential quality control risks, improving the quality of the PV cells provided to our customers to increase the sales and revenue of our PV cells, ensuring that we will continue to introduce quality products to the market.

- approximately 7.0% of the proceeds (approximately HK$100.4 million) will be used for establishing and enhancing our overseas sales operations and distribution channels. By expanding our global footprint and cementing our presence in key international markets, we would be able to maximize the potential of our existing production capacity and the Overseas Plant.

- approximately 10.0% of the proceeds (approximately HK$143.4 million) will be used for working capital and general corporate purposes. We will only hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) in Hong Kong.

If the Offer Price is fixed at HK$28.60 per H Share (being the high end of the Offer Price range stated in this prospectus), we will receive additional net proceeds of approximately HK$248.3 million, assuming the Over-allotment Option is not exercised. If the Offer Price is fixed at HK$20.40 per H Share (being the low end of the Offer Price range stated in this prospectus), the net proceeds we receive will be reduced by approximately HK$248.3 million, assuming the Over-allotment Option is not exercised. The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price range.

In the event that the Over-allotment Option is exercised in full, the additional net proceeds that we would receive would be HK$222.6 million (assuming an Offer Price of HK$24.5 per Share, being the mid-point of the Offer Price range stated in the prospectus). Additional net proceeds received due to the exercise of any Over-allotment Option will be used for the above purposes accordingly on a pro rata basis if the Over-allotment Option is exercised.

To the extent that the net proceeds from the Global Offering are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will only hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) in Hong Kong. We will issue an appropriate announcement if there is any material change to the above use of proceeds.

HONG KONG UNDERWRITERS

Huatai Financial Holdings (Hong Kong) Limited

CMB International Capital Limited

Deutsche Bank AG, Hong Kong Branch

CLSA Limited

China International Capital Corporation Hong Kong Securities Limited

SDICS International Securities (Hong Kong) Limited

Patrons Securities Limited

Fosun International Securities Limited

Fortune (HK) Securities Limited

TradeGo Markets Limited

GF Securities (Hong Kong) Brokerage Limited

CCB International Capital Limited

ICBC International Securities Limited

BOCI Asia Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) and our Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 6,343,300 Hong Kong Offer Shares and the International Offering of initially 57,089,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "The Structure of the Global Offering" as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be offered pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Hong Kong Stock Exchange and such approval not subsequently having been revoked prior to the commencement of trading of the H Shares on the Hong Kong Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Overall Coordinators) shall be entitled to terminate the Hong Kong Underwriting Agreement with immediate effect:

(a) there develops, occurs, exists or comes into force:

(1) any new law or regulation or any change or development involving a prospective change in existing law or regulation, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), or other jurisdictions relevant to the Company (each a "**Relevant Jurisdiction**"); or

(2) any change or development involving a prospective change, or any event or series of events likely to result in a change or prospective change, in local, national, regional or international financial, political, military, industrial, economic, fiscal, regulatory, currency, credit or market conditions or sentiments, equity securities or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) or currency exchange rate or controls in or affecting any Relevant Jurisdictions; or

(3) any event or series of events in the nature of force majeure including, without limitation, acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, public disorder, paralysis in government operations, acts of war, acts of God, epidemic, pandemic, outbreak or escalation of infectious disease (including without limitation COVID-19, SARS, MERS, H5N1, H1N1, swine or avian influenza or such related/mutated forms) in or affecting any of the Relevant Jurisdictions, or without limiting the foregoing, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions; or

(4) the imposition or declaration of (a) any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; (b) any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in any securities of our Company listed or quoted on a stock exchange or an over-the-counter market or (c) any moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services in those places or jurisdictions; or

(5) other than with the prior written consent of the Joint Sponsors (such consent shall not be unreasonably withheld or delayed), the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus, the Offering Circular, the CSRC Filings or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange, the SFC and/or the CSRC; or

(6) any change or prospective change in taxation, exchange controls, currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or

(a) any exchange control in any of the Relevant Jurisdictions, or (b) any change or prospective change in taxation in any Relevant Jurisdiction adversely affecting an investment in the H Shares; or

(7) the commencement by any Governmental Authority or other regulatory or political body or organization of any public action or investigation against a Director or an announcement by any such Governmental Authority or regulatory or political body or organization that it intends to take any such action; or

(8) the imposition of sanctions on any Group Companies or Warranting Shareholders or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or on, any Relevant Jurisdiction; or

(9) any adverse change or development or event involving a prospective adverse change in the Group's assets, liabilities, profits, losses, performance, financial condition, business, earnings, trading position or prospects, or any change in capital stock or long-term debt of the Group, or any loss or interference with the assets, operations or business of the Group, which (in any such case) is not set out in this prospectus; or

(10) any event, act or omission which gives rise or is likely to give rise to any liability of our Company pursuant to the indemnities in the Hong Kong Underwriting Agreement; or

(11) any demand by creditors for repayment of indebtedness or an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

(12) any non-compliance of this prospectus, the CSRC Filings (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares) or any aspect of the Global Offering with the Listing Rules, the CSRC Rules or any other applicable law; or

(13) any change or prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in this prospectus; or

(14) any litigation or claim instigated, or any litigation or claim being threatened against any member of the Group or any Director in any Relevant Jurisdiction; or

(15) that any estimate, forecast, expression of opinion, intention or expectation contained in any of the Offering Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

(16) it becomes necessary for the Company to issue a supplement to the prospectus or the CSRC Filings (or to any other documents used in connection with the Global Offering) pursuant to the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules, the CSRC Rules or any requirement or request of the Stock Exchange, the SFC and/or the CSRC; or

(17) any contravention by the Company or any Director of the Listing Rules or applicable laws;

which, in any such case individually or in the aggregate, in the absolute opinion of the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Overall Coordinators):

(A) has or will or may have a Material Adverse Effect;

(B) has or will or may have a material adverse effect on the success of the Global Offering and/or make it impracticable or inadvisable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or

(C) has or will or may have a material adverse effect on the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or

(D) make, will or may make it impracticable or inadvisable or inexpedient to proceed with the Hong Kong Public Offering and/or the Global Offering, to market the Global Offering or the delivery of H Shares on the Listing Date; or

(E) has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of any of the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Overall Coordinators):

(1) that any statement contained in any of the Offering Documents, the CSRC Filings, and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Global Offering (including any supplement or amendment thereto) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading in any respect; or

(2) any matter which would, if the Offering Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) were issued at that time, constitute a material omission therefrom; or

(3) any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties given by the Warrantors in the Hong Kong Underwriting Agreement; or

(4) any material breach of any of the obligations of the Company or any of the Warranting Shareholders to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (to the extent they are party to such agreement); or

(5) any material adverse change, or any development or any prospective material adverse change or development, in the condition (financial or otherwise) or in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole; or

(6) that (a) any Director or member of senior management of our Company named in this prospectus seeks to retire, or is removed or vacated from office, (b) any certificate given by our Company or any of its respective officers to the Overall Coordinators under or in connection with the Hong Kong Underwriting Agreement or the Global Offering is false or misleading in any material respect or (c) any Director or any member of senior management of our Company

named in this prospectus is being charged with an indictable offence or is being prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or

(7) our Company withdraws this prospectus (and/or any other documents used in connection with the subscription of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

(8) the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares is refused or not granted, other than subject to customary conditions, on or before the date of the listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(9) any expert (other than any of the Joint Sponsors), whose consent is required to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

(10) that a material portion of the orders placed or confirmed in the bookbuilding process or investment commitments made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled; or

(11) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering.

then the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Overall Coordinators) may, in their sole and absolute discretion and upon giving notice orally or in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that it will not issue any further Shares, or securities convertible into equity securities of our Company (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering and the Over-allotment Option, (b) pursuant to the Employee Incentive Schemes, or (c) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company in respect of itself

Pursuant to the Hong Kong Underwriting Agreement, our Company has undertaken to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters not to, and to procure each other member of the Group not to, without the prior written consent of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Overall Coordinators) and unless in compliance with the requirements of the Listing Rules, except pursuant to the Global Offering (including pursuant to the Over-allotment Option), at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on and including the date that is six months after the Listing Date (the "**First Six-Month Period**"):

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, assign, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, or repurchase, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in any Shares or other securities convertible into equity securities of our Company, or any interests in any of the foregoing (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other equity securities of our Company); or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the Shares or any other securities convertible into equity securities of our Company, or any interest therein (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other equity securities of our Company); or

(c) enter into any transaction with the same economic effect as any transaction specified in (a) and (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) and (c) above, in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of Shares or other equity securities of our Company in cash or otherwise (whether or not the issue of such share capital or other equity securities will be completed within the First Six-Month Period).

Our Company further agrees that, in the event our Company is allowed to enter into any of the transactions described in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of our Company will, create a disorderly or false market for any Shares or other securities of our Company.

Hong Kong Underwriters' Interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, our Company and the Single Largest Group of Shareholders expect to enter into the International Underwriting Agreement with the Sponsor-Overall Coordinators for themselves and on behalf of the International Underwriters and the Overall Coordinators on or around the Price Determination Date. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into or is terminated, the Global Offering will not proceed. See "The Structure of the Global Offering — The International Offering."

Over-allotment Option

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sponsor-Overall Coordinators for themselves and on behalf of the International Underwriters and the Overall Coordinators at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which our Company may be required to issue up to an aggregate of 9,514,800 Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations (if any) in the International Offering. See "The Structure of the Global Offering — Over-allotment Option."

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission of 2.5% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option) (the "**Fixed Fee**"), out of which they will pay any sub-underwriting commissions and other fees.

The Underwriters and the Capital Market Intermediaries may receive a discretionary incentive fee of 2.0% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option) (the "**Discretionary Fee**"). For the purpose of disclosure of the ratio of fixed and discretionary fees payable (the "**Fee Split Ratio**") as required under paragraph 3B of Appendix IA to the Listing Rules, the Fee Split Ratio is approximately 50.3:49.7, assuming the discretionary fee will be paid in full, whether or not the Over-allotment Option is exercised. The discretionary fee is discretionary in nature and the payment of such is subject to the sole discretion of our Company.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$120.1 million (assuming an Offer Price of HK$24.50 per Offer Share (being the mid-point of the Offer Price range), the full payment of the discretionary incentive fee and the Over-allotment Option not exercised), which will be made by our Company.

Joint Sponsors' Fee

An amount of US$900,000 is payable by our Company as sponsor fee to the Joint Sponsors.

Indemnity

Each of our Company and the Single Largest Group of Shareholders has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement and any breach by any of our Company and the Single Largest Group of Shareholders of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares, which may have a negative impact on the trading price of the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed "The Structure of the Global Offering." Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilization Manager or its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

SPONSORS' INDEPENDENCE

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. Huatai Financial Holdings (Hong Kong) Limited, CMB International Capital Limited and Deutsche Securities Asia Limited are the Joint Sponsors; Huatai Financial Holdings (Hong Kong) Limited, CMB International Capital Limited and Deutsche Bank AG, Hong Kong Branch are the Sponsor-Overall Coordinators; and Huatai Financial Holdings (Hong Kong) Limited, CMB International Capital Limited, Deutsche Bank AG, Hong Kong Branch, CLSA Limited and China International Capital Corporation Hong Kong Securities Limited are the Overall Coordinators of the Global Offering.

The listing of the H Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned in this prospectus.

63,432,300 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 6,343,300 H Shares (subject to reallocation) in Hong Kong as described in the sub-section "The Hong Kong Public Offering" in this section below; and

(b) the International Offering of initially 57,089,000 H Shares (subject to reallocation and the Over-allotment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in the sub-section headed "The International Offering" this section below.

Investors may either:

(i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or

(ii) apply for or indicate an interest for International Offer Shares under the International Offering,

but may not do both.

The Offer Shares will represent approximately 21.68% of the total Shares in issue immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full, the Offer Shares (including H Shares issued pursuant to the full exercise of the Over-allotment Option) will represent approximately 24.15% of the total Shares in issue immediately following the completion of the Global Offering and the issue of H Shares pursuant to the Over-allotment Option.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

The Company is initially offering 6,343,300 H Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 2.17% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the sub-section headed "Conditions of the Global Offering" in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally into two pools (with any odd lots being allocated to pool A): pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 3,171,600 Hong Kong Offer Shares is liable to be rejected.

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if the International Offer Shares are fully subscribed or oversubscribed and certain prescribed total demand levels under the Hong Kong Public Offering are reached.

If the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (a) 15 times or more but less than 50 times, (b) 50 times or more but less than 100 times and (c) 100 times or more of the total number of Offer Shares initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 19,029,700 Offer Shares (in the case of (a)), 25,373,000 Offer Shares (in the case of (b)) and 31,716,200 Offer Shares (in the case of (c)), representing approximately 30%, 40% and 50% of the total number of Offer Shares initially available under the Global Offering, respectively (before any exercise of the Over-allotment Option). In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate.

In addition, the Overall Coordinators may allocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

If the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators may reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators deem appropriate.

The Overall Coordinators may, at their discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in pool A and pool B under the Hong Kong Public Offering in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the event that (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed as to less than 15 times of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering provided that the Offer Price would be set at HK$20.40 (low-end of the indicative Offer Price range), up to 6,343,300 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 12,686,600 Offer Shares, representing twice the number of the Offer Shares initially available under the Hong Kong Public Offering (before any exercise of the Over-allotment Option).

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/her/it is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he/she/it has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering are required to pay, on application, (subject to application channel) the maximum Offer Price of HK$28.60 per Offer Share in addition to the brokerage, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$2,888.84 for one board lot of 100 H Shares. If the Offer Price, as finally determined in the manner described in the sub-section headed "Pricing and Allocation" in this section below, is less than the maximum Offer Price of HK$28.60 per Offer Share, appropriate refund payments (including the brokerage, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares."

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an offering of initially 57,089,000 H Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and the Over-allotment Option). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 19.51% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in sub-section headed "Pricing and Allocation" in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further H Shares and/or hold or sell its H Shares after the Listing. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters and the Overall Coordinators) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sponsor-Overall Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the clawback arrangement described in the subsection "The Hong Kong Public Offering — Reallocation" in this section above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters and the Overall Coordinators).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters and the Overall Coordinators) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 9,514,800 additional H Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to, cover over-allocations (if any) in the International Offering.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 3.15% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilization Manager (or its affiliates or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilization Manager (or its affiliates or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilization Manager (or its affiliates or any person acting for it) and in what the Stabilization Manager reasonably regards as the best interest of the Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (c) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases, and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

(a) the Stabilization Manager (or its affiliates or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;

(b) there is no certainty as to the extent to which and the time or period for which the Stabilization Manager (or its affiliates or any person acting for it) will maintain such a long position;

(c) liquidation of any such long position by the Stabilization Manager (or its affiliates or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;

(d) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Sunday, June 1, 2025, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;

(e) the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

(f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

The Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilization Manager (or its affiliates or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, by using H Shares purchased by the Stabilization Manager (or its affiliates or any person acting for it) in the secondary market at prices that do not exceed the Offer Price, or by a combination of these methods.

PRICING AND ALLOCATION

Determining the Pricing of the Offer Shares

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or before Tuesday, May 6, 2025 and, in any event, no later than 12:00 noon on Tuesday, May 6, 2025, by agreement between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) and the Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$28.60 per Offer Share and is expected to be not less than HK$20.40 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering must pay, on application (subject to application channel), the maximum Offer Price of HK$28.60 per Offer Share plus brokerage of 1.0%, the AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK$2,888.84 for one board lot of 100 H Shares. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares." **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the minimum Offer Price stated in this prospectus**.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) may, where it deems appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of the Company, reduce the number of Offer Shares offered and/or the Offer Price Range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of the Company and the Stock Exchange at **www.jietaisolar.com** and **www.hkexnews.hk**, respectively, notices of the reduction. Upon the issue of such a notice, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) and the Company, will be fixed within such revised Offer Price Range.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) and the Company, will under no circumstances be set outside the Offer Price Range as stated in this prospectus.

Announcement of Final Pricing of the Offer Shares

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results."

If the number of Offer Shares and/or the Offer Price is reduced, the Company will issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed "Underwriting."

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and such approval and permission not subsequently having been withdrawn or revoked prior to the Listing Date;

(b) the Offer Price having been agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) and the Company;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements, in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters and the Overall Coordinators) and the Company on or before 12:00 noon on Tuesday, May 6, 2025, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company on the websites of the Company and the Stock Exchange at **www.jietaisolar.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies." In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Thursday, May 8, 2025, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, May 8, 2025, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, May 8, 2025.

The H Shares will be traded in board lots of 100 H Shares each and the stock code of the H Shares will be 02865.

IMPORTANT NOTICE TO INVESTORS:
Fully Electronic Application Process

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** under the "HKEXnews > New Listings > New Listing Information" section, and our website at **www.jietaisolar.com**. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Set out below are procedures through which you can apply for the Hong Kong Offer Shares electronically. We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

A. APPLICATIONS FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or any person(s) for whose benefit you are applying:

- are 18 years of age or older; and
- have a Hong Kong address (for the ***White Form eIPO*** service only).

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director or any of his/her close associates.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if:

- you are an existing beneficial owner of Shares and/or a substantial shareholder of any of the Company's subsidiaries;
- you are a Director or chief executive of the Company and/or any of the Company's subsidiaries;
- you are a close associate (as defined in the Listing Rules) of any of the above persons;
- a connected person of the Company or a person who will become a connected person of the Company immediately upon the completion of the Global Offering; or
- you have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Monday, April 28, 2025 and end at 12:00 noon on Friday, May 2, 2025 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	**www.eipo.com.hk**	Investors who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Monday, April 28, 2025 to 11:30 a.m. on Friday, May 2, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Friday, May 2, 2025, Hong Kong time.
HKSCC EIPO channel.	Your broker or custodian who is a HKSCC Participant will submit electronic application instruction on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** service provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. LEI registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at 4[(1)] in accordance with market practice.

1 Subject to change, if the Company's Articles of Incorporation and applicable company law prescribe a lower cap.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	100 H Shares
Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment	:	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below. The maximum Offer Price is HK$28.60 per Share. If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application
	HK$		*HK$*		*HK$*		*HK$*
100	2,888.84	2,000	57,776.86	10,000	288,884.31	300,000	8,666,529.30
200	5,777.68	2,500	72,221.08	20,000	577,768.62	400,000	11,555,372.40
300	8,666.52	3,000	86,665.30	30,000	866,652.94	500,000	14,444,215.50
400	11,555.38	3,500	101,109.51	40,000	1,155,537.25	600,000	17,333,058.60
500	14,444.22	4,000	115,553.72	50,000	1,444,421.56	700,000	20,221,901.70
600	17,333.06	4,500	129,997.93	60,000	1,733,305.85	800,000	23,110,744.80
700	20,221.90	5,000	144,442.15	70,000	2,022,190.16	900,000	25,999,587.90
800	23,110.74	6,000	173,330.59	80,000	2,311,074.48	1,000,000	28,888,431.00
900	25,999.58	7,000	202,219.02	90,000	2,599,958.79	1,500,000	43,332,646.50
1,000	28,888.43	8,000	231,107.45	100,000	2,888,843.10	2,000,000	57,776,862.00
1,500	43,332.64	9,000	259,995.88	200,000	5,777,686.20	3,171,600(1)	91,622,547.76

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **White Form eIPO** Service Provider (for applications made through the application channel of the **White Form eIPO** Service Provider) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Shares in the Global Offering.

6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons[(2)], the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraphs headed *"— G. Personal Data — 3. Purposes*" and *"— 4. Transfer of personal data*" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances in Which You will Not be Allocated Hong Kong Offer Shares" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(2) As defined in the prospectus, Relevant Persons would include the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or the Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering.

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the **White Form eIPO** Service Provider or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC and the **White Form eIPO** Service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **White Form eIPO** service or **HKSCC EIPO** channel:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Wednesday, May 7, 2025 to 12:00 midnight on Tuesday, May 13, 2025 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.jietaisolar.com** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Wednesday, May 7, 2025 (Hong Kong time)
Telephone	+852 2862 8555 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Thursday, May 8, 2025 to Tuesday, May 13, 2025 (Hong Kong time) (excluding Saturdays, Sundays and public holidays in Hong Kong)

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Tuesday, May 6, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Tuesday, May 6, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.jietaisolar.com** by no later than 11:00 p.m. on Wednesday, May 7, 2025 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Thursday, May 8, 2025 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificates and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of H Share certificate[3]		
For physical share certificates of 1,000,000 or more Offer Shares issued under your own name	Collection in person from our H Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. **Time:** 9:00 a.m. to 1:00 p.m. on Thursday, May 8, 2025 (Hong Kong time) If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account No action by you is required

3 Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong in the morning on Wednesday, May 7, 2025 rendering it impossible for the relevant share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "— E. Severe Weather Arrangements" in this section.

	White Form eIPO service	HKSCC EIPO channel
	Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. **Note:** If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	
For physical share certificates of less than 1,000,000 Offer Shares issued under your own name	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk **Time: Wednesday, May 7, 2025**	

Refund mechanism for surplus application monies paid by you

Date	Thursday, May 8, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	**White Form e-Refund** payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement application monies paid between you and it
Application monies paid between you and it through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Friday, May 2, 2025 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an "extreme conditions" announcement issued after a super typhoon ("**Extreme Conditions**")

(collectively, "**Severe Weather Signals**"), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, May 2, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Severe** Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable", an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.jietaisolar.com** of the revised timetable.

If a **Severe** Weather Signal is hoisted on Wednesday, May 7, 2025, the H Share Registrar will make appropriate arrangements for the delivery of the share certificates to the CCASS Depository's service counter so that they would be available for trading on Thursday, May 8, 2025.

If a **Severe** Weather Signal is hoisted on Wednesday, May 7, 2025, physical Share certificates of less than 1,000,000 Offer Shares issued under your own name, despatch will be made by ordinary post when the post office re-opens after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Wednesday, May 7, 2025 or on Thursday, May 8, 2025).

If a **Severe** Weather Signal is hoisted on Thursday, May 8, 2025, physical Share certificates of 1,000,000 Offer Shares or more issued under your own name, you may pick them up from the H Share Registrar's office after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, May 8, 2025 or on Friday, May 9, 2025).

Prospective investors should be aware that if they choose to receive physical Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement Day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form e-Refund** payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;

- compliance with applicable laws and regulations in Hong Kong and elsewhere;

- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;

- maintaining or updating the register of members of the Company;

- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;

- facilitating Hong Kong Offer Shares balloting;

- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;

- distributing communications from the Company and its subsidiaries;

- compiling statistical information and profiles of the holder of the Shares;

- disclosing relevant information to facilitate claims on entitlements; and

- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving bank and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages IA-1 to IA-86, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

Deloitte. 德勤

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HAINAN DRINDA NEW ENERGY TECHNOLOGY CO., LTD., HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, CMB INTERNATIONAL CAPITAL LIMITED AND DEUTSCHE SECURITIES ASIA LIMITED

Introduction

We report on the historical financial information of Hainan Drinda New Energy Technology Co., Ltd.* (海南鈞達新能源科技股份有限公司) (the "Company") and its subsidiaries (together, the "Group") set out on pages IA-4 to IA-86, which comprises the consolidated statements of financial position of the Group at 31 December 2022, 2023 and 2024, the statements of financial position of the Company at 31 December 2022, 2023 and 2024 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 31 December 2024 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages IA-4 to IA-86 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated 28 April 2025 (the "Document") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 1 to the Historical Financial Information, and for such internal control as the directors of the Company 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.

* English name is for identification purpose

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, 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 and the Company's financial position at 31 December 2022, 2023 and 2024, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page IA-3 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 April 2025

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of 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 Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("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") 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

	Notes	Year ended 31 December 2022	2023	2024
		RMB'000	RMB'000	RMB'000
Continuing operation				
Revenue	5	11,085,713	18,610,794	9,923,894
Cost of sales		(9,870,370)	(16,914,686)	(10,008,952)
Gross profit (loss)		1,215,343	1,696,108	(85,058)
Other income	6	24,111	106,799	172,909
Other gains and losses	7	(3,481)	4,226	24,123
Selling and marketing expenses		(16,449)	(73,599)	(63,006)
Administrative expenses		(146,043)	(416,305)	(337,562)
Listing expenses		–	–	(5,236)
Research and development expenses	9	(235,207)	(303,758)	(206,953)
Net impairment losses under expected credit loss ("ECL") model	9	(11,761)	(10,332)	(6,748)
Other expenses		(535)	(13,056)	(3,331)
Finance costs	8	(146,042)	(245,594)	(220,557)
Profit (loss) before tax	9	679,936	744,489	(731,419)
Income tax (expenses) credit	10	(63,036)	71,153	140,306
Profit (loss) for the year from continuing operation		616,900	815,642	(591,113)
Discontinued operation				
Profit for the year from discontinued operation	29	204,087	–	–
Profit (loss) for the year		820,987	815,642	(591,113)
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations		–	–	23
Total comprehensive income (expenses) for the year		820,987	815,642	(591,090)
Profit (loss) for the year attributable to owners of the Company:				
– from continuing operation		512,858	815,642	(591,113)
– from discontinued operation		204,087	–	–
		716,945	815,642	(591,113)

	Note	Year ended 31 December		
		2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Profit for the year attributable to non-controlling interests:				
– from continuing operation		104,042	–	–
– from discontinued operation		–	–	–
		104,042	–	–
Total comprehensive income (expenses) for the year attributable to:				
– Owners of the Company		716,945	815,642	(591,090)
– Non-controlling interests		104,042	–	–
		820,987	815,642	(591,090)
Total comprehensive income (expenses) attributable to owners of the Company:				
– from continuing operation		616,900	815,642	(591,090)
– from discontinued operation		204,087	–	–
		820,987	815,642	(591,090)
Earnings (loss) per share (RMB)	*13*			
From continuing and discontinued operations:				
– Basic		3.73	3.78	(2.60)
– Diluted		3.66	3.71	(2.60)
From continuing operation:				
– Basic		2.67	3.78	(2.60)
– Diluted		2.62	3.71	(2.60)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	At 31 December 2022	2023	2024
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	4,073,434	9,351,973	8,483,140
Right-of-use assets	15	68,156	168,264	167,256
Intangible assets	16	96,242	75,332	160,818
Goodwill	17	860,510	856,679	854,842
Deferred tax assets	18	2,685	274,997	368,112
Deposits paid for acquisition of property, plant and equipment		98,816	191,509	78,380
Other receivables	20	80,506	6,488	–
		5,280,349	10,925,242	10,112,548
CURRENT ASSETS				
Inventories	19	338,924	727,285	552,077
Trade, bills and other receivables	20	169,048	434,365	824,799
Receivables at fair value through other comprehensive income ("FVTOCI")	21	1,014,656	1,739,083	187,790
Value-added tax ("VAT") recoverable		163,624	450,829	752,116
Income tax recoverable		–	41,221	49,064
Financial assets at fair value through profit or loss ("FVTPL")	21B	–	–	430,183
Restricted bank deposits	22	629,122	958,078	919,356
Cash and cash equivalents	22	1,243,953	2,649,852	2,616,276
		3,559,327	7,000,713	6,331,661
CURRENT LIABILITIES				
Trade, bills and other payables	23	2,851,690	4,696,825	3,800,785
Contract liabilities	24	317,134	474,622	82,549
Tax payable		2,787	–	–
Bank and other borrowings	25	1,204,167	1,285,621	2,491,935
Lease liabilities	26	1,694	3,618	2,170
		4,377,472	6,460,686	6,377,439
NET CURRENT (LIABILITIES) ASSETS		(818,145)	540,027	(45,778)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,462,204	11,465,269	10,066,770
CAPITAL AND RESERVES				
Share capital	28	141,524	227,395	229,152
Treasury shares		–	–	(100,956)
Share premium		9,351	2,822,336	2,941,889
Reserves		899,955	1,659,509	816,912
TOTAL EQUITY		1,050,830	4,709,240	3,886,997
NON-CURRENT LIABILITIES				
Other payables	23	663,422	3,262,694	3,148,068
Bank and other borrowings	25	2,503,682	3,045,480	2,886,001
Lease liabilities	26	2,497	666	5,136
Deferred income	27	220,328	270,151	28,385
Deferred tax liabilities	18	21,445	177,038	112,183
		3,411,374	6,756,029	6,179,773
		4,462,204	11,465,269	10,066,770

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	At 31 December 2022	2023	2024
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Right-of-use assets		291	176	62
Intangible assets		–	–	293
Deferred tax assets		3,433	61,673	64,445
Investments in subsidiaries	39	3,159,532	4,734,813	4,726,555
		3,163,256	4,796,662	4,791,355
CURRENT ASSETS				
Inventories	19	–	31,493	–
Trade, bills and other receivables	20	1,655	704,344	392,546
Receivables at FVTOCI	21	–	701,595	15,144
VAT recoverable		–	1,934	4,402
Financial assets at FVTPL	21B	–	–	30,183
Restricted bank deposits	22	–	–	21,000
Cash and cash equivalents	22	2,433	40,584	256,881
		4,088	1,479,950	720,156
CURRENT LIABILITIES				
Trade, bills and other payables	23	1,212,509	2,075,826	901,073
Contract liabilities	24	–	51,763	574,491
Bank and other borrowings	25	177,955	–	13,678
Lease liabilities		119	129	140
		1,390,583	2,127,718	1,489,382
NET CURRENT LIABILITIES		(1,386,495)	(647,768)	(769,226)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,776,761	4,148,894	4,022,129
CAPITAL AND RESERVES				
Share capital	28	141,524	227,395	229,152
Treasury shares		–	–	(100,956)
Share premium	39	728,235	3,502,721	3,565,834
Reserves	39	311,533	418,638	206,247
TOTAL EQUITY		1,181,292	4,148,754	3,900,277
NON-CURRENT LIABILITIES				
Bank and other borrowings	25	595,200	–	121,852
Lease liabilities		269	140	–
		595,469	140	121,852
		1,776,761	4,148,894	4,022,129

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company											
	Share capital	Treasury shares	Share premium	Convertible loan notes equity reserve	Capital surplus reserve	Translation reserve	Share-based payment reserve	Other reserve	Retained profits	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (*note a*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	137,291	–	656,925	10,757	43,568	–	4,019	–	149,268	1,001,828	602,440	1,604,268
Profit and total comprehensive income for the year	–	–	–	–	–	–	–	–	716,945	716,945	104,042	820,987
Acquisition of non-controlling interests (*note b*)	–	–	(715,726)	–	(43,568)	–	–	–	(53,224)	(812,518)	(706,482)	(1,519,000)
Conversion of convertible loan notes	4,233	–	68,152	(10,757)	–	–	–	–	–	61,628	–	61,628
Recognition of equity-settled share-based payment (*note 30*)	–	–	–	–	–	–	49,579	–	–	49,579	–	49,579
Recognition of deferred tax assets arising from share-based payment expenses (*note 18*)	–	–	–	–	–	–	33,368	–	–	33,368	–	33,368
At 31 December 2022	141,524	–	9,351	–	–	–	86,966	–	812,989	1,050,830	–	1,050,830
Profit and total comprehensive income for the year	–	–	–	–	–	–	–	–	815,642	815,642	–	815,642
Transfer to capital surplus reserve	–	–	–	–	12,324	–	–	–	(12,324)	–	–	–
Dividends recognised as distribution (*note 12*)	56,610	–	–	–	–	–	–	–	(141,524)	(84,914)	–	(84,914)
Issuance of ordinary shares (*note 28*)	27,760	–	2,710,446	–	–	–	–	–	–	2,738,206	–	2,738,206
Recognition of equity-settled share-based payment (*note 30*)	–	–	–	–	–	–	121,342	–	–	121,342	–	121,342
Recognition of deferred tax assets arising from share-based payment expenses (*note 18*)	–	–	–	–	–	–	2,592	–	–	2,592	–	2,592
Exercise of share option	1,501	–	102,539	–	–	–	(62,126)	23,628	–	65,542	–	65,542
At 31 December 2023	227,395	–	2,822,336	–	12,324	–	148,774	23,628	1,474,783	4,709,240	–	4,709,240
Loss for the year	–	–	–	–	–	–	–	–	(591,113)	(591,113)	–	(591,113)
Other comprehensive income for the year	–	–	–	–	–	23	–	–	–	23	–	23

	Attributable to owners of the Company											
	Share capital	Treasury shares	Share premium	Convertible loan notes equity reserve	Capital surplus reserve	Translation reserve	Share-based payment reserve	Other reserve	Retained profits	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (*note a*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Profit (loss) and total comprehensive income (expenses) for the year	–	–	–	–	–	23	–	–	(591,113)	(591,090)	–	(591,090)
Dividends recognised as distribution (*note 12*)	–	–	–	–	–	–	–	–	(170,015)	(170,015)	–	(170,015)
Reversal of equity-settled share-based payment expenses (*note 30*)	–	–	–	–	–	–	(15,997)	–	–	(15,997)	–	(15,997)
Repurchase of ordinary shares (*note c*)	–	(100,956)	(42)	–	–	–	–	–	–	(100,998)	–	(100,998)
Reversal of deferred tax assets arising from share-based payment expenses (*note 18*)	–	–	–	–	–	–	(5,812)	–	–	(5,812)	–	(5,812)
Exercise of share option	1,757	–	119,595	–	–	–	(66,203)	6,520	–	61,669	–	61,669
At 31 December 2024	229,152	(100,956)	2,941,889	–	12,324	23	60,762	30,148	713,655	3,886,997	–	3,886,997

Notes:

a. In accordance with the articles of association of the subsidiaries established in the People's Republic of China (the "PRC"), the subsidiaries are required to transfer at least 10% of their profit after tax in accordance with the relevant accounting principles and financial regulations applicable to enterprises established in the PRC before any distribution of dividends to owner each year to capital surplus reserve until the reserve reaches 50% of their respective registered capital. The capital surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries.

b. On 8 July 2022, the Company acquired the remaining 49% equity interest of Shangrao Jietai New Energy Technology Co., Ltd.* (上饒捷泰新能源科技有限公司) ("Jietai Technology") at a cash consideration of RMB1,519,000,000. Upon completion of the acquisition, Jietai Technology became a wholly-owned subsidiary of the Company. The difference between the cash consideration and net assets of Jietai Technology attributable to the non-controlling shareholders amounting to RMB706,482,000 is debited to capital surplus reserve, share premium and retained profits.

c. During the year ended 31 December 2024, the Company repurchased 1,736,176 ordinary shares at an aggregate consideration of RMB100,998,000, after deduction of the transaction costs paid by the Company, for the Group's equity-settled share option scheme.

* English name is for identification purpose

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES			
Profit (loss) before tax from continuing and discontinued operations	891,709	744,489	(731,419)
Adjustments for:			
Finance costs	151,776	245,594	220,557
Bank interest income	(10,868)	(45,297)	(27,073)
Depreciation of property, plant and equipment	379,585	522,713	705,357
Depreciation of right-of-use assets	3,474	5,162	6,224
Amortisation of intangible assets	26,910	23,963	33,796
Depreciation of investment properties	504	–	–
Decrease in goodwill	2,822	3,831	1,837
Impairment loss on property, plant and equipment	–	894,191	–
Net impairment losses under ECL model	13,781	10,332	6,748
Net loss on disposal of property, plant and equipment	3,640	1,975	523
Net gain on termination of right-of-use assets and lease liabilities	–	–	(643)
Provision for inventories	53,933	95,829	130,094
Share of loss of associates	2,940	–	–
Share-based payment expenses	49,579	121,342	(15,997)
Gain on disposal of Discontinued Business (as defined in note 1)	(214,501)	–	–
Income from government grants	(8,347)	–	–
Listing expenses	–	–	5,236
Extra deduction of input VAT	–	(23,730)	(104,127)
Net fair value gain on financial assets at FVTPL	–	–	(183)
Net foreign exchange gain	–	(6,023)	(10,838)
Operating cash flows before movements in working capital	1,346,937	2,594,371	220,092
(Increase) decrease in inventories	(271,574)	(484,190)	45,114
Increase in trade, bills and other receivables	(934,246)	(285,518)	(441,353)
(Increase) decrease in receivables at FVTOCI	(795,397)	(2,254,615)	1,106,361
Increase in VAT recoverable	(65,757)	(287,205)	(301,287)
Increase in trade, bills and other payables	375,388	1,121,963	577,029
Increase (decrease) in contract liabilities	255,627	157,488	(392,073)
Cash (used in) generated from operations	(89,022)	562,294	813,883
PRC enterprise income tax paid	(10,344)	(86,982)	(33,338)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(99,366)	475,312	780,545

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
INVESTING ACTIVITIES			
Withdrawal of restricted bank deposits	956,975	2,159,932	818,940
Placement of restricted bank deposits	(1,340,178)	(2,503,508)	(1,691,176)
Purchase of and deposits paid for acquisition of property, plant and equipment	(570,994)	(2,591,814)	(604,501)
Proceeds on disposal of property, plant and equipment	16,913	93,013	823
Purchase of intangible assets	(1,614)	(1,943)	(13,414)
Bank interest received	8,202	38,533	29,257
Net cash outflow on acquisition of Jietai Technology Group (as defined in note 17A)	(584,176)	–	–
Placement of financial assets at FVTOCI	–	–	(50,000)
Proceeds on disposal of financial assets at FVTOCI	–	–	50,000
Purchase of financial assets at FVTPL	(3,000)	(2,050,000)	(6,498,320)
Proceeds on disposal of financial assets at FVTPL	–	2,050,000	6,068,320
Net cash inflow on disposal of Discontinued Business (note 29)	376,226	–	–
Receipt of government grants related to property, plant and equipment	620,000	1,289,058	461,696
NET CASH USED IN INVESTING ACTIVITIES	(521,646)	(1,516,729)	(1,428,375)
FINANCING ACTIVITIES			
New bank and other borrowings raised	3,528,550	3,126,158	3,651,885
Repayment of bank and other borrowings	(1,058,710)	(2,276,164)	(2,450,742)
Dividends paid	(3,157)	(85,004)	(170,015)
Interest paid	(64,887)	(280,682)	(155,847)
Payments of lease liabilities	(2,905)	(2,377)	(1,833)
Purchase of intangible assets	–	–	(19,092)
Purchase of property, plant and equipments	–	–	(180,000)
Advance from an independent third party	20,000	–	–
Proceeds from exercise of share options	–	65,542	61,669
Proceeds on issuance of ordinary shares	–	2,738,206	–
Payments of issue costs	–	(2,471)	(23,097)
Repurchase of ordinary shares	–	–	(100,998)
Payments on sales and leaseback arrangement	(24,758)	(25,000)	–
Acquisition of non-controlling interests of Jietai Technology Group	(742,514)	(811,716)	–
Payment for redemption of convertible loan notes	(733)	–	–

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
NET CASH FROM FINANCING ACTIVITIES	1,650,886	2,446,492	611,930
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,029,874	1,405,075	(35,900)
Effect of changes in exchange rates	–	824	2,324
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	214,079	1,243,953	2,649,852
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,243,953	2,649,852	2,616,276

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Company was incorporated and registered in the PRC on 3 April 2003 as a limited liability company. In August 2012, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. In March 2017, the Company was listed on the Shenzhen Stock Exchange (stock code: 002865). The addresses of the registered office and the principal place of business of the Company is Hainan Drinda Building, Haikou Free Trade Zone, No. 168 Nanhai Avenue, Haikou, the PRC.

The Group is principally engaged in the research and development, manufacturing and sales of photovoltaic cells ("Current Business").

The Historical Financial Information has been prepared in accordance with the accounting policies set out in note 3 which conform with IFRSs.

Historically, the Group principally engaged in the research and development, manufacturing and sales of car plastic accessories ("Discontinued Business"). On 26 September 2021, the Group acquired 51% equity interests of Jietai Technology, which mainly engaged in the Current Business, and subsequently on 8 July 2022, the Group further acquired the remaining 49% equity interests of Jietai Technology from independent third parties of the Group. In 2022, the Group disposed of the Discontinued Business to Hainan Yang Family Technology Investment Co., Ltd.* (海南楊氏家族科技投資有限公司) ("Yang Family"), a company controlled by a group of shareholders collectively holding 22.78% equity interest of the Company.

The financial performance of the Discontinued Business is presented as a discontinued operation. Further details are set out in note 29.

At 31 December 2024, the Group has net current liabilities of RMB45,778,000 and loss for the year ended 31 December 2024 of RMB591,113,000. Taking into account of the cash and cash equivalents at 31 December 2024, the anticipated operation of the Group, the available bank facilities and operating cashflow, the directors of the Company have, at the time of approving the Historical Financial Information, a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months commencing from the date of the Historical Financial Information. Thus they continue to adopt the going concern basis of accounting in preparing the Historical Financial Information.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied International Accounting Standards ("IASs"), IFRSs, amendments and the related Interpretations ("IFRICs") (herein collectively referred to as the IFRSs) issued by IASB, which are effective for the Group's financial year beginning on 1 January 2025 throughout the Track Record Period.

New and amendments to IFRSs in issue but not yet effective

At the date of this report, the following new and amendments to IFRSs have been issued which are not yet effective.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual periods beginning on or after 1 January 2027

* English name is for identification purpose

The directors of the Company anticipate that the application of all these new and amendments to IFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRSs 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 Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. 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.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the Track Record Period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributable 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 in 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 interests in existing subsidiaries

Changes in the Group's interests in 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 recognised directly in equity and attributed to owners of the Company.

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 organised 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 recognised 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 – Int 21 *Levies*, in which the Group applies IAS 37 or IFRIC – Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "*Income Taxes*" and IAS 19 "*Employee Benefits*" respectively;

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*" are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

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. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds 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 interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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 recognised amounts of the acquiree's identifiable net assets or at fair value.

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 ("CGUs") (or group of CGUs) 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 not larger than an operating segment.

A CGU (or group of CGUs) 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 a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting 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 CGUs).

On disposal of the relevant CGU or any of the CGU within the group of CGUs, 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 CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in notes 5 and 24.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

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.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

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 recognised as expense on a straight-line basis or another systematic 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; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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 statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted 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 recognises 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.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications")

The Group presents lease liabilities as a separate line item on the consolidated statements 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. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

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.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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 recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant assets in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. For government grants received but had yet purchased, constructed or otherwise required, the related non-current assets are recorded as "deferred income".

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to government managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Equity-settled share-based payment transactions

Shares/Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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 payment 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 payment reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will continue to be held in share-based payment reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the right of use assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss. 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.

Property, plant and equipment

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 as described below). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs. In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit of the Group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost or receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to 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 at 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 recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade, bills and other receivables, financial assets at FVTPL, receivables at FVTOCI, restricted bank deposits, cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables, bills receivables and receivables at FVTOCI. The ECL on these assets are assessed on an individual basis for customers with high credit risk and the remaining is collectively using provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For all other instruments, the Group measures the impairment loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a deregistration event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables, bills receivables and receivables at FVTOCI (except for trade receivables from customers with high credit risk) and bank balances are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the management of the Group to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for receivables at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, bills receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account. For receivables at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of receivables at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserves is reclassified to profit or loss.

Financial liabilities or equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated 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.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Recognition of deferred tax assets

The realisation of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future profits generated are higher or less than expected, the deferred tax assets will be adjusted accordingly and recognised the corresponding amount in the consolidated statements of profit or loss and other comprehensive income in the periods in which such a situation takes place.

The Group's carrying amount of deferred tax assets at 31 December 2022, 2023 and 2024 is RMB2,685,000, RMB274,997,000 and RMB368,112,000, respectively. Details of recognition of deferred tax assets are disclosed in note 18.

Useful lives of property, plant and equipment, right-of-use assets and intangible assets

The Group's management determines the estimated useful lives in determining the related depreciation charges for its property, plant and equipment, right-of-use assets and intangible assets. This estimate is referenced to useful lives of property, plant and equipment, right-of-use assets and intangible assets of similar nature and functions in the industry. Management will increase the depreciation charge where useful lives are expected to be shorter than expected, or will write-off or write-down obsolete assets that have been abandoned or sold. The Group's carrying amount of property, plant and equipment at 31 December 2022, 2023 and 2024 is RMB4,073,434,000, RMB9,351,973,000 and RMB8,483,140,000, respectively, as disclosed in note 14. The Group's carrying amount of right-of-use assets at 31 December 2022, 2023 and 2024 is RMB68,156,000, RMB168,264,000 and RMB167,256,000, respectively, as disclosed in note 15. The Group's carrying amount of intangible assets at 31 December 2022, 2023 and 2024 is RMB96,242,000, RMB75,332,000 and RMB160,818,000, respectively, as disclosed in note 16.

Estimated impairment of property, plant and equipment, right-of-use assets, intangible assets and goodwill related to the Current Business

Determining whether property, plant and equipment, right-of-use assets, intangible assets and goodwill is impaired requires an estimation of the recoverable amount of the CGU (or group of CGUs), which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU (or a group of CGUs) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

The carrying amount of the subjected assets at 31 December 2022, 2023 and 2024 is RMB6,311,288,000, RMB11,270,807,000, and RMB10,480,069,000, respectively. Details of the recoverable amount calculation are disclosed in note 17A.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from the sale of photovoltaic cell products and related service, net of sales related taxes, during the Track Record Period.

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Continuing Operation			
Sale of photovoltaic cell products and related services			
– Tunnel Oxide Passivating Contacts ("TOPCon")	2,057,893	13,494,740	9,276,609
– Passivated Emitter and Rear Cell ("PERC")	8,872,274	4,227,624	380,161
– Others *(note)*	155,546	888,430	267,124
	11,085,713	18,610,794	9,923,894

Note: The amount represents sales of manufacturing services.

Sale of photovoltaic cell products and related services

The Group recognises 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.

Revenue arising from sales of photovoltaic cell products is recognised at a point in time when the goods are accepted by the customers after delivery to the customers' premises and revenue arising from services is recognised upon completion of the services contracts, since only by that time the Group passes control of the goods or services to the customers. The Group generally does not grant any credit period to its customers.

Customers are generally required to make full payment before the Group deliver the products to customers. Contract liabilities are recognised when consideration is received in which revenue has yet been recognised.

Transaction price allocated to the remaining performance obligations for contracts with customers

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Group's contract has an original expected duration of less than one year.

Segment information

For the purpose of resource allocation and assessment of segment performance, the executive directors of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out above. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Entity-wide disclosures

Geographical information

The Group's non-current assets are all located in the PRC. The geographical information of the Group's revenue, determined based on geographical location of the registered office of the immediate customers, during the Track Record Period is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Continuing Operation			
Mainland China	11,054,542	17,736,145	7,550,690
Outside Mainland China	31,171	874,649	2,373,204
	11,085,713	18,610,794	9,923,894

Information about major customers

Revenue from customer contributing over 10% of the total revenue of the Group during the Track Record Period is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Customer A	–	N/A*	1,892,069
Customer B	3,336,682	5,172,263	N/A*

* The corresponding revenue contributed to the total revenue of the Group is less than 10%.

6. OTHER INCOME

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Continuing Operation			
Bank interest income	10,734	45,297	27,073
Extra deduction of input VAT *(note a)*	–	23,730	104,127
Government grants *(note b)*	2,364	11,691	13,836
Sales of materials	11,013	26,081	27,873
	24,111	106,799	172,909

Notes:

(a) Effective from 1 January 2023 to 31 December 2027, the net VAT payables amount has been reduced by an additional 5% of VAT on purchases, pursuant to the announcements jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC on 3 September 2023.

(b) The amount represents unconditional government grants received from local government in connection with the enterprise development support and innovation capability incentives.

7. OTHER GAINS AND LOSSES

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Continuing Operation			
Net loss on disposal of property, plant and equipment	–	(1,975)	(523)
Net gain on termination of right-of-use assets and lease liabilities	–	–	643
Net foreign exchange (loss) gain	(821)	6,023	21,492
Net fair value gain on financial assets at FVTPL	–	2,903	5,206
Others	(2,660)	(2,725)	(2,695)
	(3,481)	4,226	24,123

8. FINANCE COSTS

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Continuing Operation			
Interest on lease liabilities	119	269	282
Expense on discounting bills receivables and receivables at FVTOCI	11,012	10,159	4,663
Interest on bank and other borrowings	112,546	141,390	110,228
Interest on payables for acquisition of property, plant and equipment	10,243	70,668	103,407
Interest on payables for acquisition of intangible assets	–	–	1,977
Interest on consideration payables	12,122	23,108	–
	146,042	245,594	220,557

9. PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax has been arrived at after charging (crediting):

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Continuing Operation			
Depreciation of property, plant and equipment	261,167	522,713	705,357
Depreciation of right-of-use assets	2,699	5,162	6,224
Amortisation of intangible assets	26,642	23,963	33,796
	290,508	551,838	745,377
Capitalised in inventories	(212,509)	(508,180)	(585,646)
Total depreciation and amortisation charged to profit or loss	77,999	43,658	159,731
Auditors' remuneration	2,345	1,811	1,811
Cost of inventories recognised as cost of sales	9,798,330	15,900,883	9,856,256
Impairment loss recognised on property, plant and equipment (included in cost of sales)	–	894,191	–
Write-down of inventories	44,369	95,829	130,094
Directors' and supervisors' remuneration *(note 11)*	14,503	21,958	5,792
Other staff costs			
– Salaries and other benefits	320,203	1,020,109	782,341
– Retirement benefit scheme contributions	11,441	46,785	35,294
– Discretionary performance related bonus	17,422	86,502	1,953
– Share-based payment expenses	43,644	107,607	(14,053)
	407,213	1,282,961	811,327
Capitalised in inventories	(196,960)	(598,192)	(489,910)
Capitalised in construction in progress	(50,545)	(133,446)	(12,640)
Total staff costs charged to profit or loss	159,708	551,323	308,777
Research and development expenses			
– Staff costs	61,290	199,181	141,154
– Depreciation and amortisation	11,171	4,337	8,810
– Cost of utilities	15,729	1,929	10,876
– Materials consumed	139,982	90,326	40,698
– Others	7,035	7,985	5,415
	235,207	303,758	206,953
Government grants directly recognised in profit or loss			
– as other income	(2,364)	(11,691)	(13,836)
– as cost of sales	(9,777)	(283,340)	(746,595)
– as finance costs	(981)	(41,312)	(56,427)
	(13,122)	(336,343)	(816,858)
Net impairment losses under ECL model			
– Trade and bills receivables	696	3,918	5,257
– Other receivables	11,065	6,414	1,491
	11,761	10,332	6,748

10. INCOME TAX EXPENSES (CREDIT)

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Continuing Operation			
PRC Enterprise Income Tax ("EIT")	10,401	66,605	29,996
Deferred tax expenses (credit)	52,635	(137,758)	(170,302)
	63,036	(71,153)	(140,306)

No provision of Hong Kong Profits Tax was made in the Historical Financial Information as the Group had no assessable profit subject to Hong Kong Profits Tax during the Track Record Period.

The Company and Jietai Technology obtained the "High Technology Enterprise" certification in October and November 2021, respectively, and was therefore entitled to a preferential tax rate of 15% for a period of 3 years from the date of certification, while the Company applied an actual tax rate of 25% since 2023 due to the change of its business. Chuzhou Jietai New Energy Technology Co., Ltd.* (滁州捷泰新能源科技有限公司) ("Chuzhou Jietai") and Huai'an Jietai New Energy Technology Co., Ltd.* (淮安捷泰新能源科技有限公司) ("Huai'an Jietai") obtained the "High Technology Enterprise" certification in December 2023 and November 2024, respectively, and was therefore entitled to a preferential tax rate of 15% for a period of 3 years from the date of certification.

The other PRC subsidiaries are subjected to PRC EIT rate of 25% during the Track Record Period.

Income tax expenses (credit) for the year can be reconciled to profit (loss) before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Continuing Operation			
Profit (loss) before tax	679,936	744,489	(731,419)
Tax at PRC EIT rate of 25%	169,984	186,122	(182,855)
Tax effect of expenses not deductible for tax purpose	2,645	2,144	2,622
Tax effect of tax losses not recognised	21,266	–	–
Tax effect attributable to the additional qualified tax deduction relating to research and development expenditures and acquisition of equipment *(note)*	(111,903)	(91,815)	(46,267)
Recognition of tax losses previously not recognised	–	(29,092)	–
(Increase) decrease in deferred tax assets resulting from a (increase) decrease in applicable tax rate	–	(44,530)	8,608
Tax effect of concessions	(18,956)	(93,982)	77,586
Income tax expenses (credit)	63,036	(71,153)	(140,306)

Note: Pursuant to relevant laws and regulations in the PRC, the Group enjoys super deduction of 200% on qualifying research and development expenditures throughout the Track Record Period. In addition, the State Taxation Administration of the PRC announced that High Technology Enterprise would entitle to claim 200% of their acquisition of equipment as super deduction effective from 1 October 2022 to 31 December 2022.

* English name is for identification purpose

11. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(A) Directors', Supervisors' and the chief executive's emoluments

During the Track Record Period, directors', supervisors' and chief executive's remuneration disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

	Date of appointment	Fees	Salaries and allowances	Retirement benefit scheme contributions	Discretionary performance related bonus	Share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2022							
Executive directors							
Ms. Lu Xiaohong (陸小紅) ("Ms. Lu") *(note iv)*	13 June 2019	–	1,333	–	–	–	1,333
Mr. Xu Xiaoping (徐曉平) ("Mr. Xu")	20 April 2004	–	930	11	333	–	1,274
Mr. Xu Yong (徐勇) ("Mr. Xu Y.")	16 May 2012	–	253	3	–	–	256
Mr. Zhang Manliang (張滿良) ("Mr. Zhang")	8 April 2021	–	1,057	40	960	3,282	5,339
Mr. Zheng Hongwei (鄭洪偉) ("Mr. Zheng")	19 October 2021	–	1,291	19	660	1,889	3,859
Ms. Zheng Tong (鄭彤) ("Ms. Zheng T.")	13 June 2022	–	411	8	33	764	1,216
Mr. Chen Kangren (陳康仁) ("Mr. Chen K.") *(note i)*	16 May 2012	–	–	–	–	–	–
Supervisors							
Ms. Zheng Yuyao (鄭玉瑤) ("Ms. Zheng Y.") *(note vi)*	10 June 2022	–	91	7	12	–	110
Mr. Zhang Tao (張濤) ("Mr. Zhang T.") *(note vii)*	19 October 2021	–	–	–	–	–	–
Ms. Wang Xiaomei (王小妹) ("Ms. Wang X.") *(note v)*	10 June 2022	–	101	7	12	–	120
Mr. Zheng Gongzhi (鄭共智) ("Mr. Zheng G.") *(note iii)*	19 October 2021	–	387	10	144	–	541
Ms. Jiang Caifang (蔣彩芳) ("Ms. Jiang") *(note iii)*	19 October 2021	–	129	8	10	–	147
Ms. Lin Caiying (林彩英) ("Ms. Lin") *(note i)*	19 October 2021	–	–	–	–	–	–
Mr. Tan Hao (譚浩) ("Mr. Tan") *(note i)*	16 May 2012	–	–	–	–	–	–
Non-executive directors							
Mr. Shen Wenzhong (沈文忠) ("Mr. Shen")	13 June 2022	58	–	–	–	–	58
Mr. Yang Youjun (楊友雋) ("Mr. Yang") *(note x)*	26 October 2018	100	–	–	–	–	100
Mr. Zhao Hang (趙航) ("Mr. Zhao") *(note xi)*	26 October 2018	100	–	–	–	–	100
Mr. Le Hongwei (樂宏偉) ("Mr. Le") *(note ii)*	26 October 2018	50	–	–	–	–	50
		308	5,983	113	2,164	5,935	14,503

	Date of appointment	Fees	Salaries and allowances	Retirement benefit scheme contributions	Discretionary performance related bonus	Share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023							
Executive directors							
Ms. Lu *(note iv)*	13 June 2019	–	1,500	–	500	–	2,000
Mr. Xu	20 April 2004	–	1,006	11	–	–	1,017
Mr. Xu Y.	16 May 2012	–	–	–	–	–	–
Mr. Zhang	8 April 2021	–	1,671	49	259	7,581	9,560
Mr. Zheng	19 October 2021	–	1,844	30	266	5,191	7,331
Ms. Zheng T.	13 June 2022	–	431	21	–	963	1,415
Supervisors							
Ms. Zheng Y. *(note vi)*	10 June 2022	–	135	8	12	–	155
Mr. Zhang T. *(note vii)*	19 October 2021	–	–	–	–	–	–
Ms. Wang X. *(note v)*	10 June 2022	–	106	5	–	–	111
Ms. Wang Menglin (汪夢琳) ("Ms. Wang") *(note ix)*	8 September 2023	–	49	3	17	–	69
Non-executive directors							
Mr. Shen	13 June 2022	100	–	–	–	–	100
Mr. Yang *(note x)*	26 October 2018	100	–	–	–	–	100
Mr. Zhao *(note xi)*	26 October 2018	100	–	–	–	–	100
		300	6,742	127	1,054	13,735	21,958

	Date of appointment	Fees	Salaries and allowances	Retirement benefit scheme contributions	Discretionary performance related bonus	Share-based payments	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024							
Executive directors							
Ms. Lu *(note iv)*	13 June 2019	–	1,500	–	225	–	1,725
Mr. Xu	20 April 2004	–	1,008	9	–	–	1,017
Mr. Xu Y.	16 May 2012	–	–	–	–	–	–
Mr. Zhang	8 April 2021	–	1,553	38	259	(2,637)	(787)
Mr. Zheng	19 October 2021	–	1,609	29	266	829	2,733
Ms. Zheng T.	13 June 2022	–	471	29	33	(136)	397
Supervisors							
Ms. Lin	19 January 2024	–	–	–	–	–	–
Ms. Lin Ting (林婷) ("Ms. Lin T.") *(note viii)*	12 January 2024	–	66	4	–	–	70
Ms. He JiaLu (何佳璐) ("Ms. He")	25 June 2024	–	75	4	4	–	83
Ms. Wang *(note ix)*	8 September 2023	–	91	4	–	–	95
Mr. Zhang T. *(note vii)*	19 October 2021	–	–	–	–	–	–
Ms. Zheng Y. *(note vi)*	10 June 2022	–	64	–	–	–	64
Ms. Liu Renmei (劉忍妹) ("Ms. Liu")	11 July 2024	–	86	5	4	–	95
Non-executive directors							
Mr. Shen	13 June 2022	100	–	–	–	–	100
Mr. Yang *(note x)*	26 October 2018	85	–	–	–	–	85
Mr. Zhao *(note xi)*	26 October 2018	85	–	–	–	–	85
Ms. Mao Xiaoying (茆曉穎) ("Ms. Mao")	6 November 2024	15	–	–	–	–	15
Mr. Ma Shuli (馬樹立) ("Mr. Ma")	6 November 2024	15	–	–	–	–	15
		300	6,523	122	791	(1,944)	5,792

Notes:

(i) Mr. Chen K., Ms. Lin and Mr. Tan resigned as executive director and supervisors of the Company with effect from 30 May 2022.

(ii) Mr. Le resigned as non-executive director of the Company with effect from 13 June 2022.

(iii) Mr. Zheng G. and Ms. Jiang resigned as supervisors of the Company with effect from 10 June 2022.

(iv) Ms. Lu is the Chief Executive Officer of the Company.

(v) Ms. Wang X. resigned as a supervisor with effect from 8 September 2023.

(vi) Ms. Zheng Y. resigned as a supervisor with effect from 12 January 2024.

(vii) Mr. Zhang T. resigned as a supervisor with effect from 5 February 2024.

(viii) Ms. Lin T. resigned as a supervisor with effect from 25 June 2024.

(ix) Ms. Wang resigned as a supervisor with effect from 12 July 2024.

(x) Mr. Yang resigned as a non-executive director with effect from 6 November 2024.

(xi) Mr. Zhao resigned as a non-executive director with effect from 6 November 2024.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group during the Track Record Period.

The non-executive directors' and supervisors' emoluments shown above were for their services as directors and supervisors of the Company during the Track Record Period.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During the Track Record Period, there was no arrangement under which a director or supervisor or the chief executive waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

(B) Five highest paid employees

The five highest paid employees of the Group include 2, 2 and 2 directors of the Company whose emoluments, are set out above for the Track Record Period. The emoluments of the remaining 3, 3 and 3 employees for each of the year ended 31 December 2022, 2023 and 2024, respectively, are as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other benefits	2,664	3,271	4,045
Retirement benefit scheme contributions	60	71	107
Discretionary performance related bonus *(note)*	1,378	705	648
Share-based payment expenses	6,720	32,053	765
	10,822	36,100	5,565

Note: Discretionary performance related bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

The number of the five highest paid individuals are within the following bands presented in Hong Kong Dollar ("HK$"):

	Year ended 31 December		
	2022	2023	2024
	Number of individuals		
HK$1,000,001 to HK$1,500,000	–	–	1
HK$1,500,001 to HK$2,000,000	–	–	2
HK$2,500,001 to HK$3,000,000	–	–	2
HK$3,000,001 to HK$3,500,000	1	–	–
HK$4,000,001 to HK$4,500,000	1	–	–
HK$4,500,001 to HK$5,000,000	1	–	–
HK$5,000,001 to HK$5,500,000	1	1	–
HK$6,000,001 to HK$6,500,000	1	–	–
HK$8,000,001 to HK$8,500,000	–	2	–
HK$10,500,001 to HK$11,000,000	–	1	–
HK$26,000,001 to HK$26,500,000	–	1	–
Total	5	5	5

During the Track Record Period, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

12. DIVIDENDS

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Dividend for ordinary shareholders of the Company	–	141,524	170,015

During the year ended 31 December 2023, the Company declared and paid cash dividend of RMB0.597 per ordinary share, in aggregate of RMB84,914,000, and stock dividend of 0.398 ordinary share per ordinary share, in aggregate of 56,610,000 shares, which is equivalent to RMB56,610,000, to ordinary shareholders of the Company.

During the year ended 31 December 2024, the Company declared and paid cash dividend of RMB0.75 per ordinary share, in aggregate of RMB170,015,000, to ordinary shareholders of the Company.

13. EARNINGS (LOSS) PER SHARE

For Continuing Operation

The calculation of basic and diluted earnings (loss) per share from continuing operation attributable to owners of the Company is based on the following data:

	Year ended 31 December		
	2022	2023	2024
Earnings (loss) (RMB'000):			
Profit (loss) for the year attributable to owners of the Company	716,945	815,642	(591,113)
Less: Profit for the year from discontinued operation	(204,087)	N/A	N/A
Earnings (loss) for the purpose of basic earnings (loss) per share from continuing operation	512,858	815,642	(591,113)

	Year ended 31 December		
	2022	2023	2024
Number of shares ('000):			
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	192,208	215,864	227,106
Effect of dilutive potential ordinary shares:			
Share options of the Company	3,695	3,795	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	195,903	219,659	227,106

In April 2023, the Company declared and distributed stock dividend of 0.398 ordinary share per ordinary share. Accordingly, the weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the years ended 31 December 2022 and 2023 were pro rata adjusted.

The computation of diluted loss per share for the year ended 31 December 2024 did not assume the exercise of share options since their assumed exercise would be anti-dilutive.

For discontinued operation

Basic earnings per share for the discontinued operation is RMB1.06 per share for the year ended 31 December 2022 based on the earnings for the year from the discontinued operation of RMB204,087,000 for the year ended 31 December 2022, and the denominators detailed above for basic earnings per share.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Plant and machinery	Office equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST						
At 1 January 2022	766,837	2,420,052	69,283	16,342	237,366	3,509,880
Additions	298,204	78,185	11,872	2,722	2,210,037	2,601,020
Transfers from construction in progress	89,246	2,227,720	3,751	–	(2,320,717)	–
Transfers to construction in progress	–	(246,427)	–	–	196,555	(49,872)
Disposal of Discontinued Business *(note 29)*	(321,946)	(862,714)	(67,950)	(12,229)	(14,786)	(1,279,625)
Deduction arising from government grants received	–	(399,672)	–	–	–	(399,672)
Disposals	–	(55,727)	(41)	(2,637)	–	(58,405)
At 31 December 2022	832,341	3,161,417	16,915	4,198	308,455	4,323,326
Additions	499,287	88,543	20,773	3,307	7,391,806	8,003,716
Transfers from construction in progress	1,275,925	5,309,393	12,545	368	(6,598,231)	–
Transfers to construction in progress	–	(194,311)	–	–	180,572	(13,739)
Adjustment on completion of construction in progress	20,880	5,070	–	–	–	25,950
Deduction arising from government grants received	–	(1,239,235)	–	–	–	(1,239,235)
Disposals	(1,280)	(94,050)	(65)	(201)	(6,223)	(101,819)

	Buildings	Plant and machinery	Office equipment	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023	2,627,153	7,036,827	50,168	7,672	1,276,379	10,998,199
Additions	2,291	3,198	3,129	560	532,503	541,681
Transfers from construction in progress	90,618	1,360,757	18,749	95	(1,470,219)	–
Deduction arising from government grants received	–	(703,462)	–	–	–	(703,462)
Adjustment on completion of construction in progress	(6,704)	6,355	–	–	–	(349)
Disposals	–	(1,272)	(148)	(544)	–	(1,964)
At 31 December 2024	2,713,358	7,702,403	71,898	7,783	338,663	10,834,105
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 January 2022	(93,666)	(407,744)	(31,248)	(10,515)	–	(543,173)
Provided for the year	(25,566)	(341,135)	(11,315)	(1,569)	–	(379,585)
Transfer to construction in progress	–	49,872	–	–	–	49,872
Disposal of Discontinued Business *(note 29)*	95,669	437,151	38,683	8,376	–	579,879
Eliminated on disposals	–	40,694	12	2,409	–	43,115
At 31 December 2022	(23,563)	(221,162)	(3,868)	(1,299)	–	(249,892)
Provided for the year	(48,821)	(465,056)	(7,374)	(1,462)	–	(522,713)
Impairment loss recognised in profit or loss included in cost of sales of Current Business	(55,963)	(836,035)	(2,124)	(69)	–	(894,191)
Transfer to construction in progress	–	13,739	–	–	–	13,739
Eliminated on disposals	189	6,542	60	40	–	6,831
At 31 December 2023	(128,158)	(1,501,972)	(13,306)	(2,790)	–	(1,646,226)
Provided for the year	(84,330)	(604,749)	(14,861)	(1,417)	–	(705,357)
Eliminated on disposals	–	225	140	253	–	618
At 31 December 2024	(212,488)	(2,106,496)	(28,027)	(3,954)	–	(2,350,965)
CARRYING VALUE						
At 31 December 2022	808,778	2,940,255	13,047	2,899	308,455	4,073,434
At 31 December 2023	2,498,995	5,534,855	36,862	4,882	1,276,379	9,351,973
At 31 December 2024	2,500,870	5,595,907	43,871	3,829	338,663	8,483,140

The Company

	Plant and machinery	Motor vehicles	Total
	RMB'000	RMB'000	RMB'000
COST			
At 1 January 2022	101,210	2,412	103,622
Additions	171	–	171
Disposals	(55,264)	(2,412)	(57,676)
At 31 December 2022, 2023 and 2024	46,117	–	46,117

	Plant and machinery	Motor vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At 1 January 2022	(56,196)	(2,194)	(58,390)
Provided for the year	(30,570)	(24)	(30,594)
Eliminated on disposals	40,649	2,218	42,867
At 31 December 2022, 2023 and 2024	(46,117)	–	(46,117)
CARRYING VALUE			
At 31 December 2022, 2023 and 2024	–	–	–

The Group obtained the property ownership certificates for all buildings except for buildings with carrying amount of RMB361,062,000, RMB2,045,185,000 and RMB2,171,219,000 at 31 December 2022, 2023 and 2024, respectively.

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis over the following estimated useful lives after taking into account their estimated residual values:

	Useful lives	Estimated residual values
	years	
Buildings	20-30	5%
Plant and machinery	10	5%
Office equipment	3-5	5%
Motor vehicles	4-5	5%

15. RIGHT-OF-USE ASSETS

The Group

	Leasehold lands	Staff quarters	Office properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
At 1 January 2022	187,221	2,408	–	189,629
Additions	24,652	–	4,532	29,184
Disposal of Discontinued Business *(note 29)*	(146,833)	–	–	(146,833)
At 31 December 2022	65,040	2,408	4,532	71,980
Additions	103,069	1,766	435	105,270
At 31 December 2023	168,109	4,174	4,967	177,250
Additions	–	–	7,919	7,919
Termination of lease	–	(4,174)	(3,344)	(7,518)
At 31 December 2024	168,109	–	9,542	177,651
ACCUMULATED DEPRECIATION				
At 1 January 2022	(16,386)	(142)	–	(16,528)
Provided for the year	(1,817)	(579)	(1,078)	(3,474)
Disposal of Discontinued Business *(note 29)*	16,178	–	–	16,178
At 31 December 2022	(2,025)	(721)	(1,078)	(3,824)
Provided for the year	(2,343)	(769)	(2,050)	(5,162)

	Leasehold lands	Staff quarters	Office properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2023	(4,368)	(1,490)	(3,128)	(8,986)
Provided for the year	(3,543)	(1,203)	(1,478)	(6,224)
Termination of lease	–	2,693	2,122	4,815
At 31 December 2024	(7,911)	–	(2,484)	(10,395)
CARRYING VALUE				
At 31 December 2022	63,015	1,687	3,454	68,156
At 31 December 2023	163,741	2,684	1,839	168,264
At 31 December 2024	160,198	–	7,058	167,256

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Expenses relating to short-term leases	2,181	6,167	4,695
Total cash outflow for leases	5,494	10,386	7,006

During the Track Record Period, the Group leases lands from independent third parties for its operations. Lease contract is entered into for a fixed term of 50 years. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group has made lump sum payments upfront to government for leasehold lands. The Group obtained the land use right certificates for all such leasehold lands except for leasehold lands with carrying amount of RMB24,486,000, RMB126,165,000 and RMB123,580,000 at 31 December 2022, 2023 and 2024, respectively.

The Group regularly entered into short-term leases. At 31 December 2022, 2023 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

In addition, lease liabilities of RMB4,191,000, RMB4,284,000 and RMB7,306,000 are recognised with related right-of-use assets of RMB5,141,000, RMB4,523,000 and RMB7,058,000 at 31 December 2022, 2023 and 2024, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Sale and leaseback transactions – seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the years ended 31 December 2022, 2023 and 2024, the Group raised RMB691,469,000, RMB698,240,000 and RMB391,348,000 borrowings in respect of such sale and leaseback arrangements, respectively.

16. INTANGIBLE ASSETS

The Group

	Patent	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
COST			
At 1 January 2022	123,566	9,885	133,451
Additions	–	1,614	1,614
Disposal of Discontinued Business *(note 29)*	–	(9,033)	(9,033)
At 31 December 2022	123,566	2,466	126,032
Additions	498	2,555	3,053
At 31 December 2023	124,064	5,021	129,085
Additions	73,829	45,453	119,282
At 31 December 2024	197,893	50,474	248,367
ACCUMULATED DEPRECIATION			
At 1 January 2022	(3,089)	(1,868)	(4,957)
Provided for the year	(26,331)	(579)	(26,910)
Disposal of Discontinued Business *(note 29)*	–	2,077	2,077
At 31 December 2022	(29,420)	(370)	(29,790)
Provided for the year	(23,542)	(421)	(23,963)
At 31 December 2023	(52,962)	(791)	(53,753)
Provided for the year	(30,426)	(3,370)	(33,796)
At 31 December 2024	(83,388)	(4,161)	(87,549)
CARRYING VALUE			
At 31 December 2022	94,146	2,096	96,242
At 31 December 2023	71,102	4,230	75,332
At 31 December 2024	114,505	46,313	160,818

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Patent	5.25 - 10 years
Software	10 years

17. GOODWILL

The Group

	RMB'000
COST AND CARRYING VALUE	
At 1 January 2022	863,332
Decrease *(note)*	(2,822)
At 31 December 2022	860,510
Decrease *(note)*	(3,831)
At 31 December 2023	856,679
Decrease *(note)*	(1,837)
At 31 December 2024	854,842

Note: The decrease in goodwill for the years ended 31 December 2022, 2023 and 2024 was mainly due to the effect of the subsequent decrease in deferred tax liabilities arising from business combination. Deferred tax liabilities decreased subsequently as the future taxable temporary difference arising from the fair value adjustment of the property, plant and equipment and identifiable intangible assets (i.e. patents) of Jietai Technology acquired on acquisition date due to the additional depreciation and amortisation charged subsequent to acquisition date. The directors of the Company considered that the amount is insignificant and thus no adjustment to the Historical Financial Information accordingly.

Particulars regarding impairment testing on goodwill are disclosed in note 17A.

17A. IMPAIRMENT ASSESSMENT ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND GOODWILL

The Group

At the time of impairment testing to a CGU to which goodwill has been allocated, there may be an indication of an impairment of an asset within the CGU containing the goodwill. In the fourth quarter of 2023, the photovoltaic cell manufacturing industry has embarked on a downward trend, resulting in the over-supply of photovoltaic cell products and decrease in the unit sale price of photovoltaic cell products in the market. The management concluded that there was an indication for impairment and conducted impairment assessment on recoverable amounts of certain property, plant and equipment in respect of PERC with carrying amounts of RMB999,127,000. In such circumstances, the management firstly tested such assets for impairment. The recoverable amounts of these property, plant and equipment have been determined based on their fair value less costs of disposal. The Group uses direct comparison approach to estimate the fair value less costs of disposal which is based on the recent transaction and market quoted prices for similar property, plant and equipment adjusted for nature, location and conditions. The fair value measurement is categorised into Level 3 fair value hierarchy. The relevant assets were impaired to their recoverable amount of RMB104,936,000, which is their carrying values at 31 December 2023 and the impairment of RMB894,191,000 has been recognised in profit or loss in the cost of sales line item during the year ended 31 December 2023 before testing for impairment the CGU containing the goodwill.

For the purpose of impairment testing, patent included in intangible assets as set out in note 16 and goodwill as set out in note 17 in relation to the acquisition of Jietai Technology (which together with its subsidiaries, are collectively referred to as the "Jietai Technology Group"), together with Jietai Technology Group's and Huai'an Jietai related property, plant and equipment and right-of-assets have been assessed as the Current Business CGU. The carrying amount of the related PERC and TOPCon property, plant and equipment, right-of-use assets and allocation of corporate assets that generate cash flows together with the related intangible assets and goodwill are also included in the Current Business for the purpose of impairment assessment. At 31 December 2022, 2023 and 2024, the carrying amount of the Current Business amounted to RMB6,311,288,000, RMB11,270,807,000 and RMB10,480,069,000, respectively.

The basis of the recoverable amounts of the Current Business and its major underlying assumptions are summarised below:

The recoverable amount has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period and pre-tax discount rate of 13.58%, 12.89% and 11.77% per annum at 31 December 2022, 2023 and 2024, respectively. The management of the Group did not assume any growth to the cash flows subsequent to the 5-year period. This is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include gross profit margin ratio of 14.85%, 13.68% and 14.00% at 31 December 2022, 2023 and 2024, respectively, such estimation is based on the Current Business's past performance and management's expectations for the market development. Apart from pre-tax discount rate and gross profit margin ratio, the management of the Group considers there is no other key assumptions to the value in use calculation.

At 31 December 2022, 2023 and 2024, the recoverable amount of Current Business CGU exceeded its carrying amount by RMB682,504,000, RMB2,248,861,000 and RMB1,300,648,000, respectively. If the discount rate was changed to 14.22%, 15.36% and 13.09% per annum at 31 December 2022, 2023 and 2024, respectively, while other parameters remain constant, the recoverable amount of Current Business CGU would equal its carrying amount. If the gross profit ratio was changed to 14.35%, 12.08% and 12.82% per annum at 31 December 2022, 2023 and 2024, respectively, while other parameters remain constant, the recoverable amount of Current Business CGU would equal its carrying amount. Therefore, at 31 December 2023 and 2024, a reasonably possible change in key parameters would not cause the carrying amount of the Current Business CGU to exceed its recoverable amount.

18. DEFERRED TAXATION

The Group

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:

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	2,685	274,997	368,112
Deferred tax liabilities	(21,445)	(177,038)	(112,183)
	(18,760)	97,959	255,929

The following are the major deferred tax balances recognised and movements thereon during the Track Record Period:

	Accelerated tax depreciation	Tax losses	Fair value Adjustment arising from business combination	Impairment loss on assets	Deferred income	Share-based payment expenses	Accrued expense and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	–	15,588	(24,672)	9,021	–	7,565	10,137	17,639
(Charge) credit to profit or loss	(259,696)	39,168	4,620	8,457	152,913	1,237	(2,788)	(56,089)
Elimination on disposal of Discontinued Business *(note 29)*	–	(6,245)	–	(6,628)	–	–	(805)	(13,678)
Credit to reserves	–	–	–	–	–	33,368	–	33,368
At 31 December 2022	(259,696)	48,511	(20,052)	10,850	152,913	42,170	6,544	(18,760)
(Charge) credit to profit or loss	(443,250)	104,493	9,636	142,700	274,966	5,001	(321)	93,225
Charge to reserves	–	–	–	–	–	(21,036)	–	(21,036)
Increase (decrease) in deferred tax assets resulting from a increase/decrease in applicate tax rate	88,907	(15,504)	(10,484)	37,812	(61,165)	2,682	2,282	44,530
At 31 December 2023	(614,039)	137,500	(20,900)	191,362	366,714	28,817	8,505	97,959
Credit (charge) to profit or loss	70,909	109,379	6,005	(8,458)	22,264	(12,718)	(8,471)	178,910
Charge to reserves	–	–	–	–	–	(12,332)	–	(12,332)
Increase (decrease) in deferred tax assets resulting from a increase/decrease in applicate tax rate	103,668	(16,074)	–	(2,442)	(93,681)	(79)	–	(8,608)
At 31 December 2024	(439,462)	230,805	(14,895)	180,462	295,297	3,688	34	255,929

At 31 December 2022, 2023 and 2024, the Group has unused tax losses of RMB218,959,000, RMB827,320,000 and RMB1,196,331,000, respectively, available for offset against future profits of which deferred tax assets has been recognised in respect of RMB48,511,000, RMB137,500,000 and RMB230,805,000, respectively, of such losses. At 31 December 2022, 2023 and 2024, no deferred tax asset has been recognised in respect of the remaining tax losses of RMB127,232,000, nil and nil, respectively, due to the unpredictability of future profit streams. At 31 December 2022, included in unrecognised tax losses are losses of RMB127,232,000, with expiry dates ranging from 2022 to 2031.

At 31 December 2022, 2023 and 2024, the Group has deductible temporary differences of RMB929,759,000, RMB2,757,660,000 and RMB2,906,384,000, respectively. At 31 December 2022, 2023 and 2024, deferred tax assets of RMB212,477,000, RMB596,486,000 and RMB479,481,000, respectively, have been recognised in respect of such deductible temporary differences. No deferred tax asset has been recognised in relation to the remaining deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

There were no other significant unrecognised temporary differences at the end of each reporting period.

19. INVENTORIES

The Group

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	114,427	331,593	219,545
Work-in-progress	63,662	99,947	20,402
Finished goods	68,179	189,031	104,113
Goods in transit	92,656	106,714	208,017
	338,924	727,285	552,077

The Company

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	–	13,702	–
Goods in transit	–	17,791	–
	–	31,493	–

20. TRADE, BILLS AND OTHER RECEIVABLES

The Group

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	47,954	14,025	32,519
Bills receivables	7,987	147,715	623,804
	55,941	161,740	656,323
Less: Impairment loss allowance for trade and bills receivables	(1,560)	(5,478)	(10,735)
	54,381	156,262	645,588

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Other receivables and prepayments			
Advances to suppliers	143,440	214,560	90,515
Deposits paid for sales and leaseback arrangement	41,541	49,750	–
Prepayment for listing expenses	–	57	106
Deferred issue costs *(note i)*	–	12,678	31,266
Government grant receivables	–	–	40,000
Other receivables	21,256	25,019	26,054
Amount due from Yang Family *(note iii)*	–	5	–
	206,237	302,069	187,941
Less: Impairment loss allowance for other receivables	(11,064)	(17,478)	(8,730)
	195,173	284,591	179,211
	249,554	440,853	824,799
Analysed as:			
Current	169,048	434,365	824,799
Non-current	80,506	6,488	–
	249,554	440,853	824,799

The Company

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables *(note ii)*	–	462,646	360,599
Less: Impairment loss allowance for trade receivables	–	(12)	–
	–	462,634	360,599
Other receivables and prepayments			
Advances to suppliers *(note iv)*	630	10,103	575
Amounts due from subsidiaries	1,000	18,867	–
Dividend receivables	–	200,000	–
Prepayment for listing expenses	–	57	106
Deferred issue costs *(note i)*	–	12,678	31,266
Other receivables	26	–	–
Amount due from Yang Family *(note iii)*	–	5	–
	1,656	241,710	31,947
Less: Impairment loss allowance for other receivables	(1)	–	–
	1,655	241,710	31,947
	1,655	704,344	392,546

Notes:

(i) Deferred issue costs represent the qualifying portion of issue costs incurred up to 31 December 2023 and 2024, which will be debited to equity of the Company as share issue costs in respect of the issue of new shares upon the initial public offering and listing of the H shares of the Company on the Stock Exchange.

(ii) At 31 December 2022, 2023 and 2024, the balance included trade receivables from the Company's subsidiaries of nil, RMB462,245,000 and RMB360,599,000, respectively.

(iii) The amount due from Yang Family was non-trade in nature, unsecured, interest-free and repayable on demand.

(iv) At 31 December 2022, 2023 and 2024, the balance included advances to the Company's subsidiaries of nil, nil and RMB26,000, respectively.

At 1 January 2022, the Group's trade receivables arising from Current Business and Discontinued Business amounted to RMB13,061,000 and RMB153,419,000 (net of impairment loss allowance of RMB408,000 and RMB24,375,000), respectively, and bills receivables arising from Current Business and Discontinued Business amounted to RMB45,238,000 and RMB5,567,000 (net of impairment loss allowance of RMB508,000 and RMB5,000), respectively.

At 1 January 2022, the Company's trade receivables arising from Current Business and Discontinued Business amounted to nil and RMB59,386,000 (net of impairment loss allowance of nil and RMB15,916,000), respectively, and there were no bills receivables.

The Group normally does not grant any credit period to its customers in Mainland China of the Current Business. For the customers outside Mainland China, the Group normally received letter of credit and telegraphic transfer before goods delivery and also does not grant any credit period.

The following is an aged analysis of trade receivables, net of impairment loss allowance, presented based on revenue recognition date at the end of each reporting period.

The Group

	At 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
0 to 1 year	46,015	7,834	26,782
1 to 2 years	423	2,167	1,231
2 to 3 years	37	23	–
3 to 4 years	–	–	9
	46,475	10,024	28,022

The Company

	At 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
0 to 1 year	–	462,634	360,599

At 31 December 2022, 2023 and 2024, the Group's trade receivables of RMB46,475,000, RMB10,024,000 and RMB28,022,000, respectively, which are past due is not considered as in default because the management of the Group, according to the historical settlement pattern, industry practice and the Group's historical actual loss experience, had assessed that the probability of settlement from their customers was high.

The following is an aged analysis of bills receivables, net of impairment loss allowance, presented based on the issue dates of bills receivables.

The Group

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
0 to 180 days	7,906	146,238	617,566

The following is a maturity analysis of bills receivables, net of impairment loss allowance, presented based on the remaining dates to maturity of bills receivables at the end of each reporting period.

The Group

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
0 to 180 days	7,906	146,238	556,458
181 days to 1 year	–	–	61,108
	7,906	146,238	617,566

Movements of impairment loss allowance on trade, bills and other receivables

Movement of impairment loss allowance at lifetime ECL on trade and bills receivables for the Track Record Period:

The Group

	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	864	–	864
Impairment loss allowance recognised	696	–	696
At 31 December 2022	1,560	–	1,560
Impairment loss allowance recognised	423	3,495	3,918
At 31 December 2023	1,983	3,495	5,478
Impairment loss allowance recognised	5,257	–	5,257
At 31 December 2024	7,240	3,495	10,735

Movement of impairment loss allowance on other receivables for the Track Record Period:

The Group

	12m ECL	Lifetime ECL	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	63	2,694	2,757
Impairment loss allowance recognised	1,366	10,239	11,605
Effect of disposal of Discontinued Business	(604)	(2,694)	(3,298)
At 31 December 2022	825	10,239	11,064
Impairment loss allowance (reversed) recognised	(165)	6,579	6,414
At 31 December 2023	660	16,818	17,478
Impairment loss allowance recognised	1,275	216	1,491
Write-offs	–	(10,239)	(10,239)
At 31 December 2024	1,935	6,795	8,730

21. RECEIVABLES AT FVTOCI

The Group

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Receivables at FVTOCI comprise:			
Bills receivables	1,014,656	1,739,083	187,790

The Company

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Receivables at FVTOCI comprise:			
Bills receivables	–	701,595	15,144

The Group's and the Company's receivables at FVTOCI were bills receivables with the following maturity:

The Group

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
0 to 180 days	834,722	1,739,083	187,790
181 days to 1 year	179,934	–	–
	1,014,656	1,739,083	187,790

The Company

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
0 to 180 days	–	701,595	15,144

21A. TRANSFERS OF FINANCIAL ASSETS

At 31 December 2022, 2023 and 2024, included in the Group's bills receivables arising from Current Business amounted to nil, nil and RMB9,001,000, respectively, being discounted to certain banks to obtain bank loans on a full recourse basis. If the bills are not paid on maturity, the banks have the right to request the Group to pay the unsettled balance. For bills receivables discounted to banks with full recourse, as the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount of bills receivables and has recognised the bank and other borrowings for the discounted amounts received.

At 31 December 2024

The Group

	Bills discounted to banks with full recourse
	RMB'000
Carrying amount of transferred assets	9,001
Carrying amount of associated liabilities	(9,001)
	–

At 31 December 2022, 2023 and 2024, the Group had derecognised bills discounted to banks or endorsed to certain suppliers on a full recourse basis amounting to RMB4,849,602,000, RMB6,095,513,000 and RMB2,745,373,000, respectively. These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group pay off the outstanding balance. Therefore, the Group continued involve in them.

21B. FINANCIAL ASSETS AT FVTPL

The Group

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Unlisted financial products *(note)*	–	–	430,183

The Company

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Unlisted financial products *(note)*	–	–	30,183

Note: Unlisted financial products investments are managed by licensed financial institutions in the PRC to invest principally in certain financial assets including bonds, trusts or cash funds in accordance with the entrusted agreements entered into between the parties involved.

22. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

The Group's and the Company's restricted bank deposits are deposited to banks for the issue of bank borrowings, bills payables and letter of credit by the Group and the Company and are therefore classified as current assets. The restricted bank deposits will be released upon the settlement of relevant bank borrowings, bills payables and letter of credit.

Bank balances and restricted bank deposits carry interest at market rates ranging from 0.25% to 1.90%, 0.00% to 2.15% and 0.00% to 4.80% per annum at 31 December 2022, 2023 and 2024, respectively.

23. TRADE, BILLS AND OTHER PAYABLES

The Group

	At 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	500,786	1,023,404	961,347
Bills payables	509,102	743,785	725,543
	1,009,888	1,767,189	1,686,890
Payables for acquisition of property, plant and equipment *(note iv)*	1,169,148	5,281,683	4,714,360
Payables for acquisition of intangible assets *(note vi)*	–	–	83,750
Deposits received from customers *(note v)*	291,902	497,655	102,225
Accrued payroll and welfare	60,402	193,881	60,261
Other taxes payables	70,031	75,431	27,820
Amount due to an independent third party *(note i)*	20,000	20,000	20,000
Accrued issue costs	–	10,264	11,040
Amounts due to Yang Family and the vendors of Jietai Technology ("Vendors") *(note ii)*	2,140	–	–
Dividend payables	90	–	–
Consideration payables and related interest payables *(note iii)*	788,608	–	–
Other payables	102,903	113,416	242,507
	2,505,224	6,192,330	5,261,963
	3,515,112	7,959,519	6,948,853
Analysed as:			
Current	2,851,690	4,696,825	3,800,785
Non-current	663,422	3,262,694	3,148,068
	3,515,112	7,959,519	6,948,853

The Company

	At 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	1,152,646	707,605
Bills payables	–	–	70,000
	–	1,152,646	777,605
Payables for acquisition of intangible assets	–	–	161
Accrued payroll and welfare	3,382	14,372	6,260
Other taxes payables	1,070	12,193	3,641
Amounts due to subsidiaries	410,958	883,763	99,646
Accrued issue costs	–	10,264	11,040
Dividend payables	90	–	–
Consideration payables and related interest payables *(note iii)*	788,608	–	–
Other payables	8,401	2,588	2,720
	1,212,509	923,180	123,468
	1,212,509	2,075,826	901,073

Notes:

(i) Amounts are non-trade in nature, secured by certain of Company's equity interests in Shangrao Hongye New Energy Co., Ltd.* (上饒市弘業新能源有限公司) ("Hongye New Energy"), unguaranteed, interest-free and repayable on demand.

(ii) Amounts were non-trade in nature, unsecured, unguaranteed, interest-free and repayable on demand. In 2022, the amounts due to Yang Family and the Vendors of RMB600,000,000 were offset with the consideration in relation to the disposal of Discontinued Business.

(iii) The amount represented the consideration payables and related interest payables resulted from the Group's acquisition of 51% and 49% equity interests in Jietai Technology Group. The balance was unsecured, interest-free (excluding amount of RMB672,149,000 at 31 December 2022 which carried interest at 3.7% per annum) and repayable on demand. Such amount was fully settled during the year ended 31 December 2023.

(iv) Amount included RMB643,422,000, RMB3,211,356,000 and RMB3,082,157,000 which carried interest at 4.9%, ranged from 4.3% to 4.9%, and 4.2% per annum at 31 December 2022, 2023 and 2024, respectively, payable to the respective local governments as the Group's Chuzhou and Huai'an plants and their related ancillary buildings were constructed by the local government on the Group's behalf. Pursuant to the investment cooperation agreements entered into with the respective local governments, the Group is entitled to lease the aforementioned buildings for a period of 6 years free of charge upon their completion and the Group is required to buy them back in the following 4 years.

(v) Amount represents earnest deposits received by the Group in relation to framework agreements entered into with customers. These earnest deposits received with no specific purchase orders placed will either be offset with future purchase order transaction price or released to the customers upon maturity of the framework agreement.

* English name is for identification purpose

(vi) Amount represents the payables for acquisition of patent and software, which are due to independent third parties, non-trade in nature, unsecured, unguaranteed and interest-free. Amount included United States Dollar ("USD") 9,434,000 (equivalent to RMB67,815,000) with payment schedule over 1 year and its carrying amount at the date of inception is discounted at an imputed interest rate of 3.95% per annum.

The silicon wafer suppliers generally do not allow any credit period to the Group, while other suppliers generally allow a credit period of 30 to 120 days.

The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period:

The Group

	At 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
0 to 1 year	499,409	1,019,699	947,543
1 year to 2 years	676	2,914	10,995
Over 2 years	701	791	2,809
	500,786	1,023,404	961,347

The Company

	At 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
0 to 1 year	–	1,152,646	707,605

The following is an aged analysis of bills payables presented based on issue dates at the end of each reporting period:

The Group

	At 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
0 to 180 days	458,524	743,592	725,543
Over 180 days	50,578	193	–
	509,102	743,785	725,543

The Company

	At 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
0 to 180 days	–	–	70,000

The following is an aged analysis of bills payables presented based on maturity date at the end of each reporting period:

The Group

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
0 to 180 days	508,942	743,785	725,543
Over 180 days	160	–	–
	509,102	743,785	725,543

The Company

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
0 to 180 days	–	–	70,000

24. CONTRACT LIABILITIES

The Group

	At 1 January	At 31 December		
	2022	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts received in advance in respect of				
– Current Business	31,508	317,134	474,622	82,549
– Discontinued Business	61,890	N/A	N/A	N/A
	93,398	317,134	474,622	82,549

The Company

	At 1 January	At 31 December		
	2022	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts received in advance in respect of				
– Current Business	–	–	51,763	574,491
– Discontinued Business	22,577	N/A	N/A	N/A
	22,577	–	51,763	574,491

A contract liability represents the Group's and the Company'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.

Contract liabilities that are expected to be settled within the Group's and the Company's normal operating cycle are classified as current liabilities based on the Group's and the Company's earliest obligation to transfer goods to the customers.

The following table shows how much of the revenue recognised that was included in the balance of contract liabilities at the beginning of the year.

The Group

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Current Business	31,508	317,134	474,622
Discontinued Business	61,890	N/A	N/A
	93,398	317,134	474,622

The Company

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Current Business	–	–	51,763
Discontinued Business	22,577	N/A	N/A
	22,577	–	51,763

During the years ended 31 December 2022, 2023 and 2024, there were no revenue recognised that related to performance obligations that were satisfied in prior year.

The significant increase in the Group's contract liabilities from Current Business for the years ended 31 December 2022 and 2023 was mainly due to the expansion of the Group and advances received from new contracts obtained.

The significant decrease in the Group's contract liabilities from Current Business for the year ended 31 December 2024 was mainly due to the downward trend of the photovoltaic cell manufacturing industry.

25. BANK AND OTHER BORROWINGS

The Group

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Bank and other loans	3,707,849	4,331,101	5,337,936
Bank loans under supplier finance arrangements	–	–	40,000
	3,707,849	4,331,101	5,377,936

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Secured and guaranteed *(note i)*	773,155	–	–
Secured and unguaranteed *(note ii)*	1,545,452	1,799,733	1,793,266
Unsecured and guaranteed *(note iii)*	10,445	–	–
Unsecured and unguaranteed *(note iv)*	1,378,797	2,531,368	3,584,670
	3,707,849	4,331,101	5,377,936
Carrying amount repayable as follows:			
– within one year	1,204,167	1,285,621	2,491,935
– more than one year but not more than two years	725,073	836,895	1,381,469
– more than two years but not more than five years	1,099,531	2,106,398	1,504,532
– more than five years	679,078	102,187	–
	3,707,849	4,331,101	5,377,936
Less: Amount due for settlement within one year and shown under current liabilities	(1,204,167)	(1,285,621)	(2,491,935)
Amounts shown under non-current liabilities	2,503,682	3,045,480	2,886,001

The Company

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Secured and guaranteed *(note i)*	773,155	–	–
Unsecured and unguaranteed *(note iv)*	–	–	135,530
	773,155	–	135,530
Carrying amount repayable as follows:			
– within one year	177,955	–	13,678
– more than one year but not more than two years	191,800	–	13,550
– more than two years but not more than five years	403,400	–	108,302
	773,155	–	135,530
Less: Amount due for settlement within one year and shown under current liabilities	(177,955)	–	(13,678)
Amounts shown under non-current liabilities	595,200	–	121,852

Notes:

(i) These loans were secured by certain of Yang Family's equity interests in the Company and the Company's equity interests in Jietai Technology, and guaranteed by a shareholder of the Company and an independent third party. Such amounts were fully settled during the year ended 31 December 2023.

(ii) These loans are secured by certain of the Group's equity interests in Hongye New Energy, buildings, leasehold land, bills receivables, receivables at FVTOCI and restricted bank deposits, and unguaranteed. Amounts included RMB500,000,000, RMB500,000,000 and RMB400,000,000 which carried interest at 1 year Loan Prime Rate ("LPR") per annum at 31 December 2022, 2023 and 2024, respectively, payable to an independent third party. Pursuant to the relevant financing agreements, the Group transferred 40% equity interest of Hongye New Energy to the independent third party and the Group is required to repurchase these 40% equity interest from the independent third party after 6 years since the date of equity interest transferred. Also pursuant to the relevant financing agreements, the independent third party committed not to involve in the operating decision of Hongye New Energy and did not have any right for returns, thus, it is in fact considered as a creditor without shareholder's right. The independent third party is only entitled to the stated interest over the 6-year period.

(iii) These loans are unsecured and guaranteed by an independent third party.

(iv) These loans are unsecured and unguaranteed.

The exposure of the Group's and the Company's borrowings are as follows:

The Group

	At 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Fixed-rate borrowings	2,563,100	2,040,978	2,525,694
Variable-rate borrowings	1,144,749	2,290,123	2,852,242
	3,707,849	4,331,101	5,377,936

The Company

	At 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Fixed-rate borrowings	402,780	–	–
Variable-rate borrowings	370,375	–	135,530
	773,155	–	135,530

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	At 31 December		
	2022	2023	2024
The Group			
Effective interest rates:			
Fixed-rate borrowings	1.52% to 12.66%	1.52% to 7.56%	1.25% to 7.18%
Variable-rate borrowings	LPR-70 basic points to LPR+165 basic points	LPR-70 basic points to LPR+85 basic points	LPR-75 basic points to 5 year Loan Prime Rate
The Company			
Effective interest rates:			
Fixed-rate borrowings	5.20%	–	–
Variable-rate borrowings	LPR+165 basic points	–	LPR

In respect of bank loans with carrying amount of RMB402,000,000, RMB216,255,000 and RMB230,965,000 at 31 December 2022, 2023 and 2024 raised by the Group, respectively, the Group is required to comply with the following significant financial covenants throughout the continuance of the relevant loans and/or as long as the loans are outstanding:

For the loans outstanding at 31 December 2022:

- Profit-making in the Group's interim or annual reports;
- the Group's audited net profit shall not be negative for two consecutive years since the relevant loan's releasing date;
- Jietai Technology Group's profit before interest and tax in each of the calendar years ended 31 December 2021, 2022 and 2023 shall be no less than RMB210 million, RMB270 million and RMB310 million.

For the loan outstanding at 31 December 2023:

- Debt to asset ratio of Jietai Technology shall be no more than 75%;
- Current ratio of Chuzhou Jietai shall be no less than 0.5;
- Profit-making of Huai'an Jietai and Jietai Technology.

For the loans outstanding at 31 December 2024:

- Current ratio of Chuzhou Jietai shall be no less than 0.5;
- The total amount of Chuzhou Jietai's external guarantees shall not exceed its net assets;
- The Group's external leverage ratio, which is the ratio of interest-bearing debt to the total of tangible net assets plus irredeemable preferred shares and non-controlling interests, shall be below 3;
- The ratio of the Group's total interest-bearing debt to consolidated earnings before interest, taxes, depreciation and amortisation shall be below 5.

Bank loans under supplier finance arrangements

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 within 1 year after settlement by the banks with interest rate at 3.1% 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.

26. LEASE LIABILITIES

The Group

	At 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	1,694	3,618	2,170
Within a period of more than one year but not exceeding two years	1,781	666	1,642
Within a period of more than two years but not exceeding five years	716	–	3,494
	4,191	4,284	7,306
Less: Amounts due for settlement within 12 months shown under current liabilities	(1,694)	(3,618)	(2,170)
Amounts due for settlement after 12 months shown under non-current liabilities	2,497	666	5,136

The Group's incremental borrowing rates applied to lease liabilities is ranged from 6.8% to 8.66%, 4.13% to 8.66%, and 4.21% to 8.66% per annum for the years ended 31 December 2022, 2023 and 2024, respectively.

27. DEFERRED INCOME

During the year ended 31 December 2022, 2023 and 2024, the Group received government subsidies of RMB620,000,000, RMB1,289,058,000 and RMB461,696,000, respectively, whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets. The amounts of RMB399,672,000, RMB1,239,235,000 and RMB703,462,000 has been deducted from the carrying amount of the relevant assets for the years ended 31 December 2022, 2023 and 2024, respectively. These amounts are transferred to profit or loss in the form of other income, reduction of finance costs or reduced depreciation charges over the useful lives of the relevant assets. At 31 December 2022, 2023 and 2024, an amount of RMB220,328,000, RMB270,151,000 and RMB28,385,000, respectively, was recorded as deferred income as such government subsidies were received but had yet meet the relevant conditions and/or purchased, constructed or otherwise acquired the related non-current assets.

28. SHARE CAPITAL

All shares issued by the Company are fully paid domestic shares. The par value is RMB1. The Company's number of shares issued and their nominal value are as follows:

	Nominal value per share	Number of shares	Amount
	RMB	*'000*	*RMB'000*
Registered and fully paid:			
At 1 January 2022	1	137,291	137,291
Conversion of convertible loan notes	1	4,233	4,233
At 31 December 2022	1	141,524	141,524
Dividends recognised as distribution *(note 12)*	1	56,610	56,610
Issuance of ordinary shares *(note)*	1	27,760	27,760
Exercise of share options	1	1,501	1,501
At 31 December 2023	1	227,395	227,395
Exercise of share options	1	1,757	1,757
At 31 December 2024	1	229,152	229,152

Note: On 23 May 2023, the Company issued 27,760,000 new shares at the subscription price of RMB100 per share. The net proceeds received by the Company, after deduction of the underwriting commission and other expenses payable by the Company, amounted to RMB2,738,206,000.

29. DISCONTINUED OPERATION OF DISCONTINUED BUSINESS

On 12 March 2022, the Group entered into a transfer agreement with Yang Family pursuant to which the Group agreed to sell and Yang Family agreed to acquire 100% equity interest of Suzhou Drinda Automobile Technology Co., Ltd.* (蘇州鈞達車業科技有限公司) ("Suzhou Drinda") and Hainan Xinsu Mould Plastic Industrial Trade Co., Ltd.* (海南新蘇模塑工貿有限公司) ("Hainan Xinsu"), which were the principal subsidiaries of the Company that engaged in the Discontinued Business, as well as all assets relating to the Discontinued Business for a cash consideration of RMB1,015,056,000. Pursuant to the completion of the share transfer registration, the disposal of Suzhou Junda and Hainan Xinsu were completed on 30 April 2022 and 6 June 2022, respectively, on which dates the control of Suzhou Junda and Hainan Xinsu were passed to Yang Family ("Date of Disposal").

The profit for the year from the Discontinued Business included in the Group's consolidated statements of profit or loss and other comprehensive income, which are consistently presented as discontinued operation, over the Track Record Period are set out below:

	Year ended 31 December
	2022
	RMB'000
Loss of Discontinued Business for the year	(10,414)
Gain on disposal of Discontinued Business	214,501
	204,087

* English name is for identification purpose

The results of the Discontinued Business included in the Group's consolidated statements of profit or loss and other comprehensive income (representing the financial information of the Discontinued Business after elimination of intra-group transactions with the Group), which is consistently presented as a discontinued operation, over the Track Record Period are set out below:

	For the period from 1 January 2022 to Date of Disposal
	RMB'000
Revenue	464,356
Cost of sales	(409,570)
Gross profit	54,786
Other income	17,755
Other gains and losses	(1,936)
Selling and marketing expenses	(4,263)
Administrative expenses	(30,245)
Research and development expenses	(14,260)
Net impairment losses under ECL model	(2,020)
Share of results of associates	(2,940)
Other expenses	(13,871)
Finance costs	(5,734)
Loss before tax	(2,728)
Income tax expense	(7,686)
Loss and total comprehensive expense for the period	(10,414)

Analysis of assets and liabilities over which control was lost on the Date of Disposal of the Discontinued Business:

	RMB'000
Property, plant and equipment	699,746
Right-of-use assets	130,655
Investment properties	10,122
Intangible assets	6,956
Interests in associates	40,930
Deferred tax assets	13,678
Inventories	316,453
Trade, bills and other receivables	1,047,537
Receivables at FVTOCI	63,769
VAT recoverable	32,536
Financial assets at FVTPL	3,000
Restricted bank deposits	34,161
Cash and cash equivalents	38,830
Trade, bills and other payables	(1,447,011)
Contract liabilities	(31,892)
Tax payable	(2,625)
Bank and other borrowings	(156,290)
Net assets disposed of	800,555

Gain on disposal

	RMB'000
Consideration *(note)*	1,015,056
Less: net assets disposed of attributable to owners of the Company	(800,555)
Gain on disposal	214,501
Net cash inflow arising on disposal of Discontinued Business	
Consideration	1,015,056
Less: cash and cash equivalents disposed of	(38,830)
Less: offset with amounts due to Yang Family and the Vendors *(note)*	(600,000)
	376,226

Note: Pursuant to the mutual agreement between Yang Family, the Vendors and the Company, the consideration in relation to the disposal of the Discontinued Business be partially offset by the Group's amount due to Yang Family in the amount of RMB600,000,000.

Loss for the year from discontinued operation of Discontinued Business includes the following:

	For the period from 1 January 2022 to Date of Disposal
	RMB'000
Depreciation of property, plant and equipment	118,418
Depreciation of right-of-use assets	775
Depreciation of investment properties	504
Amortisation of intangible assets	268
	119,965
Capitalised in inventories	(15,178)
Total depreciation and amortisation charged to profit or loss	104,787
Auditors' remuneration	1,132
Impairment loss recognised on property, plant and equipment included in cost of sales	–
Cost of inventories recognised as cost of sales	356,250
Write-down of inventories	9,564
Staff costs	
– Salaries and other benefits	44,976
– Retirement benefit scheme contributions	4,379
– Discretionary performance related bonus	649
Total staff costs	50,004
Capitalised in inventories	(33,355)
Total staff costs charged to profit or loss	16,649
Research and development expenses	
Staff costs	7,281
Depreciation and amortisation	741
Materials consumed	4,087
Others	2,151
	14,260
Net impairment losses under ECL model	
Trade and bills receivables	1,480
Other receivables	540
	2,020
Rental income from investment properties	1,774

The cash flows contributed by the Discontinued Business to the Group during the Track Record Period are as follows:

	For the period from 1 January 2022 to Date of Disposal
	RMB'000
Net cash from operating activities	113,540
Net cash from investing activities	33,085
Net cash used in financing activities	(164,411)
Net cash outflows	(17,786)

The Discontinued Business during the Track Record Period had the following related party balances.

(a) Trade receivables

	Relationship	At Date of Disposal
		RMB'000
Wuhan Heda Automotive Parts Co., Ltd.* 武漢河達汽車飾件有限公司 ("Wuhan Heda")	(i)	21
Chongqing Senmai Automotive Parts Co., Ltd.* 重慶森邁汽車配件有限公司 ("Chongqing Senmai")	(ii)	96
		117

(b) Other receivables

	Relationship	At Date of Disposal
		RMB'000
Yang Family	(iii)	21,047

Amounts were non-trade in nature, unsecured, unguaranteed, interest-free and repayable on demand.

(c) Other payables

	Relationship	At Date of Disposal
		RMB'000
Suzhou Xinzhongda Automobile Trim Co., Ltd.* 蘇州新中達汽車飾件有限公司 ("Suzhou Xinzhongda")	(ii)	276,828
Chongqing Senmai	(ii)	793
		277,621

Amounts were non-trade in nature, unsecured, unguaranteed, interest-free and repayable on demand.

* English name is for identification purpose

The transactions arising from the Discontinued Business with related parties during the Track Record Period are listed out below:

(d) Sales of goods

	Relationship	Period from 1 January 2022 to Date of Disposal
		RMB'000
Suzhou Xinzhongda	(ii)	56,727
Chongqing Senmai	(ii)	14,887
Kaifeng Hexi Automotive Parts Co., Ltd.* 開封河西汽車飾件有限公司 ("Kaifeng Hexi")	(i)	2,450
		74,064

(e) Purchase of goods

	Relationship	Period from 1 January 2022 to Date of Disposal
		RMB'000
Kaifeng Hexi	(i)	40
Suzhou Xinzhongda	(ii)	11,102
Chongqing Senmai	(ii)	933
		12,075

(f) Rental income

	Relationship	Period from 1 January 2022 to Date of Disposal
		RMB'000
Wuhan Heda	(i)	314

(g) Rental expense

	Relationship	Period from 1 January 2022 to Date of Disposal
		RMB'000
Suzhou Xinzhongda	(ii)	1,577

Notes:

(i) Associates of the Group.

(ii) Entity controlled by Yang Family.

(iii) Shareholders of the Company whom exercise significant influence over the Company.

* English name is for identification purpose

30. SHARE-BASED PAYMENT

Equity-settled share option scheme of the Company

The Company's 2021, 2022 and 2023 share incentive plan was adopted pursuant to resolutions passed on 16 November 2021, 28 May 2022 and 16 January 2023, respectively (the "2021 Incentive Plan", "2022 Incentive Plan" and "2023 Incentive Plan"). The primary purpose of these incentive plans is to promote the success of the Company and the interests of its shareholders by providing a mean through which the Company may grant equity-based incentives to attract, motivate, retain and reward employees and directors and to further link the eligible persons' interests with those of the Company's shareholders generally.

The vesting of the share options granted is subject to the eligible person remaining at all times after the date of granting and on the vesting date an eligible person of these incentive plans. Share options granted under these incentive plans consist of first-granted share options and reserved share options, and the validity period of the share options of 2021 Incentive Plan, 2022 Incentive Plan and 2023 Incentive Plan shall be maximum 4 years, 6 years and 4 years from the date of grant and the share options shall lapse at the expiry of the validity period, respectively, of different batches. The share options shall have the vesting periods based on the achievement level of the performance target of each relevant grantee set by the board of directors of the Company for different batches as follows:

(i) 30%, 30% and 40% of the share options shall vest each time on the first, second and third anniversary of the vesting commencement date;

(ii) 50% and 50% of the share options shall vest each time on the first and second anniversary of the vesting commencement date;

(iii) 50% and 50% of the share options shall vest each time on the five and six anniversary of the vesting commencement date.

A share option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favour of or enter into any agreement with any other person over or in relation to such share option.

In April 2023, the Company declared cash dividend and stock dividend while in April 2024, the Company declared cash dividend. Accordingly, the management of the Group adjusted the exercise price and numbers of all outstanding options in 2023 and the exercise price in 2024, respectively, on a pro rata basis to the share options granted under 2021, 2022 and 2023 Incentive Plan, which is in accordance with the Management Measures for Equity Incentives of Listed Companies (上市公司股權激勵管理辦法) and the terms of the respective incentive plans.

The table below discloses movements of the share options held by grantees under 2021, 2022 and 2023 Incentive Plan:

For the year ended 31 December 2022

Option	Name of grantee	Date of grant	Exercise price	Outstanding at 1 January 2022	Granted during the year	Forfeited during the year	Outstanding at 31 December 2022
Option A	Employees	6 December 2021	RMB40.4	2,347,000	–	(445,000)	1,902,000
Option A	Directors	6 December 2021	RMB40.4	420,000	–	–	420,000
Option B	Employees	13 June 2022	RMB60.92	–	1,979,000	(221,000)	1,758,000
Option B	Directors	13 June 2022	RMB60.92	–	260,000	–	260,000
Option C	Employees	15 July 2022	RMB89.55	–	449,000	–	449,000
				2,767,000	2,688,000	(666,000)	4,789,000
Exercisable at the end of the year							–
Weighted average exercise price				RMB40.40	RMB65.70	RMB47.21	RMB53.65

For the year ended 31 December 2023

Option	Name of grantee	Date of grant	Exercise price	Outstanding at 1 January 2023	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at the date of adjustment in 2023
Option A . . .	Employees	6 December 2021	RMB40.4	1,902,000	–	(557,100)	(40,000)	1,304,900
Option A . . .	Directors	6 December 2021	RMB40.4	420,000	–	(126,000)	–	294,000
Option B . . .	Employees	13 June 2022	RMB60.92	1,758,000	–	–	(131,000)	1,627,000
Option B . . .	Directors	13 June 2022	RMB60.92	260,000	–	–	–	260,000
Option C . . .	Employees	15 July 2022	RMB89.55	449,000	–	–	–	449,000
Option D . . .	Employees	16 January 2023	RMB60.92	–	399,500	–	(30,000)	369,500
Option E . . .	Employees and key management	2 February 2023	RMB148.41	–	2,448,400	–	(312,000)	2,136,400
Option E . . .	Directors	2 February 2023	RMB148.41	–	453,000	–	–	453,000
				4,789,000	3,300,900	(683,100)	(513,000)	6,893,800
Weighted average exercise price				RMB53.65	RMB137.82	RMB40.4	RMB112.53	RMB90.89

Option	Name of grantee	Date of grant	Exercise price	Outstanding at the date of adjustment in 2023 (after adjusted)	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 31 December 2023
Option A . .	Employees	6 December 2021	RMB28.47	1,824,353	–	–	(104,856)	1,719,497
Option A . .	Directors	6 December 2021	RMB28.47	411,035	–	–	–	411,035
Option B . .	Employees	13 June 2022	RMB43.15	2,274,674	–	(661,858)	(476,745)	1,136,071
Option B . .	Directors	13 June 2022	RMB43.15	363,501	–	(25,166)	–	338,335
Option C . .	Employees	15 July 2022	RMB63.63	627,737	–	(130,432)	–	497,305
Option D . .	Employees	16 January 2023	RMB43.15	516,590	–	–	(47,535)	469,055
Option E . .	Employees and key management	2 February 2023	RMB105.73	2,986,855	–	–	(644,514)	2,342,341
Option E . .	Directors	2 February 2023	RMB105.73	633,330	–	–	–	633,330
Option F . .	Employees	23 May 2023	RMB43.15	–	238,372	–	(34,952)	203,420
Option G . .	Employees	12 October 2023	RMB74.99	–	3,228,120	–	(193,260)	3,034,860
				9,638,075	3,466,492	(817,456)	(1,501,862)	10,785,249
Exercisable at the end of the year . . .								57,889
Weighted average exercise price . . .				RMB64.58	RMB72.80	RMB46.41	RMB73.08	RMB67.42

For the year ended 31 December 2024

Option	Name of grantee	Date of grant	Exercise price (before and after adjustment in 2024)	Outstanding at 1 January 2024	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31 December 2024
Option A	Employees	6 December 2021	RMB28.47/ 27.72	1,719,497	–	(757,891)	(961,606)	–
Option A	Directors	6 December 2021	RMB28.47/ 27.72	411,035	–	(176,158)	(234,877)	–
Option B	Employees	13 June 2022	RMB43.15/ 42.40	1,136,071	–	(493,925)	(587,040)	55,106
Option B	Directors	13 June 2022	RMB43.15/ 42.40	338,335	–	–	(313,169)	25,166
Option C	Employees	15 July 2022	RMB63.63/ 62.88	497,305	–	–	(251,095)	246,210
Option D	Employees	16 January 2023	RMB43.15/ 42.40	469,055	–	(227,541)	(241,514)	–
Option E	Employees and key management	2 February 2023	RMB105.73/ 104.98	2,342,341	–	–	(1,127,436)	1,214,905
Option E	Directors	2 February 2023	RMB105.73/ 104.98	633,330	–	–	(190,000)	443,330
Option F	Employees	23 May 2023	RMB43.15/ 42.40	203,420	–	(101,711)	(101,709)	–
Option G	Employees	12 October 2023	RMB74.99/ 74.24	3,034,860	–	–	(2,013,510)	1,021,350
Option H	Employees	14 March 2024	RMB60.23/ 59.48	–	1,160,964	–	(844,764)	316,200
				10,785,249	1,160,964	(1,757,226)	(6,866,720)	3,322,267
Exercisable at the end of the year								2,058,503
Weighted average exercise price .				RMB67.42	RMB60.23	RMB35.09	RMB64.12	RMB86.57

The Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' of the Company best estimate. Changes in variables and assumptions may result in changes in the fair value of the options. These fair values and corresponding inputs into the model were as follows:

For the year ended 31 December 2022

Option Granted	Grant date option fair value per share	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield
Option B	RMB43.62- RMB49.69	RMB60.92	21.84%- 24.09%	6 years	1.50%- 2.75%	0.27%- 0.66%
Option C	RMB24.81- RMB32.29	RMB89.55	21.96%- 22.70%	4 years	1.50%- 2.75%	0.27%- 0.61%

For the year ended 31 December 2023

Option Granted	Grant date option fair value per share	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield
Option D	RMB124.73-RMB134.56	RMB60.92	21.22%-22.79%	3 years	1.50%-2.10%	0.27%-0.50%
Option E	RMB39.18-RMB51.89	RMB148.41	21.03%-22.41%	4 years	1.50%-2.71%	0.50%-0.61%
Option F	RMB66.47-RMB66.80	RMB43.15	17.60%-19.57%	3 years	1.50%-2.10%	0.27%-0.50%
Option G	RMB12.98-RMB16.84	RMB74.99	15.71%-18.95%	3 years	1.50%-2.10%	0.36%-0.46%

For the year ended 31 December 2024

Option Granted	Grant date option fair value per share	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield
Option H	RMB14.92-RMB17.61	RMB60.23	17.74%-19.73%	2 years	1.50%-2.10%	0.36%-0.46%

For the years ended 31 December 2022 and 2023, the Group's total share-based payment expenses recognised in the consolidated statements of profit or loss and other comprehensive income in relation to share option granted by the Company is RMB49,579,000 and RMB121,342,000, respectively, while reversed RMB15,997,000 for the year ended 31 December 2024, mainly due to the reason that considering the downward market trend in 2024, the management of the Group did not expect the vesting conditions which are tied to the financial performance of the Group to be met.

31. PLEDGE OF ASSETS

The following assets have been pledged to various banks for obtaining line of credit and, securing of the Group's banking facilities or the issue of bills payables at the end of each reporting period:

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	929,256	382,079	923,070
Right-of-use assets	24,486	126,165	123,580
Bills receivables	–	–	9,001
Receivables at FVTOCI	10,000	–	22
Restricted bank deposits	629,122	958,078	919,356
	1,592,864	1,466,322	1,975,029

32. CAPITAL COMMITMENTS

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Capital expenditure in respect of acquisition of property, plant and equipment and intangible assets contracted for but not provided in the Historical Financial Information	2,668,393	1,007,008	211,207

33. RECONCILIATION OF ASSETS AND LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's assets and liabilities arising from financing activities, including both cash and non-cash changes. Assets and liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Amount due to an independent third party	Lease liabilities	Dividends payable	Bank and other borrowings	Convertible loan notes	Deposits paid for sales and leaseback arrangement	Consideration payables and related interest payables	Amounts due to Yang Family and the Vendors	Payables for acquisition of property, plant and equipment	Payables for acquisition of intangible assets	Deferred issue costs, prepayment for listing expenses and accrued issue costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	–	2,357	3,247	1,250,650	61,936	(25,605)	–	15,192	–	–	–	1,307,777
Financing cash flows	20,000	(2,905)	(3,157)	2,404,953	(733)	(24,758)	(742,514)	–	–	–	–	1,650,886
Non-cash changes												
Addition of leases	–	4,532	–	–	–	–	–	–	–	–	–	4,532
Interest expenses	–	207	–	117,732	345	–	12,122	–	10,243	–	–	140,649
Disposal of Discontinued Business	–	–	–	(156,290)	–	–	–	(15,192)	–	–	–	(171,482)
Conversion into share capital	–	–	–	–	(61,548)	–	–	–	–	–	–	(61,548)
Bills paid on maturity	–	–	–	53,608	–	–	–	–	–	–	–	53,608
Acquisition of non-controlling interests of Jietai Technology Group	–	–	–	–	–	–	1,519,000	–	–	–	–	1,519,000
Offset with deposits paid for sales and leaseback arrangement	–	–	–	(8,822)	–	8,822	–	–	–	–	–	–
Recognition of VAT	–	–	–	46,018	–	–	–	–	–	–	–	46,018
Additions of property, plant and equipment	–	–	–	–	–	–	–	–	643,421	–	–	643,421
At 31 December 2022	20,000	4,191	90	3,707,849	–	(41,541)	788,608	–	653,664	–	–	5,132,861

	Amount due to an independent third party	Lease liabilities	Dividends payable	Bank and other borrowings	Convertible loan notes	Deposits paid for sales and leaseback arrangement	Consideration payables and related interest payables	Amounts due to Yang Family and the Vendors	Payables for acquisition of property, plant and equipment	Payables for acquisition of intangible assets	Deferred issue costs, prepayment for listing expenses and accrued issue costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financing cash flows	–	(2,377)	(85,004)	639,980	–	(25,000)	(811,716)	–	(70,668)	–	(2,471)	(357,256)
Non-cash changes												
Dividend declared	–	–	84,914	–	–	–	–	–	–	–	–	84,914
Addition of lease	–	2,201	–	–	–	–	–	–	–	–	–	2,201
Interest expenses	–	269	–	141,390	–	–	23,108	–	70,668	–	–	235,435
Offset with bank and other borrowings	–	–	–	(16,791)	–	16,791	–	–	–	–	–	–
Offset with restricted bank deposits	–	–	–	(155,219)	–	–	–	–	–	–	–	(155,219)
Recognition of VAT	–	–	–	13,892	–	–	–	–	–	–	–	13,892
Additions of property, plant and equipment	–	–	–	–	–	–	–	–	2,605,275	–	–	2,605,275
At 31 December 2023	20,000	4,284	–	4,331,101	–	(49,750)		–	3,258,939	–	(2,471)	7,562,103
Financing cash flows	–	(1,833)	(170,015)	1,122,414	–	–	–	–	(257,118)	(19,092)	(23,097)	651,259
Non-cash changes												
Dividend declared	–	–	170,015	–	–	–	–	–	–	–	–	170,015
Listing expenses	–	–	–	–	–	–	–	–	–	–	5,236	5,236
Addition of lease	–	7,919	–	–	–	–	–	–	–	–	–	7,919
Termination of lease	–	(3,346)	–	–	–	–	–	–	–	–	–	(3,346)
Additions of intangible assets	–	–	–	–	–	–	–	–	–	97,789	–	97,789
Offset with restricted bank deposits	–	–	–	(224,300)	–	–	–	–	–	–	–	(224,300)
Interest expenses	–	282	–	110,228	–	–	–	–	103,407	1,977	–	215,894
Offset with bank and other borrowings	–	–	–	(49,471)	–	49,471	–	–	–	–	–	–
Recognition of VAT	–	–	–	47,964	–	279	–	–	14,862	–	–	63,105
Supplier finance arrangements *(note 25)*	–	–	–	40,000	–	–	–	–	–	–	–	40,000
Adjustment on completion of construction in progress	–	–	–	–	–	–	–	–	13,273	–	–	13,273
Exchange difference	–	–	–	–	–	–	–	–	–	1,248	–	1,248
At 31 December 2024	20,000	7,306	–	5,377,936	–	–	–	–	3,133,363	81,922	(20,332)	8,600,195

33A. INFORMATION OF SUPPLIER FINANCE ARRANGEMENTS

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of the financial liabilities that are subject to supplier finance arrangements			
Presented as part of "Bank and other borrowings" (note 25)			
– Of which suppliers have already received payment from the finance provider	–	–	40,000

	At 31 December		
	2022	2023	2024
	Days	*Days*	*Days*
Range of payment due dates			
For liabilities presented as part of "Bank and other borrowings":			
– Liabilities that are part of supplier finance arrangements	N/A	N/A	365
– Comparable trade payables that are not part of supplier finance arrangements	N/A	N/A	30-120

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. During the year ended 31 December 2022, 2023 and 2024, borrowings under supplier finance arrangement of nil, nil and RMB40,000,000 represent the payments to the suppliers by the relevant banks directly. There were no other material non-cash changes in these liabilities.

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt, which includes amount due to an independent third party of non-trade nature, amounts due to Yang Family and the Vendors, bank and other borrowings and lease liabilities disclosed in notes 23, 25 and 26, respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

35. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortised cost	1,937,648	3,821,488	4,238,544
FVTOCI	1,014,656	1,739,083	187,790
FVTPL	–	–	430,183
	2,952,304	5,560,571	4,856,517
Financial liabilities			
Amortised cost	6,893,486	11,513,389	12,136,483

The Company

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortised cost	3,458	722,090	638,480
FVTOCI	–	701,595	15,144
FVTPL	–	–	30,183
	3,458	1,423,685	683,807
Financial liabilities			
Amortised cost	1,981,212	2,038,997	1,026,702

Financial risk management objectives and policies

The Group's and the Company's major financial instruments include trade, bills and other receivables, receivables at FVTOCI, financial assets at FVTPL, restricted bank deposits, cash and cash equivalents, trade, bills and other payables and bank and other borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The primary economic environment which the principal subsidiaries of the Company operates is the PRC and their functional currency is RMB. However, certain transactions of the principal subsidiaries including sales of goods are denominated in foreign currencies.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The carrying amounts of the foreign currency denominated monetary assets and liabilities other than functional currencies of the relevant group entities at the end of the reporting period are as follows:

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Assets			
USD	10,698	148,187	698,993
Liabilities			
USD	(3,815)	(1,374)	(68,955)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A negative number below indicates an decrease in post-tax profit and other equity where RMB strengthen 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit and other comprehensive income and the amounts below would be positive.

	At 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
USD impact			
– if USD strengthens against RMB	312	6,091	26,777
– if USD weakens against RMB	(312)	(6,091)	(26,777)

Interest rate risk

The Group and the Company is exposed to fair value interest rate risk in relation to, fixed-rate payables for acquisition of property, plant and equipment, bank and other borrowings and lease liabilities, (details are set out in notes 23, 25 and 26, respectively). The Group currently does not have formal interest rate hedging policies. The management of the Group monitors the Group's exposures on an on-going basis and will consider hedging interest rate risk should the need arise.

The Group is also exposed to cash flow interest rate risk in relation to floating-rate restricted bank deposits, cash and cash equivalents and bank and other borrowings (details are set out in notes 22 and 25).

In the opinion of the management of the Group, the exposure of cash flow interest rate risk arising from floating-rate restricted bank deposits, cash and cash equivalents and bank and other borrowings is insignificant and thus no sensitivity analysis is prepared.

Credit risk and impairment assessment

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group considers all elements of credit risk exposure such as counterparty default risk and sector risk for risk management purposes.

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statements of financial position.

The Group's credit risk is primarily attributable to its trade, bills and other receivables, receivables at FVTOCI, restricted bank deposits and bank balances.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivables at the end of each reporting period to ensure that adequate impairment losses allowance are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The restricted bank deposits, bank balances, bills receivables and receivables at FVTOCI are determined to have low credit risk at the end of each reporting period. The credit risk on restricted bank deposits, bank balances, bills receivables and receivables at FVTOCI is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

The Group has concentration of credit risk as 5.32%, 33.92% and nil of the total trade receivables was due from the Group's largest customer at 31 December 2022, 2023 and 2024, respectively. Also, the Group has concentration of credit risk as 44.36%, 36.81% and 78.65% of the total trade receivables was due from the Group's five largest customers at 31 December 2022, 2023 and 2024, respectively.

In addition to the credit risk limit management and other mitigation measures as described above, the Group monitors all financial assets, that are subjected to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the impairment loss allowance based on lifetime ECL rather than 12m ECL.

Trade receivables

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the impairment loss allowance at lifetime ECL. The Group determines the ECL on these items on an individual basis for customer with high credit risk and the remaining is estimated collectively by using a provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

In order to minimise credit risk, the Group has tasked its operation management committee to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default.

Other receivables

For other receivables, the Group has applied the general approach in IFRS 9 to measure the impairment loss allowance at 12m ECL, since the directors of the Company assessed that there has not been any significant increase in credit risk.

In determining the ECL, the management of the Group has taken into account the historical credit loss experience based on the past default experience of the counterparty, general economic conditions of the industry in which the counterparty operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table shows the Group's credit risk grading framework in respect of financial assets:

Categories	Descriptions	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired	Trade receivables Lifetime ECL – not credit-impaired Other receivables 12m ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired	Lifetime ECL – not credit-impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The tables below detail the credit risk exposures of the Group's and the Company's financial assets which are subjected to ECL assessment:

The Group

31 December 2022	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Trade receivables *(note)*	*20*	Performing	Lifetime ECL	47,954
Bills receivables *(note)*	*20*	Performing	Lifetime ECL	7,987
Other receivables	*20*	Performing	12m ECL	11,017
		Default	Lifetime ECL	10,239
				21,256
Receivables at FVTOCI *(note)*	*21*	Performing	Lifetime ECL	1,014,656
Restricted bank deposits	*22*	Performing	12m ECL	629,122
Cash and cash equivalents	*22*	Performing	12m ECL	1,243,953

31 December 2023	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Trade receivables *(note)*	*20*	Performing	Lifetime ECL	6,930
		Default	Lifetime ECL	3,495
				14,025
Bills receivables *(note)*	*20*	Performing	Lifetime ECL	147,715
Amount due from Yang Family	*20*	Performing	12m ECL	5
Other receivables	*20*	Performing	12m ECL	8,201
		Default	Lifetime ECL	16,818
				25,019
Receivables at FVTOCI *(note)*	*21*	Performing	Lifetime ECL	1,739,083
Restricted bank deposits	*22*	Performing	12m ECL	958,078
Cash and cash equivalents	*22*	Performing	12m ECL	2,649,852

31 December 2024	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Trade receivables *(note)*	*20*	Performing	Lifetime ECL	29,024
		Default	Lifetime ECL	3,495
				32,519
Bills receivables *(note)*	*20*	Performing	Lifetime ECL	623,804
Other receivables	*20*	Performing	12m ECL	59,259
		Default	Lifetime ECL	6,795
				66,054
Receivables at FVTOCI *(note)*	*21*	Performing	Lifetime ECL	187,790
Restricted bank deposits	*22*	Performing	12m ECL	919,356
Cash and cash equivalents	*22*	Performing	12m ECL	2,616,276

The Company

31 December 2022	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Other receivables	*20*	Performing	12m ECL	1,026
Cash and cash equivalents	*22*	Performing	12m ECL	2,433

31 December 2023	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Trade receivables *(note)*	*20*	Performing	Lifetime ECL	462,646
Other receivables	*20*	Performing	12m ECL	218,872
Receivables at FVTOCI *(note)*	*21*	Performing	Lifetime ECL	701,595
Cash and cash equivalents	*22*	Performing	12m ECL	40,584

31 December 2024	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Trade receivables *(note)*	*20*	Performing	Lifetime ECL	360,599
Receivables at FVTOCI *(note)*	*21*	Performing	Lifetime ECL	15,144
Restricted bank deposits	*22*	Performing	12m ECL	21,000
Cash and cash equivalents	*22*	Performing	12m ECL	256,881

Note: For trade receivables, bills receivables and receivables at FVTOCI, the Group and the Company has applied the simplified approach in IFRS 9 to measure the impairment loss allowance at lifetime ECL. Except for debtors with high credit risk, the Group determines the ECL on these items by using a provision matrix grouped by internal credit rating.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following tables provide information about the exposure to credit risk for trade receivables which are assessed based on a provision matrix grouped by internal credit rating considering geographical information of the customers and aging of the receivables at 31 December 2022, 2023 and 2024, respectively, within lifetime ECL (not credit-impaired) and other financial assets measured at amortised cost. The Group's trade receivables from debtors with high credit risk with gross carrying amounts of nil, RMB3,495,000 and RMB3,495,000 at 31 December 2022, 2023 and 2024 were assessed individually, respectively. The Group's other receivables from debtors with high credit risk with gross carrying amounts of RMB10,239,000, RMB16,818,000 and RMB6,795,000 at 31 December 2022, 2023 and 2024 were assessed individually, respectively.

The Group

Gross carrying amounts at 31 December 2022

	Weighted average loss rate	Gross carrying amount
		RMB'000
Trade receivables aged		
Within 1 year	3.00%	47,438
1 to 2 years	10.00%	470
Over 2 years	19.57%	46
		47,954
Bills receivables aged		
0 to 180 days	1.00%	7,987
Other receivables	7.50%	11,017
Restricted bank deposits	–	629,122
Cash and cash equivalents	–	1,243,953

Gross carrying amounts at 31 December 2023

	Weighted average loss rate	Gross carrying amount
		RMB'000
Trade receivables aged		
Within 1 year	2.98%	8,075
1 to 2 years	10.05%	2,409
Over 2 years	50.00%	46
		10,530
Bills receivables aged		
0 to 180 days	1.00%	147,715
Other receivables	8.05%	8,201
Restricted bank deposits	–	958,078
Cash and cash equivalents	–	2,649,852

Gross carrying amounts as at 31 December 2024

	Weighted average loss rate	Gross carrying amount
		RMB'000
Trade receivables aged		
Within 1 year	3.00%	27,609
1 to 2 years	10.00%	1,369
Over 2 years	80.00%	46
		29,024
Bills receivables aged		
0 to 180 days	1.00%	623,804
Other receivables	3.26%	59,259
Restricted bank deposits	–	919,356
Cash and cash equivalents	–	2,616,276

The Company

Gross carrying amounts at 31 December 2022

	Weighted average loss rate	Gross carrying amount
		RMB'000
Other receivables	0.07%	1,026
Cash and cash equivalents	–	2,433

Gross carrying amounts at 31 December 2023

	Weighted average loss rate	Gross carrying amount
		RMB'000
Trade receivables aged		
Within 1 year	0.01%	462,646
Other receivables	–	218,872
Cash and cash equivalents	–	40,584

Gross carrying amounts at 31 December 2024

	Weighted average loss rate	Gross carrying amount
		RMB'000
Trade receivables aged		
Within 1 year	–	360,599
Restricted bank deposits	–	21,000
Cash and cash equivalents	–	256,881

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

During the years ended 31 December 2022 and 2024, based on the provision matrix, the Group's net impairment loss allowance for trade receivables recognised amounted to RMB1,072,000 and RMB496,000, respectively, while amount of RMB973,000 was reversed during the year ended 31 December 2023. Provision of net impairment loss allowance of nil, RMB3,495,000 and nil were individually made on trade receivables from debtors during the years ended 31 December 2022, 2023 and 2024 with high credit risk.

Liquidity risk

The management of the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group entered into supplier finance arrangement to ease access to credit for its suppliers and facilitate early settlement to the suppliers. Only small portion of the Group's bank borrowings is subject to supplier finance arrangements. Therefore, the management does not consider the supplier finance arrangement result in significant liquidity risk of the Group. Details of the arrangements are set out in note 25.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group

At 31 December 2022	Weighted average effective interest rate	On demand	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade, bills and other payables – interest-free	–	1,907,871	603,942	160	20,000	2,531,973	2,531,973
Payables for acquisition of property, plant and equipment included in trade, bills and other payables	4.9%	–	10,243	–	832,588	842,831	653,664
Lease liabilities	8.42%	–	1,401	586	3,332	5,319	4,191
Bank and other borrowings							
– fixed rate	7.41%	–	612,304	527,898	1,572,012	2,712,214	2,563,100
– variable rate	4.80%	–	156,521	63,201	1,142,792	1,362,514	1,144,749
		1,907,871	1,384,411	591,845	3,570,724	7,454,851	6,897,677

At 31 December 2023	Weighted average effective interest rate	On demand	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade, bills and other payables – interest-free	–	3,159,564	743,785	–	20,000	3,923,349	3,923,349
Payables for acquisition of property, plant and equipment included in trade, bill and other payables	4.47%	–	24,911	–	4,040,062	4,064,973	3,258,939
Lease liabilities	7.53%	–	1,518	1,605	1,442	4,565	4,284
Bank and other borrowings							
– fixed rate	5.09%	–	793,461	204,459	1,055,442	2,053,362	2,040,978
– variable rate	3.96%	–	57,262	39,695	2,417,179	2,514,136	2,290,123
		3,159,564	1,620,937	245,759	7,534,125	12,560,385	11,517,673

At 31 December 2024	Weighted average effective interest rate	On demand	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade, bills and other payables – interest-free	–	2,674,092	725,543	141,306	14,729	3,555,670	3,555,670
Payables for acquisition of property, plant and equipment included in trade, bills and other payables	3.60%	58,035	48,644	55,479	3,603,529	3,765,687	3,140,192
Payable for acquisition of intangible assets	3.95%	–	13,475	–	54,340	67,815	62,685
Lease liabilities	4.30%	–	1,964	–	5,460	7,424	7,306
Bank and other borrowings							
– fixed rate	3.27%	–	817,361	786,731	1,015,822	2,619,914	2,525,694
– variable rate	3.00%	–	339,873	664,573	2,011,081	3,015,527	2,852,242
		2,732,127	1,946,860	1,648,089	6,704,961	13,032,037	12,143,789

The Company

At 31 December 2022	Weighted average effective interest rate	On demand	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade, bills and other payables	–	1,208,057	–	–	–	1,208,057	1,208,057
Lease liabilities	8.66%	–	144	144	144	432	388
Bank and other borrowings							
– fixed rate	5.13%	–	61,931	100,987	352,105	515,023	402,780
– variable rate	5.30%	–	79,387	7,862	325,799	413,048	370,375
		1,208,057	141,462	108,993	678,048	2,136,560	1,981,600

At 31 December 2023	Weighted average effective interest rate	On demand	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade, bills and other payables	–	2,038,997	–	–	–	2,038,997	2,038,997
Lease liabilities	8.66%	–	144	–	144	288	269
		2,038,997	144	–	144	2,039,285	2,039,266

At 31 December 2024	Weighted average effective interest rate	On demand	Within 6 months	6 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade, bills and other payables	–	821,172	70,000	–	–	891,172	891,172
Lease liabilities	8.66%	–	144	–	–	144	140
Bank and other borrowings							
– variable rate	3.10%	–	8,927	8,730	128,349	146,006	135,530
		821,172	79,071	8,730	128,349	1,037,322	1,026,842

Fair value measurements of financial instruments

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate to their fair values. Such fair values of financial assets and financial liabilities of the Group are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value of the Group's *and the Company*'s *financial assets that are measured at fair value on a recurring basis*

Some of the Group's and the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The Group

	Fair value At 31 December 2022	2023	2024	Fair value hierarchy	Valuation technique and key input
	RMB'000	*RMB'000*	*RMB'000*		
Financial assets:					
Receivables at FVTOCI . . .	1,014,656	1,739,083	187,790	Level 2	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the cash flows to be derived from the receivables using the discount rate that reflected the credit risk of the corresponding banks which are observable
Financial assets at FVTPL . .	–	–	430,183	Level 2	Discounted cash flows method, estimated based on expected return and market interest rate

The Company

	Fair value At 31 December 2022	2023	2024	Fair value hierarchy	Valuation technique and key input
	RMB'000	*RMB'000*	*RMB'000*		
Financial assets:					
Receivables at FVTOCI . . .	–	701,595	15,144	Level 2	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the cash flows to be derived from the receivables using the discount rate that reflected the credit risk of the corresponding banks which are observable
Financial assets at FVTPL . .	–	–	30,183	Level 2	Discounted cash flows method, estimated based on expected return and market interest rate

There were no transfers between level 1 and 2 during the Track Record Period.

36. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2022, 2023 and 2024, the Group's trade receivables of RMB1,665,837,000, RMB2,950,265,000 and RMB1,343,345,000, respectively, was net off with the corresponding amounts of trade payables according to the offset agreements based on the settlement mode with certain customers and suppliers.

37. RELATED PARTY DISCLOSURES

During the Track Record Period, the Group has the following related party transactions.

(a) Other receivables

	Relationship	At 31 December 2022	At 31 December 2023	At 31 December 2024
		RMB'000	*RMB'000*	*RMB'000*
Yang Family	(ii)	–	5	–

(b) Trade payables

	Relationship	At 31 December 2022	At 31 December 2023	At 31 December 2024
		RMB'000	*RMB'000*	*RMB'000*
Hainan Xinsu	(i)	163	–	–

(c) Other payables

	Relationship	At 31 December 2022	At 31 December 2023	At 31 December 2024
		RMB'000	*RMB'000*	*RMB'000*
Yang Family	(ii)	2,140	–	–

These amounts mentioned above are included in the Group's trade, bills and other payables as set out in note 23.

(d) Lease liabilities

	Relationship	At 31 December 2022	At 31 December 2023	At 31 December 2024
		RMB'000	*RMB'000*	*RMB'000*
Hainan Xinsu	(i)	269	269	140

(e) Rental expense of software

	Relationship	Year ended 31 December 2022	Year ended 31 December 2023	Year ended 31 December 2024
		RMB'000	*RMB'000*	*RMB'000*
Hainan Xinsu	(i)	79	135	135

(f) Interest on lease liabilities

	Relationship	Year ended 31 December 2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Hainan Xinsu	(i)	21	25	15

Notes:

(i) An entity controlled by Yang Family.

(ii) Shareholders of the Group.

(g) Compensation of key management personnel

	Year ended 31 December 2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other benefits	7,602	8,623	8,543
Retirement benefit scheme contributions	148	163	154
Discretionary performance related bonus	2,352	1,327	1,064
Share-based payments	7,463	15,660	(2,215)
	17,565	25,773	7,546

The remuneration of key management personnel (being Chairman and director of the Company and other key management of the Group), is determined with reference to the performance of individuals and market trends.

The Group and the Company has no other related party balance and transaction during the Track Record Period.

38. RETIREMENT BENEFITS PLANS

The employees of the Group in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

For the years ended 31 December 2022, 2023 and 2024, the total amount provided by the Group to the scheme or plans in the PRC and charged to profit or loss are RMB8,043,000, RMB21,386,000 and RMB34,431,000, respectively.

39. FINANCIAL INFORMATION OF THE COMPANY

Investments in subsidiaries

	At 31 December 2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cost of investments, unlisted	3,159,532	4,734,813	4,726,555

Movements of the Company's reserves

	Share premium	Convertible loan notes equity reserve	Capital surplus reserve	Share-based payment reserve	Other reserve	Retained profits (accumulated losses)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	660,083	10,757	43,568	4,019	–	319,462	1,037,889
Loss and total comprehensive expenses for the year	–	–	–	–	–	(108,527)	(108,527)
Conversion of convertible loan notes	68,152	(10,757)	–	–	–	–	57,395
Recognition of equity-settled share-based payment expenses	–	–	–	49,579	–	–	49,579
Recognition of deferred tax assets arising from share-based payment expenses	–	–	–	3,432	–	–	3,432
At 31 December 2022	728,235	–	43,568	57,030	–	210,935	1,039,768
Profit and total comprehensive income for the year	–	–	–	–	–	123,240	123,240
Transferred to capital surplus reserve	–	–	12,324	–	–	(12,324)	–
Dividends recognised as distribution *(note 12)*	–	–	–	–	–	(141,524)	(141,524)
Issuance of ordinary shares *(note 30)*	2,710,446	–	–	–	–	–	2,710,446
Recognition of equity-settled share-based payment expenses	–	–	–	121,342	–	–	121,342
Recognition of deferred tax assets arising from share-based payment expenses	–	–	–	4,047	–	–	4,047
Exercise of share option	64,040	–	–	(4,759)	4,759	–	64,040
At 31 December 2023	3,502,721	–	55,892	177,660	4,759	180,327	3,921,359
Loss and total comprehensive expenses for the year	–	–	–	–	–	(21,297)	(21,297)
Dividends recognised as distribution *(note 12)*	–	–	–	–	–	(170,015)	(170,015)
Recognition of the equity-settled share-based payment expenses	–	–	–	(15,997)	–	–	(15,997)
Redeemed of ordinary shares	(42)	–	–	–	–	–	(42)
Reversal of deferred tax assets arising from share-based payment expenses	–	–	–	(1,840)	–	–	(1,840)
Exercise of share option	63,155	–	–	(4,122)	880	–	59,913
At 31 December 2024	3,565,834	–	55,892	155,701	5,639	(10,985)	3,772,081

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiaries	Principal place of operation and incorporation, date of incorporation	Paid-in capital	Shareholding/ equity interest attributable to the Group At 31 December 2022	2023	2024	At the date of this report	Principal activities	Notes
Jietai Technology	Shangrao, 6 December 2019	RMB902,000,000	100%	100%	100%	100%	Manufacturing and sales of photovoltaic cells	*a*
Huai'an Jietai	Huai'an, 13 October 2022	RMB1,500,000,000	100%	100%	100%	100%	Manufacturing and sales of photovoltaic cells	*a*
Shangrao Minghong New Energy Technology Co., Ltd* (上饒市明弘新能源科技有限公司)	Shangrao, 24 August 2020	–	100%	100%	100%	100%	Manufacturing and sales of photovoltaic cells	*b*
Hongye New Energy *(note c and 25 (ii))*	Shangrao, 24 August 2020	RMB1,250,000,000	100%	100%	100%	100%	Manufacturing and sales of photovoltaic cells	*a*
Chuzhou Jietai	Chuzhou, 14 December 2021	RMB1,200,000,000	100%	100%	100%	100%	Manufacturing and sales of photovoltaic cells	*a*
Jietai New Energy Technology (Suzhou) Co., Ltd.* (捷泰新能源科技(蘇州)有限公司)	Suzhou, 13 September 2024	RMB10,000,000	N/A	N/A	100%	100%	Manufacturing and sales of photovoltaic cells	*b*
Jietai New Energy Technology (HK) Limited (捷泰新能源科技(香港)有限公司)	Hong Kong, 25 March 2024	HKD7,800,000	N/A	N/A	100%	100%	Trading of photovoltaic cells	*b*
Jietai New Energy Investment (HK) Limited (捷泰新能源投資(香港)有限公司)	Hong Kong, 28 August 2024	HKD1,000,000	N/A	N/A	100%	100%	Trading of photovoltaic cells and investment	*b*
Jietai New Energy Technology OM (FZC) SPC	Oman, 17 July 2024	Omani Rial 50,000	N/A	N/A	100%	100%	Manufacturing and sales of photovoltaic cells	*b*

Notes:

(a) The financial statements of these entities for the years ended 31 December 2022 and 2023 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Zhonghui Certified Public Accountants (Special General Partnership)* (中匯會計師事務所(特殊普通合夥)).

(b) No audited statutory financial statements were prepared for these entities for the years ended 31 December 2022, 2023 and 2024 as there are no statutory audit requirements.

(c) Pursuant to the relevant financing arrangements, the registered shareholder for the 40% equity interests of Hongye New Energy was in fact a creditor without shareholder's right and the Group still held 100% of its beneficial interest and shareholders right in Hongye New Energy. Details are disclosed in note 25 (ii).

41. EVENT AFTER REPORTING PERIOD

There were no material events taken place subsequent to 31 December 2024.

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 31 December 2024 and up to the date of this report.

* English name is for identification purpose

The following is the text of a report set out on pages IB-1 to IB-20 received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of inclusion in this document.

Deloitte. 德勤

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF HAINAN DRINDA NEW ENERGY TECHNOLOGY CO., LTD.

Introduction

We have reviewed the condensed consolidated financial statements of Hainan Drinda New Energy Technology Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages IB-3 to IB-20, which comprise the condensed consolidated statement of financial position at 31 March 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended, and certain explanatory notes. The condensed consolidated financial statements have been prepared by the directors of the Company solely for the purpose of the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). 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 International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. 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 International 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
28 April 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Three months ended 31 March	
		2024	2025
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	3	3,708,062	1,872,185
Cost of sales		(3,499,502)	(1,797,999)
Gross profit		208,560	74,186
Other income	4	22,546	14,207
Other gains and losses	5	8,586	14,901
Selling and marketing expenses		(19,681)	(10,914)
Administrative expenses		(85,122)	(87,058)
Listing expenses		–	(164)
Research and development expenses	7	(64,846)	(50,080)
Net impairment losses under expected credit loss ("ECL") model	7	(2,003)	(5,568)
Other expenses		(53)	(19)
Finance costs	6	(56,242)	(72,473)
Profit (loss) before tax	7	11,745	(122,982)
Income tax credit	8	8,008	17,092
Profit (loss) for the period		19,753	(105,890)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		–	9
Total comprehensive income (expense) for the period		19,753	(105,881)
Earnings (loss) per share (RMB)	10		
– Basic		0.09	(0.47)
– Diluted		0.09	(0.47)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	At 31 December 2024	At 31 March 2025
		RMB'000 (Audited)	RMB'000 (Unaudited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	8,483,140	8,283,668
Right-of-use assets		167,256	165,945
Intangible assets	11	160,818	151,690
Goodwill		854,842	854,382
Deferred tax assets		368,112	384,751
Deposits paid for acquisition of property, plant and equipment		78,380	52,212
		10,112,548	9,892,648
CURRENT ASSETS			
Inventories		552,077	743,384
Trade, bills and other receivables	12	824,799	907,488
Receivables at fair value through other comprehensive income ("FVTOCI")	13	187,790	177,546
Value-added tax ("VAT") recoverable		752,116	753,300
Income tax recoverable		49,064	49,064
Financial assets at fair value through profit or loss ("FVTPL")		430,183	1,620,000
Restricted bank deposits		919,356	1,288,317
Cash and cash equivalents		2,616,276	2,545,847
		6,331,661	8,084,946
CURRENT LIABILITIES			
Trade, bills and other payables	14	3,800,785	4,008,135
Contract liabilities		82,549	57,177
Bank and other borrowings	15	2,491,935	3,131,436
Lease liabilities		2,170	1,735
		6,377,439	7,198,483
NET CURRENT (LIABILITIES) ASSETS		(45,778)	886,463
TOTAL ASSETS LESS CURRENT LIABILITIES		10,066,770	10,779,111
CAPITAL AND RESERVES			
Share capital	17	229,152	229,152
Treasury shares		(100,956)	(100,956)
Share premium		2,941,889	2,941,889
Reserves		816,912	713,708
TOTAL EQUITY		3,886,997	3,783,793
NON-CURRENT LIABILITIES			
Other payables	14	3,148,068	3,087,801
Bank and other borrowings	15	2,886,001	3,773,666
Lease liabilities		5,136	5,189
Deferred income	16	28,385	22,762
Deferred tax liabilities		112,183	105,900
		6,179,773	6,995,318
		10,066,770	10,779,111

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Treasury shares	Share premium	Capital surplus reserve	Translation reserve	Share-based payment reserve	Other reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*note a*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024 (audited)	227,395	–	2,822,336	12,324	–	148,774	23,628	1,474,783	4,709,240
Profit and total comprehensive income for the period	–	–	–	–	–	–	–	19,753	19,753
Recognition of equity-settled share-based payment (*note 18*)	–	–	–	–	–	34,912	–	–	34,912
Redeemed of ordinary shares (*note b*)	–	(49,979)	(21)	–	–	–	–	–	(50,000)
Reversal of deferred tax assets arising from share-based payment expenses	–	–	–	–	–	(3,613)	–	–	(3,613)
At 31 March 2024 (unaudited)	227,395	(49,979)	2,822,315	12,324	–	180,073	23,628	1,494,536	4,710,292
At 1 January 2025 (audited)	229,152	(100,956)	2,941,889	12,324	23	60,762	30,148	713,655	3,886,997
Loss for the period	–	–	–	–	–	–	–	(105,890)	(105,890)
Other comprehensive income for the period	–	–	–	–	9	–	–	–	9
Total comprehensive income (expense) for the period	–	–	–	–	9	–	–	(105,890)	(105,881)
Recognition of equity-settled share-based payment (*note 18*)	–	–	–	–	–	2,677	–	–	2,677
At 31 March 2025 (unaudited)	229,152	(100,956)	2,941,889	12,324	32	63,439	30,148	607,765	3,783,793

Notes:

a: In accordance with the articles of association of the subsidiaries established in the People's Republic of China (the "PRC"), the subsidiaries are required to transfer at least 10% of their profit after tax in accordance with the relevant accounting principles and financial regulations applicable to enterprises established in the PRC before any distribution of dividends to owner each year to capital surplus reserve until the reserve reaches 50% of their respective registered capital. The capital surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries.

b: During the three months ended 31 March 2024, the Company repurchased 708,300 ordinary shares, at an aggregate consideration of RMB49,979,000 after deduction of the transaction costs payable by the Company, for the Group's equity-settled share option scheme.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Three months ended 31 March	
	2024	2025
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(44,855)	423,349
INVESTING ACTIVITIES		
Withdrawal of restricted bank deposits	199,050	61,347
Placement of restricted bank deposits	(93,953)	(832,295)
Purchase of and deposits paid for acquisition of property, plant and equipment	(316,675)	(19,425)
Proceeds on disposal of property, plant and equipment	8	39
Purchase of intangible assets	(16,756)	–
Bank interest received	12,608	7,913
Receipt of government grants related to property, plant and equipment	166,988	–
Purchase of financial assets at FVTPL	(2,317,000)	(3,160,123)
Proceeds on disposal of financial assets at FVTPL	2,317,000	1,970,306
NET CASH USED IN INVESTING ACTIVITIES	(48,730)	(1,972,238)
FINANCING ACTIVITIES		
New bank and other borrowings raised	166,210	1,834,907
Repayment of bank and other borrowings	(550,025)	(212,110)
Interest paid	(34,384)	(97,182)
Repurchase of ordinary shares	(50,000)	–
Payments of lease liabilities	(877)	(455)
Purchase of property, plant and equipment	–	(30,000)
Payments of issue costs	(5,822)	(3,879)
Purchase of intangible assets	–	(14,376)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(474,898)	1,476,905
NET DECREASE IN CASH AND CASH EQUIVALENTS	(568,483)	(71,984)
Effect of changes in exchange rates	1,527	1,555
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,649,852	2,616,276
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,082,896	2,545,847

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2025

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated and registered in the PRC on 3 April 2003 as a limited liability company. In August 2012, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. In March 2017, the Company was listed on the Shenzhen Stock Exchange (stock code: 002865). The addresses of the registered office and the principal place of business of the Company is Hainan Drinda Building, Haikou Free Trade Zone, No. 168 Nanhai Avenue, Haikou City, the PRC.

The Group is principally engaged in the research and development, manufacturing and sales of photovoltaic cells.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standards 34 ("IAS 34") "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months commencing from the date of the condensed consolidated financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. PRINCIPLE ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to International Accounting Standards, International Financial Reporting Standards, and the related Interpretations (here in collectively referred to as the IFRSs) issued by IASB, the accounting policies and methods of computation used in the condensed consolidated financial statements for the three months ended 31 March 2025 are the same as those presented in the Group's historical financial statements for the three years ended 31 December 2024 (the "Historical Financial Information") included in the accountants' report as set out in Appendix I to this document.

3. REVENUE AND OPERATING SEGMENTS

Revenue represents the amounts received and receivable from the sale of photovoltaic cell products and related services, net of sales related taxes. This is consistent with the revenue information that is disclosed for each operating and reportable segment under IFRS 8 Operating Segments.

(i) Disaggregation of revenue from contracts with customers

	Three months ended 31 March	
	2024	**2025**
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Sale of photovoltaic cell products and related services		
– Tunnel Oxide Passivating Contacts ("TOPCon")	3,385,179	1,872,185
– Passivated Emitter and Rear Cell ("PERC")	203,315	–
– Others *(note)*	119,568	–
	3,708,062	1,872,185

Note: The amount represents sales of manufacturing services.

Sale of photovoltaic cell products and related services

The Group recognises 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.

Revenue arising from sales of photovoltaic cell products is recognised at a point in time when the goods are accepted by the customers after delivery to the customers' premises and revenue arising from services is recognised upon completion of the services contracts, since only by that time the Group passes control of the goods or services to the customers. The Group generally does not grant any credit period to its customers.

Customers are generally required to make full payment before the Group deliver the products to customers. Contract liabilities are recognised when consideration is received in which revenue has yet been recognised.

(ii) Segments information

For the purpose of resource allocation and assessment of segment performance, the executive directors of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Entity-wide disclosures

Geographical information

The Group's non-current assets are all located in the PRC. The geographical information of the Group's revenue, determined based on geographical location of the registered office of the immediate customers, during the period is as follows:

	Three months ended 31 March	
	2024	**2025**
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Mainland China	3,277,077	784,662
Outside Mainland China	430,985	1,087,523
	3,708,062	1,872,185

Information about major customers

Revenue from customer contributing over 10% of the total revenue of the Group during the period is as follows:

	Three months ended 31 March	
	2024	**2025**
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Customer A	N/A*	233,531
Customer B	633,618	204,820
Customer C	630,355	N/A*

* The corresponding revenue contributed to the total revenue of the Group is less than 10%.

4. OTHER INCOME

	Three months ended 31 March	
	2024	**2025**
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Bank interest income	9,584	6,926
Government grants *(note)*	6,812	4,542
Sales of materials	6,150	2,739
	22,546	14,207

Note: The amount represents unconditional government grants received from local government in connection with the enterprise development support and innovation capability incentives.

5. OTHER GAINS AND LOSSES

	Three months ended 31 March	
	2024	**2025**
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Net gain on disposal of property, plant and equipment	7	21
Net foreign exchange gain	5,022	11,858
Net gain on financial assets at FVTPL	3,896	4,131
Others	(339)	(1,109)
	8,586	14,901

6. FINANCE COSTS

	Three months ended 31 March	
	2024	**2025**
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Interest on lease liabilities	59	73
Interest on bank and other borrowings	29,473	50,265
Interest on payables for acquisition of property, plant and equipment	26,515	21,617
Interest on payables for acquisition of intangible assets	195	518
	56,242	72,473

7. PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax has been arrived at after charging (crediting):

	Three months ended 31 March	
	2024	2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Depreciation of property, plant and equipment	167,608	183,234
Depreciation of right-of-use assets	1,622	1,311
Amortisation of intangible assets	7,433	9,128
	176,663	193,673
Capitalised in inventories	(154,112)	(131,144)
Total depreciation and amortisation charged to profit or loss	22,551	62,529
Cost of inventories recognised as cost of sales	3,487,961	1,760,013
Write-down of inventories	6,387	33,275
Directors' and supervisors' remuneration	5,303	2,433
Other staff costs		
– Salaries and other benefits	261,293	152,301
– Retirement benefit scheme contributions	12,733	4,535
– Share-based payment expenses	31,327	1,934
	310,656	161,203
Capitalised in inventories	(159,503)	(97,024)
Capitalised in construction in progress	(4,998)	–
Total staff costs charged to profit or loss	146,155	64,179
Research and development expenses		
– Staff costs	58,105	24,020
– Depreciation and amortisation	1,394	5,586
– Cost of utilities	633	5,821
– Materials consumed	3,071	12,435
– Others	1,643	2,218
	64,846	50,080
Government grants directly recognised in profit or loss		
– as other income	(6,812)	(4,542)
– as cost of sales	(196,836)	(178,848)
– as finance costs	(19,462)	(3,997)
	(223,110)	(187,387)
Net impairment losses under ECL model		
– Trade and bills receivables	1,925	5,178
– Other receivables	78	390
	2,003	5,568

8. INCOME TAX CREDIT

	Three months ended 31 March	
	2024	2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Under provision of PRC Enterprise Income Tax ("EIT") in prior years	–	5,830
Deferred tax credit	(8,008)	(22,922)
	(8,008)	(17,092)

No provision of Hong Kong Profits Tax was made in the condensed consolidated financial statements as the Group had no assessable profit subject to Hong Kong Profits Tax during the three months ended 31 March 2024 and 2025.

The Company and Shangrao Jietai New Energy Technology Co., Ltd.* (上饒捷泰新能源科技有限公司) obtained the "High Technology Enterprise" certification in October and November 2021, respectively, and was therefore entitled to a preferential tax rate of 15% for a period of 3 years from the date of certification, while the Company applied an actual tax rate of 25% since 2023 due to the change of its business. Chuzhou Jietai New Energy Technology Co., Ltd.* (滁州捷泰新能源科技有限公司) ("Chuzhou Jietai") and Huai'an Jietai New Energy Technology Co., Ltd.* (淮安捷泰新能源科技有限公司) obtained the "High Technology Enterprise" certification in December 2023 and November 2024, respectively, and was therefore entitled to a preferential tax rate of 15% for a period of 3 years from the date of certification.

The other PRC subsidiaries are subjected to PRC EIT rate of 25% during the three months ended 31 March 2024 and 2025.

9. DIVIDENDS

No dividends were paid, declared or proposed during the three months ended 31 March 2024 and 2025.

The directors of the Company have determined that no dividend will be paid in respect of the three months ended 31 March 2024 and 2025.

10. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share attributable to owners of the Company is based on the following data:

	Three months ended 31 March	
	2024	2025
	(Unaudited)	*(Unaudited)*
Earnings (loss) (RMB'000):		
Profit (loss) for the period attributable to owners of the Company	19,753	(105,890)
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	227,395	227,416
Effect of dilutive potential ordinary shares:		
Share options of the Company	1,597	–
Weighted average number of ordinary shares for the purpose at diluted earnings (loss) per share	228,992	227,416

The computation of diluted loss per share for the three months ended 31 March 2025 did not assume the exercise of share options since their assumed exercise would be anti-dilutive.

* English name is for identification purpose

11. PROPERTY, PLANT AND EQUIPMENT/INTANGIBLE ASSETS

During the three months ended 31 March 2025, the Group purchased property, plant and equipment of RMB33,151,000 (three months ended 31 March 2024: RMB204,221,000) and intangible assets of nil (three months ended 31 March 2024: RMB77,708,000).

During the three months ended 31 March 2025, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB18,000 (three months ended 31 March 2024: RMB1,000) and resulting in a gain on disposal of RMB21,000 (three months ended 31 March 2024: gain on disposal of RMB7,000). In addition, the Group returned certain equipments included in construction in progress with an aggregate carrying amount of RMB24,889,000 (three months ended 31 March 2024: nil) due to the failure of meeting the acceptance criteria during the trial-run production.

12. TRADE, BILLS AND OTHER RECEIVABLES

	At 31 December 2024	At 31 March 2025
	RMB'000	*RMB'000*
	(Audited)	*(Unaudited)*
Trade receivables	32,519	19,414
Bills receivables	623,804	653,493
	656,323	672,907
Less: Impairment loss allowance for trade and bills receivables	(10,735)	(15,918)
	645,588	656,989
Other receivables and prepayments		
Advances to suppliers	90,515	88,772
Prepayment for listing expenses	106	–
Deferred issue costs *(note i)*	31,266	36,390
Government grant receivables *(note ii)*	40,000	118,752
Other receivables	26,054	15,705
	187,941	259,619
Less: Impairment loss allowance for other receivables	(8,730)	(9,120)
	179,211	250,499
	824,799	907,488

Notes:

(i) Deferred issue costs represent the qualifying portion of issue costs incurred up to 31 December 2024 and 31 March 2025, which will be debited to equity of the Company as share issue costs in respect of the issue of new shares upon the initial public offering and listing of the H shares of the Company on the Stock Exchange.

(ii) Amount represents the government grant receivables from local government in connection with the subsidy on electricity usage. Amount of RMB61,992,000 (31 December 2024: RMB40,000,000) has been received up to the date of issuance of this condensed consolidated financial statements.

The Group normally does not grant any credit period to its customers in Mainland China. For the customers outside Mainland China, the Group normally received letter of credit and telegraphic transfer before goods delivery and also does not grant any credit period.

The following is an aged analysis of trade receivables, net of impairment loss allowance, presented based on revenue recognition date at the end of each reporting period.

	At 31 December 2024	At 31 March 2025
	RMB'000 *(Audited)*	*RMB'000* *(Unaudited)*
0 to 1 year	26,782	14,076
1 to 2 years	1,231	4
2 to 3 years	–	1,086
3 to 4 years	9	9
	28,022	15,175

The following is an aged analysis of bills receivables, net of impairments loss allowance, presented based on the issue dates of bills receivables.

	At 31 December 2024	At 31 March 2025
	RMB'000 *(Audited)*	*RMB'000* *(Unaudited)*
0 to 180 days	617,566	641,814

The following is a maturity analysis of bills receivables, net of impairment loss allowance, presented based on the remaining dates to maturity of bills receivables at the end of each reporting period.

	At 31 December 2024	At 31 March 2025
	RMB'000 *(Audited)*	*RMB'000* *(Unaudited)*
0 to 180 days	556,458	641,814
181 days to 1 year	61,108	–
	617,566	641,814

13. RECEIVABLES AT FVTOCI

	At 31 December 2024	At 31 March 2025
	RMB'000 *(Audited)*	*RMB'000* *(Unaudited)*
Receivables at FVTOCI comprise:		
Bills receivables	187,790	177,546

The Group's receivables at FVTOCI were bills receivables with the following maturity:

	At 31 December 2024	At 31 March 2025
	RMB'000 *(Audited)*	*RMB'000* *(Unaudited)*
0 to 180 days	187,790	177,546

13A. TRANSFER OF FINANCIAL ASSETS

At 31 March 2025, included in the Group's bills receivables amounted to RMB9,001,000 (31 December 2024: RMB9,001,000) being discounted to certain banks to obtain bank loans on a full recourse basis. If the bills are not paid on maturity, the banks have the right to request the Group to pay the unsettled balance. For bills receivables discounted to banks with full recourse, as the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount of bills receivables and has recognised the bank and other borrowings for the discounted amounts received.

At 31 March 2025, the Group had derecognised bills discounted to banks or endorsed to certain suppliers on a full recourse basis amounting to RMB1,555,365,000 (31 December 2024: RMB2,745,373,000). These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group pay off the outstanding balance. Therefore, the Group continued involve in them.

14. TRADE, BILLS AND OTHER PAYABLES

	At 31 December 2024	At 31 March 2025
	RMB'000 *(Audited)*	*RMB'000* *(Unaudited)*
Trade payables	961,347	813,675
Bills payables	725,543	1,324,361
	1,686,890	2,138,036
Payables for acquisition of property, plant and equipment *(note ii)*	4,714,360	4,459,460
Payables for acquisition of intangible assets *(note iv)*	83,750	70,302
Deposits received from customers *(note iii)*	102,225	24,649
Accrued payroll and welfare	60,261	58,874
Other taxes payables	27,820	22,014
Amount due to an independent third party *(note i)*	20,000	–
Accrued issue costs	11,040	12,343
Other payables	242,507	310,258
	5,261,963	4,957,900
	6,948,853	7,095,936
Analysed as:		
Current	3,800,785	4,008,135
Non-current	3,148,068	3,087,801
	6,948,853	7,095,936

Notes:

(i) Amounts are non-trade in nature, secured by certain of the Company's equity interests in Shangrao Hongye New Energy Co., Ltd.* (上饒市弘業新能源有限公司), unguaranteed, interest free and repayable on demand. Such amount was fully settled during the three months ended 31 March 2025.

* English name is for identification purpose

(ii) Amount included RMB3,035,119,000 (31 December 2024: RMB3,082,157,000) which carried interest rate of 3.6% (31 December 2024: 4.2%) per annum at 31 March 2025, payable to the respective local governments as the Group's Chuzhou and Huai'an plants and their related ancillary buildings were constructed by the local government on the Group's behalf. Pursuant to the investment cooperation agreements entered into with the respective local governments, the Group is entitled to lease the aforementioned buildings for a period of 6 years free of charge upon their completion and the Group is required to buy them back in the following 4 years.

(iii) Amount represents earnest deposits received by the Group in relation to framework agreements entered into with customers. These earnest deposits received with no specific purchase orders placed will either be offset with future purchase order transaction price or released to the customers upon maturity of the framework arrangement.

(iv) Amount represents the payables for acquisition of patent and software, which are due to independent third parties, non-trade in nature, unsecured, unguaranteed and interest-free. Amount included United States Dollar ("USD") 7,548,000 (equivalent to RMB54,180,000) (31 December 2024: USD9,434,000 (equivalent to RMB67,815,000)) with payment schedule over 1 year and its carrying amount at the date of inception is discounted at an imputed interest rate of 3.95% (31 December 2024: 3.95%) per annum.

The silicon wafer suppliers generally do not allow any credit period to the Group, while other suppliers generally allow a credit period of 30 to 120 days.

The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period:

	At 31 December 2024	At 31 March 2025
	RMB'000	*RMB'000*
	(Audited)	*(Unaudited)*
0 to 1 year	947,543	790,218
1 year to 2 years	10,995	22,704
Over 2 years	2,809	753
	961,347	813,675

The following is an aged analysis of bills payables presented based on issue dates at the end of each reporting period:

	At 31 December 2024	At 31 March 2025
	RMB'000	*RMB'000*
	(Audited)	*(Unaudited)*
0 to 180 days	725,543	1,324,361

The following is an aged analysis of bills payable presented based on maturity date at the end of each reporting period:

	At 31 December 2024	At 31 March 2025
	RMB'000	*RMB'000*
	(Audited)	*(Unaudited)*
0 to 180 days	725,543	1,324,361

15. BANK AND OTHER BORROWINGS

During the three months ended 31 March 2025, the Group obtained new bank and other loans amounting to RMB1,904,161,000 (three months ended 31 March 2024: RMB166,210,000). The loans carry fixed interest rates ranging from 1.50% to 7.18% per annum or variable interest rate ranging from Loan Prime Rate ("LPR") -99 basic points to LPR+80 basic points per annum and are repayable in instalments over a period within 1 to 5 years.

In respect of bank loans with carrying amount of RMB630,965,000 at 31 March 2025 (31 December 2024: RMB230,965,000) raised by the Group which is required to comply with the following significant financial covenants throughout the continuance of the relevant loans and/or as long as the loans are outstanding:

For the loans outstanding at 31 December 2024:

- Current ratio of Chuzhou Jietai shall be no less than 0.5;
- The total amount of Chuzhou Jietai's external guarantees shall not exceed its net assets;
- The Group's external leverage ratio, which is the ratio of interest-bearing debt to the total of tangible net assets plus irredeemable preferred shares and non-controlling interests, shall be below 3;
- The ratio of the Group's total interest-bearing debt to consolidated earnings before interest, taxes, depreciation and amortisation shall be below 5.

For the loans outstanding at 31 March 2025:

- Current ratio of Chuzhou Jietai shall be no less than 0.5;
- The total amount of Chuzhou Jietai's external guarantees shall not exceed its net assets;
- Debt to asset ratio of Chuzhou Jietai shall be no more than 80%;
- The operating cashflow of Chuzhou Jietai shall not be negative for two consecutive years since the relevant loan's releasing date;
- The net profit of Chuzhou Jietai shall not be negative for three consecutive years since the relevant loan's releasing date.

16. DEFERRED INCOME

During three months ended 31 March 2025, the Group received government subsidies of nil (three months ended 31 March 2024: RMB166,988,000) whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets. No amount (three months ended 31 March 2024: RMB83,984,000) has been deducted from the carrying amount of the relevant assets for the three months ended 31 March 2025. The amounts are transferred to profit or loss in the form of other income, reduction of finance costs or reduced depreciation charges over the useful lives of the relevant assets. At 31 March 2025, an amount of RMB22,762,000 (31 December 2024: RMB28,385,000) recorded as deferred income as such government subsidies were received but had yet meet the relevant conditions and/or purchased, constructed or otherwise acquired the related non-current assets.

17. SHARE CAPITAL

	Nominal value per share	Number of shares	Amount
	RMB	*'000*	*RMB'000*
Registered and fully paid:			
At 1 January 2024 (audited) and 31 March 2024 (unaudited)	1	227,395	227,395
At 1 January 2025 (audited) and 31 March 2025 (unaudited)	1	229,152	229,152

18. SHARE-BASED PAYMENTS

Equity-settled share option scheme of the Company

The Company's 2021, 2022 and 2023 share incentive plan was adopted pursuant to resolutions passed on 16 November 2021, 28 May 2022 and 16 January 2023, respectively (the "2021 Incentive Plan", "2022 Incentive Plan" and "2023 Incentive Plan"). The primary purpose of these incentive plans is to promote the success of the Company and the interests of its shareholders by providing a mean through which the Company may grant equity-based incentives to attract, motivate, retain and reward employees and directors and to further link the eligible persons' interests with those of the Company's shareholders generally.

The vesting of the share options granted is subject to the eligible person remaining at all times after the date of granting and on the vesting date an eligible person of these incentive plans. Share options granted under these incentive plans consist of first-granted share options and reserved share options, and the validity period of the share options of 2021 Incentive Plan, 2022 Incentive Plan and 2023 Incentive Plan shall be maximum 4 years, 6 years and 4 years from the date of grant and the share options shall lapse at the expiry of the validity period, respectively, of different batches. The share options shall have the vesting periods based on the achievement level of the performance target of each relevant grantee set by the board of directors of the Company for different batches as follows:

(i) 30%, 30% and 40% of the share options shall vest each time on the first, second and third anniversary of the vesting commencement date;

(ii) 50% and 50% of the share options shall vest each time on the first and second anniversary of the vesting commencement date;

(iii) 50% and 50% of the share options shall vest each time on the five and six anniversary of the vesting commencement date.

A share option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favour of or enter into any agreement with any other person over or in relation to such share option.

In April 2024, the Company declared cash dividend. Accordingly, the management of the Group adjusted the exercise price on a pro rata basis to the share options granted under 2021, 2022 and 2023 Incentive Plan, which is in accordance with the Management Measures for Equity Incentives of Listed Companies (上市公司股權激勵管理辦法) and the terms of the respective incentive plans.

The table below discloses movements of the share options held by grantees under 2021, 2022 and 2023 Incentive Plan:

For the three months ended 31 March 2025

Option	Name of grantee	Date of grant	Exercise price after adjustment in April 2024	Outstanding at 1 January 2025	Forfeited during the period	Outstanding at 31 March 2025
Option B	Employees	13 June 2022	RMB42.40	55,106	–	55,106
Option B	Directors	13 June 2022	RMB42.40	25,166	–	25,166
Option C	Employees	15 July 2022	RMB62.88	246,210	–	246,210
Option E	Employees and key management	2 February 2023	RMB104.98	1,214,905	(270,252)	944,653
Option E	Directors	2 February 2023	RMB104.98	443,330	–	443,330
Option G	Employees	12 October 2023	RMB74.24	1,021,350	(52,770)	968,580
Option H	Employees	14 March 2024	RMB59.48	316,200	(6,300)	309,900
				3,322,267	(329,322)	2,992,945
Exercisable at the end of the period . .						1,971,339
Weighted average exercise price.				RMB86.57	RMB99.18	RMB85.18

For the three months ended 31 March 2024

Option	Name of grantee	Date of grant	Exercise price before adjustment in April 2024	Outstanding at 1 January 2024	Granted during the period	Forfeited during the period	Outstanding at 31 March 2024
Option A	Employees	6 December 2021	RMB28.47	1,719,497	–	–	1,719,497
Option A	Directors	6 December 2021	RMB28.47	411,035	–	–	411,035
Option B	Employees	13 June 2022	RMB43.15	1,136,071	–	(181,750)	954,321
Option B	Directors	13 June 2022	RMB43.15	338,335	–	–	338,335
Option C	Employees	15 July 2022	RMB63.63	497,305	–	–	497,305
Option D	Employees	16 January 2023	RMB43.15	469,055	–	(13,981)	455,074
Option E	Employees and key management	2 February 2023	RMB105.73	2,342,341	–	(113,244)	2,229,097
Option E	Directors	2 February 2023	RMB105.73	633,330	–	–	633,330
Option F	Employees	23 May 2023	RMB43.15	203,420	–	–	203,420
Option G	Employees	12 October 2023	RMB74.99	3,034,860	–	(360,704)	2,674,156
Option H	Employees	14 March 2024	RMB60.23	–	830,400	–	830,400
				10,785,249	830,400	(669,679)	10,945,970
Exercisable at the end of the period							57,889
Weighted average exercise price				RMB67.42	RMB60.23	RMB70.88	RMB66.66

The Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors of the Company's best estimate. Changes in variables and assumptions may result in changes in the fair value of the options. These fair values and corresponding inputs into the model were as follows:

For the three months ended 31 March 2024

Option Granted	Grant date option fair value per share	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield
Option H	RMB14.92- RMB17.61	RMB60.23	17.74%- 19.73%	2 years	1.50%- 2.10%	0.36%- 0.46%

At the end of each interim period, the Group revises its estimates of the number of options that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share-based payment reserve.

For the three months ended 31 March 2025, the Group's total share-based payment expenses recognised in the condensed consolidated statement of profit or loss and other comprehensive income in relation to share options granted by the Company is RMB2,677,000 (three months ended 31 March 2024: RMB34,912,000).

19. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities of the Group are determined in accordance with generally accepted pricing models based on discounted cash flow analysis and market comparable approach.

Except for receivables at FVTOCI and financial assets at FVTPL, the Group does not hold any other financial instruments measured at fair value.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values.

Fair value of the Group's financial assets that are measured at fair value on recurring basis:

	Fair value as at			
	31 December 2024	**31 March 2025**	**Fair value hierarchy**	**Valuation technique(s) and key inputs**
	RMB'000 *(Audited)*	*RMB'000* *(Unaudited)*		
Financial assets				
Receivables at FVTOCI	187,790	177,546	Level 2	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the cash flows to be derived from the receivables using the discount rate that reflected the credit risk of the corresponding banks which are observable
Unlisted financial product at FVTPL	430,183	1,620,000	Level 2	Discounted cash flows method, estimated based on expected return and market interest rate

20. CAPITAL COMMITMENTS

	At 31 December 2024	**At 31 March 2025**
	RMB'000 *(Audited)*	*RMB'000* *(Unaudited)*
Capital expenditure in respect of acquisition of property, plant and equipment and intangible assets contracted for but not provided in the condensed consolidated financial statements	211,207	173,690

21. RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel

	Three months ended 31 March	
	2024	2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Salaries and other benefits	2,010	2,018
Retirement benefit scheme contributions	41	38
Share-based payments	3,932	742
	5,983	2,798

(b) Rental expense of software

	Three months ended 31 March	
	2024	2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Hainan Xinsu Mould Plastic Industrial Trade Co., Ltd.* (海南新蘇模塑工貿有限公司) ("Hainan Xinsu")	34	34

(c) Interest on lease liabilities

	Three months ended 31 March	
	2024	2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Hainan Xinsu	6	3

(d) Lease liabilities

	At 31 December 2024	At 31 March 2025
	RMB'000 *(Audited)*	*RMB'000* *(Unaudited)*
Hainan Xinsu	140	143

The remuneration of key management personnel (being Chairman and director of the Company and other key management of the Group), is determined with reference to the performance of individuals and market trends.

22. EVENTS AFTER REPORTING PERIOD

There were no material events taken place subsequent to 31 March 2025.

* English name is for identification purpose

The information set forth in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of the three years ended 31 December 2024 (the "Track Record Period") (the "Accountants' Report") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix IA to this document, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountants' Report set forth in Appendix IA to this document.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company which has been prepared in accordance with paragraph 4.29 of the Listing Rules is for the purpose of illustrating the effect of the proposed Hong Kong public offering and international offering of the H Share of the Company (the "Global Offering") as if the Global Offering had taken place on 31 December 2024.

This unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Global Offering been completed at 31 December 2024 or at any further dates. It is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company at 31 December 2024 as derived from the Accountants' Report set out in Appendix IA to this document and adjusted as described below.

	Consolidated net tangible assets of the Group attributable to owners of the Company at 31 December 2024	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company at 31 December 2024	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share at 31 December 2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$20.40 per H Share. . .	2,871,337	1,105,895	3,977,232	13.67	14.73
Based on an Offer Price of HK$28.60 Per H Share. . .	2,871,337	1,566,981	4,438,318	15.26	16.44

Notes:

1. The consolidated net tangible assets of the Group attributable to owners of the Company at 31 December 2024 is arrived at after deducting intangible assets and goodwill attributable to owners of the Company of RMB1,015,660,000 from the audited consolidated net assets of RMB3,886,997,000 attributable to owners of the Company at 31 December 2024 as extracted from the Accountants' Report set out in Appendix IA to this document.

2. The estimated net proceeds from the issue of the new shares pursuant to the Global Offering are based on 63,432,300 H Shares at the Offer Price of HK$20.40 and HK$28.60 per H Share, being the low-end and high-end of the stated Offer Price Range, after deduction of the estimated underwriting fees and commissions and other related expenses (excluding the listing expenses that have been charged to profit or loss during the Track Record Period). It does not take into account of any share which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by the Company.

   For the purpose of this unaudited pro forma statement, the estimated net proceeds from the Global Offering are converted from HK$ into RMB at an exchange rate of RMB0.9283 to HK$1.00, which was the exchange rate prevailing on 18 April 2025 with reference to the rate published by the People's Bank of China. No representation is made that the HK$ amounts have been, could have been or may be converted to RMB, or vice versa, at that rate or any other rates or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share is arrived at on the basis that 290,847,876 shares (excluding treasury shares) at 31 December 2024 were in issue assuming that the Global Offering had been completed on 31 December 2024 and without taking into account of any share which may be allotted and issued upon the exercise of the Over-allotment Option or any other issuance or repurchase of shares by the Company.

4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share, is converted from RMB into HK$ at an exchange rate of RMB0.9283 to HK$1.00, which was the exchange rate prevailing on 18 April 2025 with reference to the rate published by the People's Bank of China. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or any other rates or at all.

5. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group at 31 December 2024 to reflect any trading result or other transaction of the Group entered into subsequent to 31 December 2024.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this document.

Deloitte. 德勤

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Hainan Drinda New Energy Technology Co., Ltd.* 海南鈞達新能源科技股份有限公司

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Hainan Drinda New Energy Technology Co., Ltd.* 海南鈞達新能源科技股份有限公司 (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets at 31 December 2024 and related notes as set out on pages II-1 to II-2 of Appendix II to the document issued by the Company dated 28 April 2025 (the "Document"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Document.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Global offering (as defined in the Document) on the Group's financial position at 31 December 2024 as if the proposed Global Offering had taken place at 31 December 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the three years ended 31 December 2024, on which an accountants' report set out in Appendix IA to the Document has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

* English name is for identification purpose

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma 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:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 April 2025

1. 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 resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, is subject to change and does not constitute legal or tax advice. The discussion does not deal with all possible tax consequences relating to an investment in the H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this prospectus, all of which are subject to change and may have retrospective effect.

This discussion does not address any aspects of the PRC or Hong Kong taxation other than income tax, capital tax, value-added tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

A. The PRC Taxation

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the "IIT Law"), which was latest amended on August 31, 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was latest amended on December 18, 2018, dividends distributed by PRC enterprises are subject to a PRC withholding tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to a withholding tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Notice of State Administration of Taxation (the "SAT") on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of the Document Guo Shui Fa [1993] No. 045 (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the SAT on June 28, 2011, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends, withhold individual income tax at the rate of 10%. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates lower than 10%, the non-foreign-invested enterprise whose shares are listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the amount which is over withheld will be refunded. For the individual holders of H shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates higher than 10% but lower than 20%, the non-foreign-invested enterprise is required to withhold the tax at the agreed rate under the treaties, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or otherwise, the non-foreign invested enterprise is required to withhold the tax at a rate of 20%.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "EIT Law") effective as of December 29, 2018 and the Implementation Provisions for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) last amended on December 6, 2024 and came into effect on January 20, 2025, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if such non-resident enterprise does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place in the PRC. The withholding tax may be reduced pursuant to applicable treaties for the avoidance of double taxation. Such income tax for non-resident enterprises are deducted at source, where the payer of the income are required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《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稅有關問題的通知》國稅函[2008]897號) which was issued by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on dividends paid to non-PRC resident enterprise shareholders of H Shares with respect to the dividends of 2008 and onwards. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (Guo Shui Han [2009] No. 394) (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》國稅函[2009]394號) which was issued by the SAT on July 24, 2009 and effective on the same date, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company. Pursuant to the Fourth Protocol of the SAT to the Arrangement between the Mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《國家稅務總局關於<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第四議定書》) effective as of December 29, 2015, the abovementioned provisions are not applicable to any arrangement which is primarily made for the purpose of obtaining the above taxation benefits. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

Tax Treaties

Investors who are not PRC residents and reside in countries which have entered into avoidance of double taxation treaties with the PRC are entitled to a reduction of the withholding taxes imposed on the dividends received from PRC companies. The PRC has entered into arrangements for the avoidance of double taxation with a number of countries and regions including but not limited to Hong Kong, Macau, 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 income tax treaties or arrangements are required to apply to the PRC tax authorities for a refund of the withholding tax in excess of the agreed tax rate, and the refund payment is subject to approval by the PRC tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (Cai Shui [2016] No. 36) (hereinafter referred to as "Notice 36"), which was implemented on May 1, 2016, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT.

According to these regulations, if the holder is a nonresident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a nonresident enterprise and the H-share buyer is an individual or entity located outside China, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in

China, the holder may be required to pay the PRC VAT. However, in view of no clear regulations, whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares, there is still uncertainty in the interpretation and application of the above provisions.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge (hereinafter collectively referred to as "Local Additional Tax"), which shall usually equal to 12% of the VAT payable (if any).

Income tax

Individual Investors

According to the IIT Law and its implementation provisions, gains realised on the sale of equity interests in PRC resident enterprises are subject to the income tax at a rate of 20%.

Pursuant to the Circular of the MOF and SAT on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and SAT on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. SAT has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended IIT Law and its implementation provisions.

However, on December 31, 2009, the MOF, SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2009] No. 167) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (財稅[2009]167號), which provides that individuals' income from transferring listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for certain shares which are subject to sales limitations as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2010] No. 70) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (財稅[2010]70號). As at the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the transfer of shares of PRC resident enterprises listed on overseas stock exchanges. To the knowledge of the Company, in practice, the PRC tax authorities have not collected income tax from non-PRC resident individuals on gains from the transfer of shares of PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law and its implementation provisions, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place. Such income tax for non-resident enterprises is 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 when such payment is made or due. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Provisional Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例》) effective on October 1, 1998 and amended on January 8, 2011, the Implementation Provisions of Provisional Regulations of the PRC on Stamp Duty (《中華人民共和國印花稅暫行條例實施細則》) effective on October 1, 1988, and the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) issued on June 10, 2021 and effective on July 1, 2022, PRC stamp duty only applies to documents executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC. Upon the Stamp Tax Law of the PRC coming into effect on July 1, 2022, the Provisional Regulations of the PRC on Stamp Duty shall be abolished simultaneously.

Estate Duty

As of the date of this prospectus, no estate duty has been levied in the PRC under the PRC laws.

B. Hong Kong Taxation

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by the Company.

Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of the H Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Hong Kong Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 abolished estate duty in respect of deaths occurring on or after February 11, 2006.

2. PRINCIPAL TAXATION OF THE COMPANY IN THE PRC

Enterprise Income Tax

According 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), enterprises and other income-generating organizations (hereinafter collectively referred to as "enterprises") within the territory of the People's Republic of China are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%.

Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but the income has no actual connection to such establishment or place of business, shall pay enterprise income tax on its income within the PRC and withhold at source, where the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Meanwhile, any gains realized on the transfer of shares by such investors are subject to enterprise income tax and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the PRC.

VAT

According to the Interim Regulations of the PRC on Value-Added Tax (《中華人民共和國增值稅暫行條例》) which was promulgated by the State Council on December 13, 1993, and latest amended on November 19, 2017, and the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》) which was promulgated by the MOF on December 25, 1993 and latest amended on October 28, 2011, all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, sales of service, intangible assets and real estate and the importation of goods within the territory of the PRC shall pay value-added tax. The tax rate for taxpayers engaging in sale of services shall be 6% and the tax rate for taxpayers engaging in sale of goods shall be 17%, unless otherwise stipulated. With the VAT reforms in the PRC, the rate of VAT has been changed several times.

Pursuant to the Implementation Rules of Pilot Reform for Transition from Business Tax to VAT (《營業稅改徵增值稅試點實施辦法》) which was promulgated on March 23, 2016, and latest amended on March 20, 2019, unless otherwise provided in the implementation rules, taxpayers incurring taxable activities are generally subject to a 6% VAT. The Notice on the Adjustment to VAT Rates (《關於調整增值稅稅率的通知》) (Cai Shui [2018] No. 32), promulgated by the MOF and SAT on April 4, 2018 and became effective as of May 1, 2018 adjusted the applicative rate of VAT, and the deduction rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively. According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) (Announcement [2019] No. 14 of the MOF, SAT and General Administration of Customs), promulgated by MOF, SAT and General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

3. FOREIGN EXCHANGE

On January 29, 1996, the State Council promulgated the new Regulations of the PRC for Foreign Exchange Control (《中華人民共和國外匯管理條例》) (the "Foreign Exchange Control Regulations") which became effective on April 1, 1996. The Foreign Exchange Control Regulations classifies all international payments and transfers into current account items and capital account items. Most of the current account items are no longer subject to SAFE's approval, while capital account items still are. The Foreign Exchange Control Regulations was subsequently amended on January 14, 1997 and August 1, 2008. The latest amended Foreign Exchange Control Regulations clearly states that the State will not impose any restriction on international payments and transfers under the current account items.

On June 20, 1996, PBOC promulgated the Provision on the Settlement and Sale of and Payment in Foreign Exchange (《結匯、售匯及付匯管理規定》) (the "Settlement Regulations") which became effective on July 1, 1996. The Settlement Regulations abolished all other restrictions on convertibility of foreign exchange under current account items, while retaining the existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi (《關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16), issued by PBOC on July 21, 2005, from the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies. The Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of foreign currencies such as U.S. dollar against Renminbi in the interbank foreign exchange market after the closing of the market on each working day, which will be used as the central parity for the transactions of such foreign currency against Renminbi exchange rate on the following working day.

Starting from January 4, 2006, PBOC introduced over-the-counter transactions into the interbank spot foreign exchange market for the purpose of improving the formation mechanism of the central parity of Renminbi exchange rates, and the practice of matching was kept at the same time. In addition to the above, PBOC introduced the market-maker rule to provide liquidity to the foreign exchange market. On July 1, 2014, PBOC further improved the formation mechanism of the RMB exchange rate by authorizing the China Foreign Exchange Trade System to make inquiries with the market makers before the interbank foreign exchange market opens every day for their offered quotations which are used as samples to calculate the central parity of the RMB against the USD of the current day, which shall be finally decided on the weighted average of the prices of all market makers after excluding the highest and lowest quotations, and announce it at 9:15 a.m. on each working day. On August 11, 2015, PBOC announced to improve the central parity quotations of RMB against the U.S. dollar by authorizing market-makers to provide central parity quotations to the China Foreign Exchange Trading Center with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates.

On August 5, 2008, the State Council promulgated the revised Foreign Exchange Control Regulations (the "Revised Foreign Exchange Control Regulations"), which has made substantial changes to the foreign exchange supervision system of the PRC. First, the Revised Foreign Exchange Control Regulations have adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. Second, the Revised Foreign Exchange Control Regulations has improved the mechanism for determining the RMB exchange rate based on market supply and demand. Third, the Revised Foreign Exchange Control Regulations has enhanced the monitoring of cross-border foreign currency fund flows. In the event that revenues and costs in connection with international transactions suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the Sate may adopt necessary safeguard or control measures. Fourth, the Revised Foreign Exchange Control Regulations has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to SAFE to enhance its supervisory and administrative powers.

According to relevant PRC laws, PRC enterprises (including foreign-invested enterprises) which need foreign exchange for transactions relating to current account items may, without the approval of SAFE, effect payment for their foreign exchange accounts at the designated foreign exchange banks with the support of valid receipts and proof. Foreign-invested 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 (such as the Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting approving the distribution of profits, effect payment from their foreign exchange accounts or convert and pay dividends at the designated foreign exchange banks.

On October 23, 2014, the State Council promulgated 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》) (Guo Fa [2014] No. 50), which canceled the approval requirement by the SAFE and its branches for the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing.

On December 26, 2014, the SAFE issued the Notice of the SAFE 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》), pursuant to which a domestic company shall, within 15 working days from the date of the end of its overseas listing issuance, register the overseas listing with the SAFE's local branch at the place of its incorporation; and the proceeds from an overseas listing maybe 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 prospectus and other disclosure documents.

On February 13, 2015, the SAFE issued the Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Management Policies for 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》) (Hui Fa [2015] No. 13), which came into effect on June 1, 2015. The Notice cancels the foreign exchange registration approval under domestic direct investment and foreign exchange registration approval under overseas direct investment, and requires the banks to review and carry out foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment directly. SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

According to the Notice of the SAFE 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》) (Hui Fa [2016] No. 16) which was 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 adjust of the SAFE in due time in accordance with international revenue and expenditure situations.

This Appendix contains a summary of laws and regulations on companies and securities in the PRC as well as the additional regulatory provisions of the Stock Exchange on joint stock limited companies of the PRC. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulations applicable to us. This summary is with no intention to include all the information which may be important to the potential investors. For discussion of laws and regulations specifically governing the business of our Company, see "Regulatory Overview."

PRC LAWS AND REGULATIONS

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, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 Amendment) (《中華人民共和國立法法(2023修正)》) (the "**Legislation Law**"), the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC 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 that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

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 requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the State Audit Administration 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 cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, environmental protection, and historical culture protection based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant 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 its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC 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. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According 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 regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such regulations and rules.

PRC Judicial System

Under the Constitution and the PRC Law on the Organisation of the People's Courts (2018 Revision) (《中華人民共和國人民法院組織法(2018修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial organ in the PRC. It supervises the judicial administration of the people's courts at all levels.

The PRC Civil Procedure Law (2023 Amendment) (《中華人民共和國民事訴訟法(2023修正)》) (the "**Civil Procedure Law**"), which was adopted in 1991 and amended in 2007, 2012, 2017, 2021 and 2023, sets forth the criteria for instituting 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 judgement or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the principle of reciprocity to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgement or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgement made by the court within the stipulated time, the court will, upon application by either party, enforce the judgement in accordance with the law.

A party seeking to enforce a judgement or ruling of a people's court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgement or ruling. Where a judgment or ruling made by a foreign court which has come into legal effect requires recognition and enforcement by a people's court, a party may apply directly to the intermediate people's court which has jurisdiction for recognition and enforcement, or the foreign court may, pursuant to the provisions of the international treaty concluded or acceded to by the country of the foreign country and the People's Republic of China or under the principle of reciprocity, request for recognition and enforcement by the people's court.

The Company Law, Overseas Listing Trial Measures and Guidance for Articles of Association

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The PRC Company Law (2023 Amendment) (《中華人民共和國公司法(2023修正)》) which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively and the latest amendment of which was implemented on July 1, 2024.

- 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》) (the "**Overseas Listing Trial Measures**") and five relevant guidelines which were promulgated by the CSRC on February 17, 2023 pursuant to Securities Law of the PRC, came into effect on March 31, 2023, and were applicable to the direct and indirect overseas share offering and listing of domestic companies; and

- The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidance for Articles of Association**") which was latest amended and came into effect on December 15, 2023 by the CSRC. The related Guidance for Articles of Association are set out in the Articles of Association of the Company, the summary of which is set out in the section entitled "Appendix V — Summary of the Articles of Association" in this document.

General

A joint stock limited company refers to an enterprise legal person incorporated under the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its debts for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. If it is provided by law that the joint stock limited company shall not be a contributor that undertakes joint and several liabilities for the debts of the invested companies, such provisions shall apply accordingly.

Incorporation

A joint stock limited company may be incorporated by promotion or public 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 the PRC. The promoters must convene an inaugural meeting within 30 days after the full payment of the shares to be issued at the time of the establishment of the company, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of subscribers holding a majority of the voting rights. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors of the 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 must authorize a representative to apply to the registration authority for registration of the establishment 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.

If a promoter does not contribute in accordance with the shares subscribed for by it or if the actual value of the non-monetary property contributed as capital is significantly less than the shares subscribed for, the other promoters shall be jointly and severally liable with it to the extent of the shortfall in the capital contribution.

Share Capital

The promoters of a company can make capital contributions in cash or in non-monetary assets which can be valued in currency and transferable according to law, such as physical items, intellectual property rights, land use rights, equity interests, creditor's rights and so on, except for properties that are prohibited from being used as capital contributions under the provisions of laws and administrative regulations.

If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out and converted into shares.

The shares issued by a company shall be registered shares.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Overseas Listing 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 authorise the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations.

Shares issued by a company prior to the public offering of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall declare to the company their holdings of the company's shares and the status of changes therein, and shall not transfer over 25% of the shares held by each of them in the company each year during the term of office determined at the time of assumption of office or transfer any share of the company held by each of them within one year after the listing date.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a shareholders' general meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. 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.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Registered Shares

Under the Company Law, the shareholders may make capital contributions in cash, or alternatively may make capital contributions with valuated non-monetary property that may be valued in monetary term and may be transferred in accordance with the law, such as physical items, intellectual property rights, land-use rights, equity interests, creditor's rights and so on, except for properties that are prohibited from being used as capital contributions under the provisions of laws and administrative regulations. Pursuant to the Overseas Listing Trial Measures, domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Company Law, the shares issued by a company shall be registered shares. A joint stock company shall maintain a register of shareholders to be kept at the company, stating the following matters:

- the name and domicile of each shareholder;
- the type of shares subscribed by each shareholder and the number of shares;
- the serial numbers of the share certificate, if issued in paper form; and
- the date on which each shareholder acquired the shares.

Increase of Share Capital

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' general meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders. In the case of the issue of shares without par value, more than half of the proceeds of issue of the new shares is to be included in the registered capital.

When a company offers shares to the public, it shall be registered by the securities regulatory authority under the State Council and announce a prospectus. When the shares issued by the company are fully paid up, a public announcement shall be made accordingly.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- it shall prepare a balance sheet and a property list;
- the reduction of registered capital shall be approved by a shareholders' general meeting;
- it shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction;
- creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who request and are against the resolution regarding the merger or division with other companies at a shareholders' general meeting; (v) use of shares for conversion of convertible corporate bonds issued by the company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' equity.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' general meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorised by the shareholders' general meeting.

Following the purchase of shares in accordance with (i), such shares shall be cancelled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If a listed company purchases its shares under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralised trading shall be adopted publicly.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder's general meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

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.

Shareholders' General Meetings

The shareholders' general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law.

Under the Company Law, the shareholders' general meeting exercises the following principal functions:

- to elect and change directors and supervisors, and to decide on matters relating to the remuneration of directors and supervisors;
- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the Company's profit distribution plan and loss recovery plan;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and change of company form;
- to amend the company's articles of association; and
- other powers as provided for in the articles of association.

Shareholders' annual general meetings are required to be held once every year. Under the Company Law, an extraordinary shareholders' general meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total share capital;
- when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors proposes; or
- other circumstances as provided for in the articles of associations.

Under the Company Law, shareholders' general meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his 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 duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the Company Law, notice of shareholders' general 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. Notice of extraordinary shareholder's general meetings shall be given to all shareholders 15 days prior to the meeting. Under the Guidance for Articles of Association, after the notice of the general meeting of shareholders is issued, the general meeting of shareholders shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of general meeting of shareholders shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' general meeting. Pursuant to the Guidance for Articles of Association, the board of directors and the Secretary of the board of directors will cooperate with the general meeting of shareholders convened by the board of supervisors or shareholders. The board of directors will provide the register of shareholders on the date of equity registration. Moreover, when a general meeting of shareholders is held, all directors, supervisors and the secretary of the board of directors of the company shall attend the meeting, and managers and other senior management personnel shall attend the meeting as nonvoting delegates.

Pursuant to the Company Law, shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the general meeting of shareholders. The convener shall issue a supplementary notice of the general meeting of shareholders within two days after receiving the proposal and announce the contents of the interim proposal.

Under the Company Law, shareholders present at shareholders' general meeting have one vote for each share they hold, except the shareholders of classified shares, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' general meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Guidance for Articles of Association, resolutions of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' general meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) equity incentive plan; (iv) the company purchases or sells major assets within one year or any guaranty provided to others by the company within one year exceeds 30% of the company's total audited assets in the latest period; (v) the merger, division, dissolution, liquidation or change in the form of the company; (vi) other matters stipulated by laws, administrative regulations or the Articles of Association, as well as other matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' general meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board

Under the Company Law, a joint stock limited company is required to establish a board of directors. A joint stock limited company that is of small size or has a small number of shareholders may not have a board of directors and may have one director who exercises the powers and functions of the board of directors as provided for in the Company Law. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors mainly exercises the following powers:

- to convene the shareholders' general meetings and report on its work to the shareholders' general meetings;
- to implement the resolutions passed in shareholders' general meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution and change in the form of the company;
- to decide on the setup of the company's internal management organization;
- to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy manager and financial officer of the company and to decide on their remunerations;
- to formulate the company's basic management system; and
- to exercise any other power under the articles of association.

Board Meetings

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorisation to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are 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 exempted from that liability.

Chairman of the Board

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;
- a person who has been convicted of an offence of corruption, bribery, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence; If he/she has been pronounced on a suspended sentence, the period of two years has not elapsed since the expiration of the suspension of sentence;
- a person who has been a former director, factory manager or manager of a company or an enterprise that 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 bankruptcy and liquidation of the company or enterprise;
- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of revocation of business license and the order for closure; or

- a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

Other circumstances under which a person is disqualified from acting as a director are set out in the Guidance for Articles of Association.

Board of Supervisors

Under the PRC Company Law, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprising directors to exercise the powers and functions of the supervisory board, in place of a supervisory board or supervisors. Otherwise, a joint stock limited company shall have a board of supervisors composed of not less than three members. The board of supervisors is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the board of supervisors shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise. The directors and senior management may not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the board of supervisors.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The board of supervisors of a company shall hold at least one meeting every six months. According to the PRC Company Law, a resolution of the board of supervisors shall be passed by more than half of all the supervisors.

The board of supervisors exercises the following powers:

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders' general meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' general meeting under this law;
- to initiate proposals for resolutions to shareholders' general meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and
- Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

Manager and Senior Management

Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors.

The manager shall exercise his/her powers in accordance with provisions of the articles of association or as authorised by the board of directors. The manager attends board meetings.

According to the Company Law, senior management shall mean 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 the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association. Directors, supervisors and senior management have fiduciary and diligent duties to the company and should take measures to avoid any conflict between their own interests and the interests of the company and not make use of their powers to obtain improper benefits. Directors, supervisors and senior management have a duty of diligence to the company and should exercise reasonable care in performing their duties in the best interests of the company, as would normally be expected of a manager.

Directors, supervisors and senior management are prohibited from:

- misappropriating company property or funds;
- depositing the company's capital into accounts under his/her own name or the name of other individuals;
- giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- taking commissions from the transactions between the company and any other person into his/her own pocket;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their fiduciary duty to the company.

Directors, Supervisors and senior management, who directly or indirectly enter into contracts or conduct transactions with the company, shall report to the board of directors or the shareholders' general meeting on matters relating to the entering into of such contracts or the conduct of such transactions, which shall be approved by a resolution of the board of directors or the shareholders' general meeting in accordance with the provisions of the articles of association of the company.

Directors, supervisors and senior management shall not use the convenience of their positions to seek business opportunities belonging to the company for themselves or others, except in the following circumstances: i) after reporting to the board of directors or the shareholders' general meeting and a resolution by the board of directors or the shareholders' general meeting in accordance with the articles of association of the company has been passed; or ii) the company is unable to take advantage of the business opportunity in accordance with the provisions of the laws, administrative regulations or the articles of association of the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, a joint stock limited company shall prepare and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting of shareholders. A joint stock limited company which has issued shares to the public must also publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' general meeting, allocate discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered 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 firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' general meeting, board of directors or board of supervisors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' general meeting, board of directors or the board of supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

The Guidance for Articles of Association provide that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the general meeting of shareholders.

Distribution of Profits

According 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 amendments 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, its registration with the authority must also be changed.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following:

(i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association occurred; (ii) the shareholders' general meeting has resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked, or the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders. If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

In the event of (i) or (ii) above, a company may carry on its existence by amending its articles of association or by a resolution of the shareholders' general meeting if it has not distributed its assets to its shareholders yet. The amendment of the articles of association or resolution of a shareholders' general meeting in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' general meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established. The directors shall be the liquidation obligors of the company and form a liquidation group to carry out liquidation within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of its directors except where the articles of association provide otherwise or the shareholders resolve to elect another person. If a liquidation group is not established within the stipulated period or fails to carry out the liquidation after its formation, any interested party may apply to the people's court and request the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to liquidate the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;

- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to distribute the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance with the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to the liquidation to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' general meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to apply for deregistration.

The members of the liquidation group are obliged to perform their liquidation duties with fidelity and diligence. The members of the liquidation group shall be liable for damages caused to the company if they are negligent in performing their liquidation duties. A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

According 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 be filed in accordance with the provisions of the first paragraph of this article. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

If a share certificate is lost, stolen or destroyed, the relevant shareholder may apply, in accordance with the relevant provisions set out in the Civil Procedure Law, to a people's court to declare such certificate invalid. After the people's court declares the invalidity of such certificate, the shareholder may apply to the company for a replacement share certificate.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law (2019 Revision) (《中華人民共和國證券法(2019修訂)》) 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.

According 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 Demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

Securities Law and Regulations

The PRC has promulgated a number 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 the 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 the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC 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 departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

The PRC Securities Law took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC (2017 Amendment) (《中華人民共和國仲裁法(2017修正)》) (the "Arbitration Law") was passed by the Standing Committee of the NPC on August 31, 1994, became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. Under 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 the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to handle the case except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an 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 any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention") adopted on June 10, 1958 pursuant to a resolution of the Standing Committee of the NPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognised and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (i) the PRC will only recognise and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court adopted the Arrangements of the Supreme People's Court on the 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》), which became effective on February 1, 2000 and was amended by the Supplemental Arrangement of the Supreme People's Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (2021) (《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(2021)》). In accordance with this arrangement, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

Judicial judgement and its enforcement

According to the Arrangement of the Supreme People's Court between the Mainland and the HKSAR on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases under Consensual Jurisdiction (《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當事人協議管轄的民商事案件判決的安排》) (the "Arrangement") promulgated by the Supreme People's Court on July 3, 2008 and implemented on August 1, 2008, in the case of final judgement, defined with payment amount and enforcement power, made between the court of PRC and the court of the Hong Kong Special Administrative Region in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People's Court of Mainland China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement. "Choice of court agreement in written" refers to a written agreement defining the exclusive jurisdiction of either the People's Court of Mainland China or the court of the Hong Kong Special Administrative Region in order to resolve dispute with particular legal relation occurred or likely to occur by the party concerned. Therefore, the party concerned may apply to the Court of Mainland China or the court of the Hong Kong Special Administrative Region to recognised and enforce the final judgement made in Mainland China or Hong Kong that meet certain conditions of the aforementioned regulations.

On January 18, 2019, the PRC Supreme Court and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "New Arrangement"), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the PRC. The New Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The New Arrangement came into effect on January 29, 2024.

This Appendix mainly provides investors with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to investors.

SHARES AND REGISTERED CAPITAL

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank pari passu with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by any subscriber.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

According to the operation and development needs of the Company, subject to the laws, regulations and the Articles of Association, the Company may increase the capital by the following ways upon approval of special resolutions at the Shareholders' general meeting:

(1) public issuance of shares;

(2) non-public issuance of shares;

(3) distribution of bonus shares to existing shareholders;

(4) capitalization of common reverse fund;

(5) other means stipulated by laws and administrative regulations or approved by the government authorities.

The Shareholders' general meeting may authorize the Board of Directors to decide to within three years issue not exceeding 50% of the issued shares. However, a resolution of the shareholders' general meeting shall be required in the case of capital contributions in the form of non-monetary property.

If the Shareholders' general meeting authorises the Board of Directors to decide on the issuance of new shares, the resolution of the Board of Directors shall be adopted by at least two thirds of all the directors.

Repurchase of Shares

Company shall not to repurchase its own shares, unless otherwise under the circumstances:

(1) reducing the Company's registered capital;

(2) merging with other companies holding our shares;

(3) using the shares as an employee stock ownership plan or equity incentive plan;

(4) purchasing its shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a Shareholders' general meeting upon their request;

(5) use of shares for conversion of convertible corporate bonds issued by the Company;

(6) necessary for the Company to maintain its value and protect the interests of the shareholders;

A resolution shall be passed at the Shareholders' general meeting when the Company is to repurchase its own shares under the circumstances (1) and (2) set out above. In case of the circumstances stipulated in (3), (5), and (6) above, a resolution of the Company's Board shall be passed by at least two-thirds of the Directors attending the Board meeting subject to the Articles of Association or the authorization of the Shareholders' general meeting. After the Company has repurchased its own shares in accordance with the circumstances (1) to (6) set out above, the shares so repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (1) above), or shall be transferred or canceled within six months (under the circumstances set out in (2) and (4) above). If the Company repurchases its shares under the circumstances set out in (3), (5) and (6) above, the total number of shares held by the Company shall not exceed ten percent of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

Subject to the approval by the relevant competent authorities of the State, the Company may repurchase its shares in one of the following ways:

(1) open centralized trading;

(2) offer;

(3) other ways recognized by laws, administrative regulations, the CSRC and other stock exchanges of the place where the Company's shares are listed, and shall comply with the provisions of applicable laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company's shares are listed.

In case of the circumstances stipulated in (3), (5), and (6) above, the Company shall repurchase its shares in open centralized trading or by means of an offer.

After the acquisition of the Company's shares, the Company shall fulfill its disclosure obligations in accordance with the provisions of the Securities Law, regulations of the securities exchange where the company's stock is listed, and other securities regulatory rules.

Transfer of Shares

Shares of the Company that were issued prior to a public issue shall not be transferred within one year from the date on which shares of the Company are listed and traded on the stock exchange.

The Directors, Supervisors and senior management of the Company shall notify the Company of their holdings of shares in the Company and the changes therein. The annual transfer of shares during the term of office as determined at the time of their assumption of office shall not exceed 25% of their total holdings of shares of the Company. 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 in the Company held by them shall not be transferred within half a year from their departure from the Company. Where the listing rules of the place where the Company's shares are listed provide otherwise in respect of the restrictions on the transfer of overseas listed shares, such rules shall prevail. If the shares are pledged within the restricted transfer period stipulated by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted transfer period

All transfers of H Shares shall be effected by instruments of transfer in writing in a general or common form or in any other form acceptable to the Board of Directors, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) stamped with the corporation's chop. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its nominee, the instruments of transfer may be signed by hand or in a machine imprinted format. All instruments of transfer shall be deposited with the legal address of the Company or such places as the Board of Directors may designate from time to time.

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

Shareholders

The Company shall establish a register of Shareholders based on the certificates provided by the securities registration authority and the register of Shareholders is sufficient evidence to prove that the Shareholders hold the shares of the Company. 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 enjoy the following rights:

(1) to receive dividends and other forms of interest distributions in proportion to the shares they hold;

(2) to file a petition of, to convene, hold and attend the Shareholders' general meetings either in person or by proxy and exercise their corresponding voting right according to laws;

(3) to supervise, present suggestions on or make inquiries about the business operations of the Company;

(4) to transfer, donate or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;

(5) to inspect and copy the Articles of Association, register of Shareholders, minutes of Shareholders' general meetings, resolutions of the Board meetings, resolutions of the meetings of Board of Supervisors, financial and accounting reports;

(6) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;

(7) to request the Company to purchase their shares for the Shareholders who object to the Company's resolution on merger or division made by the Shareholders' general meetings;

(8) the shareholders who individually or collectively hold 3% or more of the Company's Shares for 180 consecutive days or more may inspect the accounting books and vouchers of the Company; and

(9) to enjoy other rights stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

In the event that any resolution of the Shareholders' general meeting or resolution of the Board of Directors violates laws or administrative regulations, the Shareholder is entitled to request the People's Court to deem it as invalid. In the event that the convening procedure or voting method of the Shareholders' general meeting or the Board meeting violates any of laws, administrative regulations or the Articles of Association, or any resolution of which violates the Articles of Association, the Shareholder is entitled to request the People's Court to overturn the resolution within 60 days upon the resolution was adopted, except where there are only some minor defects in the convening procedures or the voting method of the Shareholders' general meeting or the Board of Directors, which do not materially affect the resolution.

Any shareholders who have not been notified to attend the Shareholders' general meeting may, within 60 days as of the date when they know or ought to know that the resolution of the Shareholders' general meeting had been made, request the people's court to overturn the resolution. If the right has not been exercised within one year as of the date when the resolution was made, it shall be extinguished.

Shareholders of the Company shall assume the following obligations:

(1) to abide by the laws, administrative regulations and the Articles of Association;

(2) to pay subscription monies according to the shares subscribed and the method of subscription;

(3) not to withdraw the shares unless required by the laws and administrative regulations;

(4) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders to jeopardize the interests of any creditors of the Company; Where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages according to laws. Where shareholders of the Company abuse the Company's status as an independent legal entity and the limited liability of shareholders for the purposes of evading debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;

(5) other obligations imposed by the laws, administrative regulations and the Articles of Association;

General Provisions for Shareholders' General Meetings

The Shareholders' general meeting is the organ of authority of the Company, which exercises the following powers in accordance with applicable laws and regulations:

(1) to elect or remove the Directors and Supervisors (other than the employee representatives) and to decide on matters relating to the remuneration of Directors and Supervisors;

(2) to examine and approve reports of the Board of Directors;

(3) to examine and approve reports of the Board of Supervisors;

(4) to examine and approve the Company's proposals for profit distribution plans, adjustment programme for profit distribution policy and loss recovery plans;

(5) to examine and approve the Company's shareholder return planning;

(6) to decide on any increase or decrease of the Company's registered capital;

(7) to decide on the issue of corporate bonds by the Company;

(8) to decide on the issue of shares, convertible corporate bonds and other types of securities recognised by the China Securities Regulatory Commission;

(9) to decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(10) to amend the Articles of Association;

(11) resolution on appointment and dismissal of an accounting firm by the Company;

(12) to examine and approve the provision of guarantees stipulated in Article 41;

(13) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;

(14) to examine and approve matters relating to changes in the use of proceeds;

(15) to examine and approve the equity incentive plans and employee stock ownership plans;

(16) to decide on the purchase of the Company's shares under the circumstances stipulated in Article 23 (1) and (2) of the Company's Articles of Association;

(17) to examine other matters as required by the laws, administrative regulations, departmental rules, the Articles of Association of the Company or the securities regulatory rules of the place where the Company's shares are listed, which shall be decided by the Shareholders' general meeting.

The following provision of guarantees to third parties by the Company are subject to the consideration and approval by the Shareholders' general meeting:

(1) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;

(2) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has exceeded 30% of the Company's latest audited total assets;

(3) a guarantee provided to a party with an asset-liability ratio of over 70%;

(4) a single guarantee that exceeds 10% of the Company's latest audited net assets;

(5) the guarantee to be provided to shareholders, beneficial controllers and their related parties;

(6) the cumulative guarantee amount in the last 12 months has exceeded 30% of the Company's latest audited total assets;

(7) other circumstances required by the laws, administrative regulations, rules, securities regulatory rules of the place where the Company's shares are listed or other regulatory documents or the Articles of Association of the Company.

Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting is convened once a year and shall be held within six months after the end of the previous accounting year.

The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

(1) where the number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association (i.e., six);

(2) where the losses of the Company that have not been made up reach one-third of its total capital stock;

(3) where it is requested by a shareholder alone or shareholders together holding more than 10 percent of the Company's shares;

(4) the Board of Directors considers it necessary;

(5) the Board of Supervisors proposes that such a meeting shall be held;

(6) other circumstances conferred by the laws, administrative regulations, departmental rules and the Articles of Association.

If an extraordinary general meeting is convened in accordance with the provisions of the securities regulatory rules for the company's stock listing, the actual convening date of the extraordinary general meeting may be adjusted based on the approval progress of the securities exchange where the company's stock is listed.

Convening of Shareholders' General Meetings

The board of directors is responsible for convening the Shareholders' general meeting.

Shareholders who individually or collectively hold more than 10% of the shares of the Company and independent director shall have the right to request the Board of Directors to convene an extraordinary general meeting, and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to convene the extraordinary general meeting within 10 days after receiving the request.

Where the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the resolution of the Board of Directors is made, and changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Board of Directors does not agree to convene an extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the Board of Supervisors to hold an extraordinary general meeting, and shall make a written request to the Board of Supervisors.

Where the Board of Supervisors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Board of Supervisors fails to issue a notice of the general meeting within the prescribed time limit, it shall be deemed that the Board of Supervisors has not convened and presided over the general meeting, and shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over it on their own.

Where the Board of Supervisors or shareholders decide to convene a Shareholders' general meeting by themselves, they shall notify the Board of Directors in writing and file with the Shenzhen Stock Exchange at the same time. Prior to the announcement of the resolution of the Shareholders' general meeting, the shareholding ratio of the convening shareholders shall not be less than 10%. The Board of Supervisors or the convening shareholders shall submit relevant supporting materials to the Shenzhen Stock Exchange when issuing the notice of the general meeting and the announcement of the resolutions of the Shareholders' general meeting.

The expenses necessary for the Shareholders' general meeting convened by the Board of Supervisors or the shareholders themselves shall be borne by the Company.

The Shareholders' general meeting shall be chaired by the chairman. When the chairman is unable to perform his duties or fails to perform his duties, the meeting is chaired by the Vice Chairman.When the Vice chairman is unable to perform his duties or fails to perform his duties, the chairman shall be presided over by a director jointly elected by more than half of the directors.

Notice of Shareholders' General Meeting

The convener shall notify all Shareholders by way of announcement 21 days prior to the convening of the annual general meeting, and each Shareholder shall be notified by way of announcement 15 days prior to the convening of the extraordinary general meeting. The date of the meeting shall not be included in the calculation of the commencement period.

The notice of a Shareholders' general meeting shall include the following:

(1) the time, place and duration of the meeting;

(2) matters and proposals submitted to the meeting for consideration;

(3) in plain language: all Shareholders have the right to attend the general meeting of shareholders, and may entrust a proxy in writing to attend the meeting and vote. Such a proxy does not need to be a shareholder of the Company;

(4) the shareholding registration date of the Shareholders entitled to attend the general meeting;

(5) name and telephone number of the permanent contact person for conference affairs;

(6) voting time and voting procedures on the Internet or in other ways.

The notice and supplementary notice of the Shareholders' general meeting shall fully and completely disclose all the specific contents of all proposals. Where an independent non-executive director is required to express opinions on matters to be discussed, the opinions and reasons of the independent non-executive directors shall be disclosed at the same time when the notice of Shareholders' general meeting and the supplementary notice are issued.

Proposals at Shareholders' General Meetings

The Board of Directors, the Board of Supervisors and Shareholders who individually or jointly hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company at the Shareholders' general meeting. Shareholders who individually or collectively hold more than 1% of the shares of the Company may submit an interim proposal in writing to the convener 10 days prior to the convening of the Shareholders' general meeting. The convener shall issue a supplementary notice of the Shareholders' general meeting within 2 days after receiving the proposal, and announce the contents of the interim proposal.

Proxy for the Shareholders' General Meeting

A shareholder may attend and vote at the shareholders' general meeting in person or by proxy.

Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents or proof of shareholding. Proxies attending the meeting shall present their personal identity cards and the proxy statements from the shareholder and exercise voting rights within the authorized scope.

Corporate shareholders shall be represented by its legal representative or proxies authorized by the legal representative. 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 written proxy statement legally issued by the legal representative of the legal person shareholder, except for shareholders who are a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or the securities regulatory rules of the place where the shares of the company are listed (hereinafter referred to as the "Recognized Clearing House") or its proxy.

If the shareholder is a Recognized Clearing House, the shareholder may authorize one or more persons it deems fit to act as its proxy at any general meeting or any meeting of creditors; however, if more than one person is authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may act on behalf of the Recognized Clearing House as if such person were an individual shareholder of the Company (without presenting shareholding certificates, notarized authorization and/or further evidence of its duly authorization).

If the power of attorney is signed by another person authorized by the principal, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document, together with the instrument appointing the voting proxy, shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting twenty-four hours prior to the convening of the relevant meeting or twenty-four hours prior to the designated time for voting.

If the principal is a legal person, its legal representative or the person authorized by a resolution of the Board or other decision-making body shall attend the shareholders' general meeting of the Company as the representative of such legal person.

The power of attorney issued by a shareholder to appoint another person to attend a general meeting shall contain the following particulars:

(I) name of the proxy;

(II) with or without voting rights;

(III) instructions to vote for, against or abstain from voting on each matter to be considered that are included on the agenda of the shareholders' general meeting, respectively;

(IV) date of issuance and date of expiry of the power of attorney;

(V) signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed.

The power of attorney should state whether the proxy may vote as he/she wishes if the shareholder does not give specific instructions. If no such instruction is given, it is deemed that the proxy of the shareholder may vote as he/she wishes.

Voting at the Shareholders' General Meeting

Resolutions at shareholders' general meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution at a shareholders' general meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' general meeting (including proxies). A special resolution at a shareholders' general meeting shall be passed by at least two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting (including proxies).

Shareholders (including their proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote. Shareholders (including proxies) with two or more votes are not bound to cast all their votes in favor or against. Where material issues affecting the interests of minority shareholders are considered at the shareholders' general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The shares held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the shareholders' general meeting.

If any shareholder, under applicable laws and regulations and Hong Kong Stock Exchange Listing Rules of the Hong Kong Stock Exchange, is required to abstain from voting on any particular matter being considered or is restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' general meeting for thirty-six months after the purchase.

The Board of Directors, independent non-executive Directors, shareholders holding more than one per cent of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall provide full disclosure of information such as specific voting intentions to the solicited person. The solicitation of shareholders' voting rights by way of remuneration or disguised remuneration is prohibited. Except for statutory conditions, the Company shall not impose minimum shareholding restrictions on the solicitation of voting rights.

Where a related party transaction is considered at a shareholders' general meeting, the interested shareholder(s) shall abstain from voting, and the voting shares held by the interested shareholder(s) shall not be counted in the total number of voting shares. The announcement on the resolutions of the shareholders' general meeting shall fully disclose the voting of the non-interested shareholders.

The following matters shall be passed by ordinary resolutions at the shareholders' general meeting:

(I) work reports of the Board of Directors and the Board of Supervisors;

(II) plans for the distribution of profits and for recovery of losses proposed by the Board;

(III) the election and removal of the members of the Board of Directors and the Board of Supervisors and their remuneration and payment method;

(IV) the annual report of the Company;

(V) the issue of corporate bonds by the Company;

(VI) resolution on appointment and dismissal of an accounting firm by the Company;

(VII) the guarantee matters stipulated in Article 41 (excluding those specified in Article 77, Item (V));

(VIII) the Company's shareholder return planning;

(IX) Change in the use of funds raised;

(X) Any other matters other than those shall be passed by special resolutions as required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed, or the Articles of Association.

The following matters shall be passed as special resolutions of a shareholders' general meeting:

(I) the increase or reduction of the registered capital of the Company;

(II) the division, spin-off, merger, dissolution and liquidation of the Company or change of company form;

(III) any amendment to the Articles of Association and its appendices (including rules for general meetings of shareholders, rules for board meetings, rules for supervisory board meetings, etc.);

(IV) the issuance shares, convertible corporate bonds and other types of securities recognised by the China Securities Regulatory Commission;

(V) purchase or sale of significant assets within a year or guarantee to others, the amount of which exceeds 30% of the Company's audited total assets for the latest period;

(VI) share option incentive plan and employee stock ownership plan;

(VII) any other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, which have a significant impact on the Company if to be passed by an ordinary resolution of a shareholders' general meeting and which are deemed necessary to be passed as a special resolution.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Directors of the Company may include executive Directors, non-executive Directors and independent non-executive Directors. Non-executive Directors refer to Directors who do not hold management positions in the Company. The qualification, nomination, election procedures and powers of independent non-executive Directors and other related matters shall be implemented in accordance with laws and relevant requirements of the CSRC and the stock exchange of the place of listing.

Directors shall be elected or replaced at a shareholders' general meeting, and can be removed by a shareholders' general meeting before the expiry of the term of office. Directors' term of office shall be three years, and upon expiry of the term of office, the Director may be re-elected.

The term of office of a Director shall be from the date of appointment to the expiry of term of office of the current Board. Where re-election is not promptly carried out upon expiry of the term of office of a Director, prior to appointment of a new Director, the original Director shall continue to carry out director duties pursuant to the provisions of laws, administrative regulations, ministry rules and the Articles of Association.

The general manager or any other senior management may hold the position of Director concurrently, but the aggregate number of Directors who hold the position of general manager or any other senior management position concurrently shall not exceed half of the total number of Directors of the Company.

A Director may resign prior to expiry of his/her term of office. A resigning Director shall submit a written resignation report to the Board of Directors. The Board of Directors shall disclose the relevant information within two days. Where the resignation of the Director will render the number of Directors to fall below the statutory quorum, or if the resignation of an independent director will lead to the proportion of independent directors in the company's board of directors or its special committees not complying with legal regulations or absence of accounting professional among the independent non-executive Directors, the original Director shall continue to perform director duties pursuant to the provisions of laws, administrative regulations, ministry rules and the Articles of Association prior to appointment of his/her replacement. The resignation of the Director shall take effect upon the election of a Director in place of the leaving Director. The Company shall conduct a by-election within sixty days from the date of resignation submitted by directors or independent non-executive directors, ensuring that the composition of the board of directors and its special committees complies with the provisions of laws, regulations, and this constitution.

Chairman

The Board of Directors shall appoint a Chairman and a Vice Chairman. The Chairman and Vice Chairman shall be elected by more than one half of all Directors.

The Chairman shall exercise the following functions and powers:

(I) to preside over shareholders' general meetings and to convene and to preside over Board meetings;

(II) to supervise and inspect the implementation of Board resolutions;

(III) to sign company stocks, corporate bonds, and other valuable securities;

(IV) to sign the documents of the Board and other documents which shall be signed by the legal representative of the Company;

(V) to exercise the functions and powers as a legal representative;

(VI) in case of emergency of catastrophic natural disasters and other force majeure, to exercise the special right of disposal that is in line with the requirements of laws and interests of the Company on the matters of the Company, and report to the Board and the shareholders' general meeting afterwards; and

(VII) to exercise other functions and powers conferred by the Board.

Board of Directors

The Board of Directors consists of ten Directors, four of whom are independent Directors and has one chairman.

The Board of Directors shall be accountable to the Shareholders' general meetings and shall exercise the following functions and powers:

(I) to convene Shareholders' general meetings, and submit work reports to the Shareholders' general meeting;

(II) to implement the resolutions of Shareholders' general meetings;

(III) to resolve on the Company's business plans and investment plans;

(IV) to formulate the Company' annual financial budgets and final accounting plans;

(V) to formulate the Company's profit distribution plan and plan for making up of losses;

(VI) to formulate the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan;

(VII) to formulate the Company's plans for significant acquisition, acquisition of the Company's shares (due to circumstances provided in items (I) and (II) of Article 23 of the Articles of Association) or merger, division, dissolution and change of company form;

(VIII) subject to compliance with securities regulatory rules of the place where the Company's shares are listed, to decide on the acquisition of the Company's shares (due to circumstances provided in items (III), (V) and (VI) of Article 24 of the Articles of Association);

(IX) to decide, within the scope of the mandate granted by the Shareholders' general meeting, on the Company's external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, related party transactions, external donations, etc;

(X) to decide on the establishment of the Company's internal management organizations and branches;

(XI) to decide on the appointment or dismissal of the general manager, secretary to the Board and other senior management members of the Company, and to decide on their remunerations, incentives and penalties; to decide on the appointment or dismissal of senior management members such as the deputy general manager or person-in-charge of finance of the Company based on the nominations by the general manager, and to decide on their remunerations, incentives and penalties;

(XII) to formulate and amend the basic management system of the Company;

(XIII) to formulate the proposals for any amendment to the Articles of Association;

(XIV) to manage information disclosure of the Company;

(XV) to propose to the Shareholders' general meeting on appointment or change of the accounting firms which provide audit services to the Company;

(XVI) to listen to work reports of the general manager of the Company and inspect his/her work; and

(XVII) any other functions and powers stipulated by laws, administrative regulations, ministry rules, the Articles of Association or conferred by the Shareholders' general meeting.

Meetings of the Board of Directors shall be classified into regular meetings and extraordinary meetings. The Board of Directors shall convene at least four meetings every year and the Chairman shall convene the Board meetings. A written notice of a regular meeting of the Board of Directors shall be served 14 days before the meeting on all Directors and Supervisors.

Any shareholder(s) holding 1/10 or more of the voting rights, one-third or more of the Directors or the Board of Supervisors may propose the holding of an extraordinary meeting of the Board. The Chairman shall convene and preside over a Board meeting within 10 days from receipt of such proposal.

The notice of an extraordinary meeting of the Board shall be served by telephone and written notice (including personal delivery, post, fax and e-mail). Notice of the meeting shall be served on all Directors three days before the date of the meeting. In case of an emergency, with the unanimous consent of all Directors, the convening of an extraordinary meeting of the Board may not be limited by the aforementioned notice period, but this shall be recorded in the minutes of the Board meeting.

The Board meeting shall be held upon the attendance of more than half of Directors. Resolutions made by the Board of Directors must be passed by more than half of all Directors of the Company. Voting on the resolutions of the Board of Directors shall be conducted on a one-person-one-vote basis.

If any Director has connection with the enterprise or individual involved in the resolution made at a Board meeting, such director shall submit a written report to the Board of Directors in a timely manner. The said Director shall not vote on the said resolution for himself/herself or on behalf of another Director. The Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the meetings is less than three, the issue shall be submitted to the shareholders' general meeting for consideration. If there are any additional restrictions on Directors' participation in and voting at Board meetings in accordance with laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Directors shall attend Board meetings in person. If any Director cannot attend the meeting for any reason, he/she may authorize in writing another Director to act on his/her behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointing Director. The appointed Director who attends the meeting shall exercise the Director's duties within the scope of authorization. If a Director does not attend a Board meeting in person and does not appoint a proxy to attend the meeting, he/she shall be deemed to have waived the voting rights at the meeting.

Special Committees under the Board

The Company has established the audit committee, the remuneration and appraisal committee, the nomination committee, the strategy committee, and the ESG (Environmental, Social, and Governance) committee under the Board of Directors according to the actual situation and needs.

The special committees shall be responsible to the Board of Directors, and perform their duties according to the Articles of Association and the authorization granted by the Board of Directors. The proposals shall be submitted to the Board of Directors for consideration and approval. All members of the special committees are composed of Directors, among which the number of independent non-executive Directors shall be over half of the audit committee, remuneration and appraisal committee and nomination committee, and they shall act as the chairman of the committees. The chairman of the audit committee shall be an accounting professional. A majority of the members of the Audit Committee shall not hold positions in the Company other than as directors and shall not have any relationship with the Company that may affect their independent and objective judgement. The Board of Directors is responsible for formulating the working procedures of the special committees and regulating their operations.

Secretary to the Board

The Company shall have a secretary to the Board, and shall be responsible for the preparation of the shareholders' general meeting and Board meeting, document keeping and management of information regarding the shareholders of the Company and other matters, and shall deal with information disclosure and other matters. The secretary to the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

General Manager and Other Senior Management Members

The company establishes one General Manager, several Deputy General Managers, one Chief Financial Officer, and one Secretary to the Board of Directors, all of whom are appointed or dismissed by the Board of Directors.

The General Manager, Deputy General Managers, Chief Financial Officer, and Secretary to the Board of Directors are senior executives of the company.

The term of office of the general manager shall be three (3) years, renewable upon re-appointment.

The general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(I) to be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board of Directors and report on works to the Board of Directors;

(II) to organize and implement the Company's annual business plan and investment proposals;

(III) to draft plans for the establishment of the Company's internal management organizations;

(IV) to draft the Company's basic management system;

(V) to formulate specific rules and regulations for the Company;

(VI) to propose to the Board of Directors on the appointment or dismissal of deputy general manager and Chief Financial Officer of the Company;

(VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(VIII) other functions and powers stipulated in the general manager's work rules and the Articles of Association or conferred by the Board of Directors.

The general manager shall attend meetings of the Board of Directors.

Senior management members shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If any senior management member causes damage to the interests of the Company and its public shareholders due to failure in faithfully performing their duties or violation of his/her fiduciary duties, he/she shall be liable for compensation in accordance with laws.

SUPERVISORS AND BOARD OF SUPERVISORS

Supervisors

The Board of Supervisors shall include shareholder representatives and employee representatives, the ratio of employee representatives shall not be less than one-third of all Supervisors. The employee representatives sitting on the Board of Supervisors shall be elected by the employees through the employee representative congress, employee congress or any other democratic form.

Each Supervisor shall serve for a term of three years. Upon expiry of the term, the Supervisor may be re-appointed upon re-election. The Directors, general manager and other senior management members, as well as their spouses and immediate family members, shall not act concurrently as Supervisors.

Supervisors may be in attendance at Board meetings, and raise questions or suggestions pertaining to Board resolutions.

Supervisors shall comply with laws, administrative regulations and the Articles of Association and bear fiduciary obligations and diligence obligations towards the Company. They shall not abuse their authority to accept bribes or other illegal income and shall not misappropriate the properties of the Company.

Board of Supervisors

The Company shall have a Board of Supervisors. The Board of Supervisors shall consist of three Supervisors including a chairman. The chairman of the Board of Supervisors shall be elected by a simple majority of all Supervisors. The meetings of the Board of Supervisors shall be presided over and chaired by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a Supervisor nominated by more than half of the Supervisors.

The Board of Supervisors shall exercise the following functions and powers:

(I) to examine regular reports prepared by the Board of Directors and propose written examination suggestions;

(II) to review the Company's financial position;

(III) to supervise the Directors and senior management members' acts in performing their duties in the Company, and to propose a removal of any Director or senior management member in violation of any laws, administrative regulations, the Articles of Association or resolutions adopted at the shareholders' general meeting;

(IV) to demand any Director or senior management member who acts in a manner which is harmful to the Company's interest to rectify such behaviour;

(V) to propose to convene an extraordinary general meeting, and to convene and preside over shareholders' general meetings where the Board of Directors fails to perform its duty to do so as required by the Company Law;

(VI) to submit proposals to shareholders' general meetings;

(VII) to initiate legal proceedings against any Director or senior management member according to the Company Law;

(VIII) to investigate into unusual operation of the Company and if necessary, to engage an accounting firm, a law firm or other professional institutions to assist in its work at the expenses of the Company;

(IX) any other functions and powers stipulated by laws, administrative regulations, ministry rules, the Articles of Association or conferred by shareholders' general meetings.

Meetings of the Board of Supervisors

The Board of Supervisors shall convene a meeting at least once every six months. Supervisors may propose to convene extraordinary meetings of the Board of Supervisors. Resolutions of the Board of Supervisors shall be passed by more than half of the members of the Board of Supervisors.

QUALIFICATIONS AND RESPONSIBILITIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

A person may not serve as a Director, Supervisor, general manager or other member of senior management of the Company in any of the following circumstances:

(I) a person who has no or restricted capacity for civil conduct;

(II) a person who has committed an offense of corruption, bribery, infringement of property, misappropriation of property or disruption of the socialism economic order and has been punished because of committing such offense, or who has been deprived of his/her political rights for committing an offense where less than five years have lapsed following the completion of the implementation of the punishment or in the case of being pronounced for suspended sentence, a two-year period has not elapsed since the expiration of the suspended sentence;

(III) a person who is a former director, factory manager or president of a company or enterprise which has entered into insolvent liquidation and is personally liable for the insolvency of such company or enterprise, where less than three years have lapsed following the date of the completion of the insolvency and liquidation of such company or enterprise;

(IV) a person who is a former legal representative of a company or enterprise which had its business license revoked or had been ordered to close down due to violation of the laws and has incurred personal liability, where less than three years have lapsed since the date of the revocation of such business license or the order for closure;

(V) a person who has been listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debt;

(VI) a person who is currently being prohibited from participating in the securities market as a director, supervisor, or senior executive of a listed company by the China Securities Regulatory Commission and such barring period has not elapsed;

(VII) a person who is currently being publicly deemed by the securities exchange as unsuitable for serving as a director, supervisor, or senior executive of the company, and the term of such disqualification has not expired;

(VIII) any other circumstances stipulated by laws, administrative regulations, securities regulatory rules.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant authorities of the PRC. The Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from January 1 to December 31.

The Company shall submit and disclose its annual reports to the CSRC and the stock exchange in the place where the Company's shares are listed within four months from the end of each fiscal year, and its interim reports to the relevant branch office of the CSRC and the stock exchange in the place where the Company's shares are listed within two months from the end of the first half of each fiscal year.

The aforesaid annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and requirements of the CSRC and the stock exchange in the place where the Company's shares are listed.

The Company will not establish account books other than the statutory account books.

The assets of the Company shall not be deposited in any personal account.

The Company is required to allocate 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 allocations is required. Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

Subject to a resolution of the shareholders' general meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund. After making up of losses and appropriation to reserve funds, balance of the profit after tax shall be distributed to shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or conversion into its capital. Where the reserve fund of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve funds are converted to increase the registered capital, the remaining balance of such reserve fund must not be less than 25% of its registered capital before such conversion.

The Company shall distribute profits in cash, shares, in a way integrating cash and shares or other ways permitted by laws. Such distribution shall not exceed the amount of the accrued distributable profits and shall in no way prejudice the Company's sustainability of operation. The profits distributed in cash in any fiscal year by the Company shall be no less than 10% of the distributable profits sustained in the same year.

The Company shall appoint one or more collection agents for H shareholders in Hong Kong. The collection agents shall collect on behalf of the relevant H shareholders the dividends distributed and other funds payable by the Company in respect of the H shares, and hold such monies in their custody pending payment to the H shareholders concerned. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

INTERNAL AUDIT

The Company has implemented an internal audit system and established the internal audit department equipped with full-time auditors to conduct internal audit and supervision on the Company's financial revenues and expenditures and economic activities.

The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the Board. The person in charge of audit shall be accountable and report to the Board.

APPOINTMENT OF ACCOUNTING FIRM

The Company shall appoint such accounting firm which has complied with the Securities Law for carrying out the audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment is one (1) year and can be re-appointed.

The appointment of accounting firm by the Company shall be subject to the approval of the shareholders' general meetings. The Board of Directors may not appoint accounting firm before the approval of the shareholders' general meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The audit fees of an accounting firm shall be determined at the shareholders' general meeting.

If the Company removes or no longer re-appoints the accounting firm, it shall notify such accounting firm thirty (30) days in advance. When shareholders vote for the removal of such accounting firm, such accounting firm shall be entitled to state its opinions at the shareholders' general meeting.

Where the accounting firm resigns its office, it shall make clear to the shareholders' general meeting whether or not there are irregularities in the Company.

MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION OF THE COMPANY

Merger of the Company may take the form of absorption or establishment of a new company.

In the case of merger by absorption, a company absorbs any other company and the absorbed company shall be dissolved. Merger by establishment of a new company shall refer to the establishment of a new company as a result of merger of two or more companies and dissolution of the merger parties.

In the event of a merger, the merger parties shall enter into a merger agreement, and formulate a balance sheet and an inventory list for assets. The Company shall notify its creditors within 10 days from passing of the resolution on merger, and make an announcement within 30 days in newspaper or on the National Enterprise Credit Information Publicity System. Creditors may require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.

At the time of merger, the claims and debts of the merger parties shall be succeeded by the company which subsists after the merger or the newly-established company.

When the Company undergoes a division, its assets shall be divided accordingly. In the event of a division, a balance sheet and an inventory list for assets shall be prepared. The Company shall notify its creditors within 10 days from passing of the resolution on division, and make an announcement within 30 days in newspaper or on the National Enterprise Credit Information Publicity System.

The debts of the Company prior to the division shall be assumed jointly and severally by the companies arising from the division, unless provided otherwise in a written agreement reached by the Company and the creditors in respect of repayment of the debts prior to the division.

Where the Company needs to reduce its registered capital, it shall formulate a balance sheet and an inventory list for assets.

The Company shall notify its creditors within 10 days from passing of the resolution on reduction of registered capital, and make an announcement within 30 days in newspaper or on the National Enterprise Credit Information Publicity System. The creditors shall have the right to require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.

The reduced registered capital of the Company shall not be lower than the minimum statutory amount.

In the event of change in registration matters due to merger or division, the Company shall complete change registration formalities with the company registration authority pursuant to the law; where the Company is dissolved, the Company shall apply for deregistration pursuant to the law; where a new company is established, company establishment formalities shall be completed pursuant to the law.

If the Company increase or reduce its registered capital, the Company shall complete change registration formalities with the company registration authority pursuant to the law.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company shall be dissolved for the following reasons:

(I) expiry of term of business stipulated in the Articles of Association or occurrence of any other trigger for dissolution stipulated in the Articles of Association;

(II) A shareholders' general meeting has resolved on dissolution of the Company;

(III) dissolution is required due to the merger or division of the Company;

(IV) the Company's business licence is cancelled or the Company is ordered to be closed down or deregistered pursuant to the law; or

(V) where the Company has serious difficulties in its business management that cannot be resolved through any other means, and its subsistence will cause serious damages to the interests of its shareholders, the shareholders who hold 10% or more of the total voting rights of the Company may apply to the people's court for dissolution of 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 pursuant to items (I), (II), (IV) or (V) above, it shall establish a liquidation committee for liquidation within 15 days after the dissolution circumstance arises. Directors are the liquidation obligors of the Company and the members of the liquidation committee shall be Directors or determined by the Shareholders' general meeting. If the liquidation committee is not duly set up within the specified period or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate related persons to form a liquidation committee to carry out liquidation. If the liquidation obligor fails to fulfil its liquidation obligations in a timely manner and causes losses to the company or creditors, it shall be liable for compensation.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

(I) to liquidate the Company's assets and compile a balance sheet and a property inventory separately;

(II) to inform creditors by notice or announcement;

(III) to deal with the outstanding businesses of the Company relating to liquidation;

(IV) to pay off the taxes owed and the taxes arising during liquidation;

(V) to clear credits and debts;

(VI) to distribute of the remaining assets of the Company after all the debts are paid off;

(VII) to participate in civil proceedings on behalf of the Company.

The liquidation committee shall notify all creditors within 10 days after its establishment and shall make announcements in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after announcement if the creditors haven't received the notice.

The creditors shall explain matters relating to their rights and provide relevant evidential documents.

The liquidation committee shall register the creditor's rights. The liquidation committee shall not pay off any debts to any creditors during the period of declaration of creditor's rights.

After the liquidation committee has liquidated the assets of the Company and has compiled a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the shareholders' general meeting or the People's Court for confirmation.

The Company's assets shall be used respectively for payment of liquidation expenses, employees' wages, social security premiums and statutory compensation, and payment of tax in arrears and the Company's debts; the residual assets thereafter shall be distributed in accordance with the shareholding type and percentage of the shareholders.

During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

After the liquidation committee has liquidated the assets of the Company and compiled a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the people's court for bankruptcy and liquidation of the Company in accordance with the law.

After the people's court accepts the application for bankruptcy, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Following the completion of the liquidation of the Company, the liquidation committee shall formulate a liquidation report, submit it to the shareholders' general meeting or the People's Court for confirmation, deliver it to the company registry, apply for the cancellation of the Company's registration and publicly announce the Company's termination.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, the Company shall amend the Articles of Association:

(I) Following the revision of the Company Law or relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association contradict the provisions of the revised laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed;

(II) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association; or

(III) The Shareholders' General Meeting has decided on making amendments to the Articles of Association.

If the amendment to the Articles of Association adopted by resolution of the shareholders' general meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of company registration, the registration of the changes shall be made with the company registration authority in accordance with the law.

FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on April 3, 2003 and converted into a joint stock company with limited liability on August 21, 2012 under the laws of the PRC and completed the listing of our A Shares on the Shenzhen Stock Exchange (stock code: 002865) on April 25, 2017. As of the Latest Practicable Date, the registered share capital of our Company was RMB229,151,752.

Our Company has established a place of business in Hong Kong at 31/F., Tower Two, Time Square, 1 Matheson Street, Causeway Bay, Hong Kong and has registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on January 3, 2024. Ms. Yu Wing Sze (余詠詩), the joint company secretary of our Company, has been appointed as our authorized representative for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company was established in the PRC, its operations are subject to the relevant laws and regulations of mainland China. A summary of the relevant aspects of laws and regulations of mainland China and the Article of Association is set out in Appendices IV and V to this prospectus, respectively.

2. Changes in Share Capital of Our Company

On April 3, 2003, our Company was established as a limited liability company with a registered capital of RMB15 million. The following sets out changes in the share capital of our Company within the two years immediately preceding the date of this prospectus:

In March and April 2023, the share capital of our Company increased from RMB141,524,273 to RMB142,207,373, comprising 142,207,373 A Shares with a nominal value of RMB1.00 each.

On April 17, 2023, the share capital of our Company increased from RMB142,207,373 to RMB198,817,070, comprising 198,817,070 A Shares with a nominal value of RMB1.00 each.

On May 25, 2023, the share capital of our Company increased from RMB198,817,070 to RMB226,577,070, comprising 226,577,070 A Shares with a nominal value of RMB1.00 each.

In August 2023, the share capital of our Company increased from RMB226,577,070 to RMB227,394,526, comprising 227,394,526 A Shares with a nominal value of RMB1.00 each.

In April 2024, the share capital of our Company increased from RMB227,394,526 to RMB228,556,116, comprising 228,556,116 A Shares with a nominal value of RMB1.00 each.

In October 2024, the share capital of our Company increased from RMB228,556,116 to RMB229,151,752, comprising 229,151,752 A Shares with a nominal value of RMB1.00 each.

For further details, please refer to the section headed "History, Development and Corporate Structure." Save as aforesaid, as of the Latest Practicable Date, there has been no alteration in our share capital within two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiaries

Our subsidiaries as of the Latest Practicable Date are set out in the section headed "History, Development and Corporate Structure."

Huai'an Jietai

On October 13, 2022, Huai'an Jietai was established in the PRC as a limited liability company with a registered capital of RMB1,500,000,000.

Chuzhou Jietai

On March 21, 2022, the registered capital of Chuzhou Jietai increased from RMB2,000,000 to RMB500,000,000.

On December 20, 2022, the registered capital of Chuzhou Jietai increased from RMB500,000,000 to RMB1,200,000,000.

Jietai New Energy Technology (HK) Limited (捷泰新能源科技(香港)有限公司) ("Jietai HK")

On May 25, 2024, Jietai HK was incorporated in Hong Kong as a limited liability company with a share capital of HK$7.8 million.

Jietai New Energy Technology OM (FZC) SPC ("Jietai FZC")

On July 17, 2024, Jietai FZC was incorporated in the Oman as a limited liability company with a share capital of OMR50,000.

Jietai New Energy Investment (HK) Limited (捷泰新能源投資(香港)有限公司) ("Jietai Investment")

On August 28, 2024, Jietai Investment was incorporated in Hong Kong as a limited liability company with a share capital of HK$1 million.

Jietai New Energy Technology (Suzhou) (捷泰新能源科技(蘇州)有限公司) ("Jietai Suzhou")

On September 13, 2024, Jietai Suzhou was established in the PRC as a limited liability company with a registered capital of RMB10 million.

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this prospectus.

4. Resolutions of the Shareholders

Pursuant to the extraordinary general meeting of our Shareholders held on February 5, 2024, the following resolutions, among others, were passed by our Shareholders:

(a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange be issued;

(b) the number of H Shares to be issued shall not be more than 25% of the total issued share capital of our Company as enlarged by the Global Offering, and the grant to the underwriters (or their representatives) of the Over-allotment Option of not more than 15% of the number of H Shares issued pursuant to the Global Offering;

(c) subject to the completion of the Global Offering, the adoption of the Articles of Association which shall become effective on the Listing Date, and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(d) authorization of our Board and its authorized person to handle all relevant matters relating to, among other things, the issue and listing of the H Shares.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

(a) the cornerstone investment agreement dated April 25, 2025 entered into among the Company, Zhuhai Gokin New Energy Investment Co., Ltd (珠海市高景新能源投資有限公司), Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股(香港)有限公司), CMB International Capital Limited (招銀國際融資有限公司), Deutsche Securities Asia Limited (德意志證券亞洲有限公司), Deutsche Bank AG, Hong Kong Branch (德意志銀行(香港分行)) and China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which Zhuhai Gokin New Energy Investment Co., Ltd (珠海市高景新能源投資有限公司) agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of HKD106,123,315 (excluding the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(b) the cornerstone investment agreement dated April 25, 2025 entered into among the Company, Modern Direct Investment New Energy Technology Co., Limited (現代直投新能源科技有限公司), Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股(香港)有限公司), CMB International Capital Limited (招銀國際融資有限公司), Deutsche Securities Asia Limited (德意志證券亞洲有限公司), Deutsche Bank AG, Hong Kong Branch (德意志銀行(香港分行)), CLSA Limited (中信里昂證券有限公司) and China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which Modern Direct Investment New Energy Technology Co., Limited (現代直投新能源科技有限公司) agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of HKD386,971,250 (inclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares); and

(c) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks, which we considered to be material to our business:

No.	Owner	Registration No.	Place of Registration	Trademark	Class	Validity Period
1	Our Company	306447178	Hong Kong	JTPV	9	January 9, 2024 to January 8, 2034
2	Our Company	306447169	Hong Kong	(A) 捷泰 科技	9	January 9, 2024 to January 8, 2034
				(B) 捷泰科技	9	January 9, 2024 to January 8, 2034
3	Our Company	7985229	PRC		12	February 28, 2011 to February 27, 2031
4	Jietai Technology	56185760	PRC	JT	6	February 7, 2022 to February 6. 2032
5	Jietai Technology	56178972	PRC	JT	19	March 7, 2022 to March 6, 2032
6	Jietai Technology	65830705	PRC	JTPV	19	December 28, 2022 to December 27, 2032
7	Jietai Technology	65831560	PRC	JTPV	6	December 28, 2022 to December 27, 2032
8	Jietai Technology	65833982	PRC	JTPV	9	December 28, 2022 to December 27, 2032

No.	Owner	Registration No.	Place of Registration	Trademark	Class	Validity Period
9	Jietai Technology	65974027	PRC	JTPV 捷泰科技	9	April 21, 2023 to April 20, 2033
10	Jietai Technology	65971335	PRC	JTPV 捷泰科技	19	April 21, 2023 to April 20, 2033
11	Jietai Technology	1754706	Australia, Brazil, European Union, India, Republic of Korea, Thailand, Türkiye, Viet Nam	JTPV	6, 9, 11, 19, 35, 37, 40	April 10, 2023 to April 10, 2033

Patents

As of the Latest Practicable Date, we have registered the following patents which we consider to be material to our business:

No.	Patent Description	Owner	Patent number	Place of registration
1	A back contact solar cell and its manufacturing method (一種背接觸太陽能電池及其製造方法)	Chuzhou Jietai	ZL201210472364.0	PRC
2	A method for preparing and processing SE batteries (一種SE電池製備處理方法)	Chuzhou Jietai	ZL202010338718.7	PRC
3	A solar cell based on N-type silicon substrate (一種基於N型硅基底的太陽能電池)	Chuzhou Jietai	ZL202222360826.1	PRC
4	A N-type TOPCON battery and photovoltaic module (一種N型TOPCON電池及光伏組件)	Chuzhou Jietai	ZL202222414433.4	PRC
5	A TOPCon battery (一種TOPCon電池)	Chuzhou Jietai	ZL202222666523.2	PRC

No.	Patent Description	Owner	Patent number	Place of registration
6	A Single Crystal Silicon Passivation Contact Structure and Its Preparation Method (一種單晶硅鈍化接觸結構及其製備方法)	Chuzhou Jietai	ZL202011229632.7	PRC
7	Silicon solar cells based on local nanopinhole contact and their preparation method (基於局部納米針孔接觸的硅太陽能電池及其製備方法)	Chuzhou Jietai	ZL202110425036.4	PRC
8	Phenol modified perovskite solar cells and their preparation methods (苯二酚修飾的鈣鈦礦太陽能電池及其製備方法)	Chuzhou Jietai	ZL202010155156.2	PRC
9	A controllable pinhole size and density silicon oxide passivation contact silicon solar cell (一種針孔尺寸及密度可控的氧化硅鈍化接觸硅太陽能電池)	Chuzhou Jietai	ZL202110425023.7	PRC
10	Preparation of tin lead mixed perovskite batteries passivated with p-phenyldimethyliodide (對苯基二甲基碘化胺鈍化的錫鉛混合鈣鈦礦電池的製備)	Chuzhou Jietai	ZL202011097083.2	PRC
11	A high mobility transparent conductive oxide thin film and its preparation method (一種高遷移率透明導電氧化物薄膜及其製備方法)	Chuzhou Jietai	ZL202111156884.6	PRC
12	A local etching method for the passivation layer on the back of crystalline silicon solar cells (一種晶體硅太陽電池背面鈍化介質層局部刻蝕方法)	Huai'an Jietai	ZL201210044607.0	PRC
13	A Preparation Method for Selective Emitter of Solar Cells (一種太陽能電池選擇性發射極的製備方法)	Huai'an Jietai	ZL201210086038.6	PRC

No.	Patent Description	Owner	Patent number	Place of registration
14	A Phosphorus Slurry Diffusion Process for Selective Emitter Crystal Silicon Solar Cells (一種選擇性發射極晶體硅太陽電池的磷漿擴散工藝)	Huai'an Jietai	ZL201210177197.7	PRC
15	A Preparation Method for P-TOPCon Photovoltaic Solar Cell Structure (一種P-TOPCon光伏太陽能電池結構的製備方法)	Huai'an Jietai	ZL201911030560.0	PRC
16	Removal method of poly Si coating for Topcon battery production (用於Topcon電池製作的poly-Si繞鍍的去除方法)	Huai'an Jietai	ZL201910458001.3	PRC
17	A Contact Passivation Crystal Silicon Solar Cell Structure and Preparation Method (一種接觸鈍化晶體硅太陽能電池結構及製備方法)	Huai'an Jietai	ZL201811158665.X	PRC
18	A preparation method for cross finger back contact heterojunction solar cells (一種叉指型背接觸異質結太陽電池製備方法)	Huai'an Jietai	ZL201810884251.9	PRC
19	Metal halide perovskite material, preparation method thereof, solar cell device and preparation method thereof (金屬鹵化物鈣鈦礦材料，其製備方法以及太陽能電池器件及其製備方法)	Huai'an Jietai	ZL201910152238.9	PRC
20	An electron selective contact for crystalline silicon solar cells (一種面向晶硅太陽電池的電子選擇性接觸)	Huai'an Jietai	ZL202010792011.3	PRC
21	Back contact silicon heterojunction solar cells without interface doping and their preparation methods (無介面摻雜的背接觸硅異質結太陽能電池及其製備方法)	Huai'an Jietai	ZL201610465998.1	PRC

No.	Patent Description	Owner	Patent number	Place of registration
22	A preparation method for selective emitter solar cells (一種選擇性發射極太陽電池的製備方法)	Jietai Technology	ZL201210171390.X	PRC
23	Solar cells and their production methods (太陽能電池及其製作方法)	Jietai Technology	ZL201210447363.0	PRC
24	A diffusion process for improving the efficiency of crystalline silicon solar cells (一種提高晶體硅太陽能電池效率的擴散工藝)	Jietai Technology	ZL201510401290.5	PRC
25	An AlOx deposition process for improving the back passivation performance of PERC batteries (一種提升PERC電池背鈍化性能的AlOx沉積工藝)	Jietai Technology	ZL201710946333.7	PRC
26	A hydrogen rich PECVD process method to enhance the hydrogen passivation ability of solar cells (一種增強太陽能電池氫鈍化能力的富氫PECVD工藝方法)	Jietai Technology	ZL201810410325.5	PRC
27	A Hydrogen Passivation Process for Improving the Light Decay Problem of Single Crystal Solar Cells (一種改善單晶太陽電池光衰問題的氫鈍化工藝)	Jietai Technology	ZL201810417130.3	PRC
28	A photovoltaic cell and its manufacturing method (一種光伏電池及其製作方法)	Jietai Technology	ZL202111150965.5	PRC

Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be material to our business:

No.	Owner	Domain Name	Registration Date
1	Chuzhou Jietai	www.jietaisolar.cn	October 21, 2020
2	Jietai Technology	www.jxjietai.com	October 12, 2020
3	Chuzhou Jietai	www.jietaisolar.com	October 21, 2020

FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests of our Directors, Supervisors and the chief executive of our Company

Save as disclosed below, immediately following completion of the Global Offering (assuming that all the Over-allotment Option is not exercised and no options are granted or exercised under the Employee Incentive Schemes), so far as our Directors are aware, none of our Directors, Supervisors and chief executive has any interest or short positions in our Shares, underlying Shares or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and 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 to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Name	Position	Nature of Interest	Number and class of Shares held	Approximate percentage of shareholding in the relevant class of Shares after the Global Offering(1) (%)	Approximate percentage of shareholding in the total share capital of our Company after the Global Offering(1) (%)
Ms. Lu(2)	Executive Director	Beneficial owner	5,286,803 (A Shares)	2.31	1.81
		Interest in controlled corporations and held jointly with other persons	51,803,865 (A Shares)	22.61	17.71
Mr. Xu(2)	Executive Director	Interest in controlled corporations and held jointly with other persons	51,803,865 (A Shares)	22.61	17.71
Mr. Zhang Manliang (張滿良)(3)	Executive Director	Beneficial owner	184,546 (A Shares)	0.08	0.06
Mr. Zheng Hongwei (鄭洪偉)(3)	Executive Director	Beneficial owner	167,770 (A Share)	0.07	0.06
Ms. Zheng Tong (鄭彤)(3)	Executive Director	Beneficial owner	25,166 (A Shares)	0.01	0.01
Mr. Xu Yong (徐勇)(2)	Non-executive Director	Interest in controlled corporations and held jointly with other persons	51,803,865 (A Shares)	22.61	17.71

Note:

(1) The calculation is based on the total number of 229,151,752 A Shares in issue and 63,432,300 H Shares (assuming the Over-allotment Option is not exercised and without taking into account any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes) in issue upon Listing.

(2) As of the Latest Practicable Date, 80% equity interest of Hainan Jindi was owned by Yang Family Investment which was controlled by Yang Family pursuant to the Acting-in-Concert Agreement. Mr. Xu is the spouse of Ms. Lu. Mr. Xu Yong (徐勇) is the spouse of Ms. Lu's sister. As such each of Ms. Lu, Mr. Xu and Mr. Xu Yong (徐勇) was deemed to be interested in the 46,517,062 A Shares held by Hainan Jindi and 5,286,803 A Shares held by Ms. Lu.

(3) Each of Mr. Zhang Manliang (張滿良), Mr. Zheng Hongwei (鄭洪偉) and Ms. Zheng Tong (鄭彤) was entitled to received certain numbers of A Shares pursuant to the exercise of options granted to him/her under the Employee Incentive Schemes, subject to the terms and conditions of these options. For details, please refer to "— Employee Incentive Schemes — (viii) Outstanding options" under this section.

(b) Interests of the Substantial Shareholders

For the information on the persons who will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, please refer to the section headed "Substantial Shareholders."

Save as set out above and Shangrao Economic and Technological Development Zone Urban Construction Engineering Management Co., Ltd. (上饒經濟技術開發區城市建設工程管理有限公司) being the 40% registered shareholder of Hongye New Energy pursuant to the relevant financing arrangement as disclosed in the section headed "History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes of our Group — Our Subsidiaries — Hongye New Energy", our Directors are not aware of any other person (other than our Directors, Supervisors or chief executive) will, immediately following completion of the Global Offering, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

2. Service Contracts

We have entered into a contract with each of our Directors and Supervisors in respect of, among other things, compliance with relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Each of our Directors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval.

Each of our Supervisors has entered into a service contract with our Company. Each contract contains provisions relating to compliance with relevant laws and regulations, observation of our Articles of Association and resolution of disputes by means of arbitration.

Save as disclosed above, none of our Directors and Supervisors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

3. Remuneration of Directors and Supervisors

Save as disclosed in the section headed "Directors, Supervisors and Senior Management" and "Appendix I — Accountants' Report — Notes to The Historical Financial Information — 11. Directors', Supervisors', Chief Executive's and Employees' Emoluments", for the years ended December 31, 2022, 2023 and 2024, none of our Directors or Supervisors received other remunerations of benefits in kind from us.

4. Disclaimers

Save as disclosed in this prospectus:

(a) none of our Directors, Supervisors or any of the parties listed in "Other Information — 5. Qualifications of Experts" of this Appendix is:

  (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Company; or

  (ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

(b) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in "Other Information — 5. Qualifications of Experts" of this Appendix:

  (i) is interested legally or beneficially in any shares in any member of our Group; or

  (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

(c) none of our Directors or Supervisors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO; and

(d) so far as is known to our Directors, none of our Directors or Supervisors or their respective close associates (as defined under the Listing Rules) or Shareholders who owns more than 5% of the issued shares of our Company has any interests in the five largest customers of the continuing operation or the five largest suppliers of the continuing operation of our Group.

EMPLOYEE INCENTIVE SCHEMES

The following is a summary of the principal terms of the Employee Incentive Schemes, including, Employee Incentive Scheme 2021, Employee Incentive Scheme 2022, Employee Incentive Scheme 2023-A and Employee Incentive Scheme 2023-B. Given no further share options will be granted under the Employee Incentive Schemes after the Global Offering, the terms of the Employee Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rule.

(i) Purpose

The purpose of the Employee Incentive Schemes are to improve our Group's incentive mechanism and incentivize our Group's management and key employees to achieve a sustained and healthy development of our Group. The Employee Incentive Schemes are implemented to align the interests of the Shareholders with the interests of our Group and employee which will benefit the sustained development of our Group.

(ii) Administration

The Employee Incentive Schemes are subject to the approval of the Shareholders' meeting, administration of the Board and the supervision of the board of Supervisors.

(iii) Participants

The participants of the Employee Incentive Schemes include Directors, members of senior managements, mid-level management and key personnels. The scope of participants excludes independent Directors, Supervisors and Shareholders or actual controller who individually or collectively hold 5% or more of the shares of our Company and their spouse, parents and children.

(iv) Maximum number of options

The shares underlying the options to be granted under the Employee Incentive Schemes are A Shares to be issued by our Company to the selected participants. Each option granted represents the right to purchase one A Share within the exercise period at the exercise price. The maximum number of options that can be granted under each of the Employee Incentive Schemes are as follows:

Employee Incentive Schemes	Maximum number of options under the schemes (without taking into account the adjustment pursuant to the Dividends Distributions)
Employee Incentive Scheme 2021	3,305,000
Employee Incentive Scheme 2022	2,853,000
Employee Incentive Scheme 2023-A	3,642,500
Employee Incentive Scheme 2023-B	4,230,000

(v) Date of grant and duration of the incentive plan

The date on which the options are granted shall be a trading day determined by the Board within 60 days after the date of approval of the Employee Incentive Schemes by the Shareholders' meeting. The grant of options shall be approved by the Board, registered and announced within 60 days after the approval of the Employee Incentive Schemes by the Shareholders' meeting. The Employee Incentive Schemes shall be valid commencing from the date of the first grant of the options to all options been exercised or cancelled for a term of between 48 to 72 months.

(vi) Conditions to the grant of options

The options under the Employee Incentive Schemes will only be granted to selected participants if the following conditions are fulfilled:

(a) with respect to our Company, none of the following circumstances having occurred:

(1) An audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountant's report for the most recent fiscal year;

(2) An audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control report contained in accountant's report for the most recent fiscal year;

(3) Our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing;

(4) Applicable laws and regulations prohibit the implementation of any share incentive scheme; or

(5) Any other circumstances determined by the CSRC.

(b) with respect to a grantee, none of the following circumstances having occurred:

(1) The grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;

(2) The grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months;

(3) The grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office within the last 12 months;

(4) The grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

(5) The grantee is prohibited from participating in any incentive plan of listed companies according to applicable laws and regulations; or

(6) Any other circumstances determined by the CSRC.

No consideration is payable by the grantees for the grants of the options.

(vii) Exercise of options

Options may be exercised by a grantee provided that (i) the conditions set out under paragraph (vi) above are fulfilled at the time of exercise of options; and (ii) the annual assessment and performance targets as set out under the Employee Incentive Schemes are achieved.

The exercise price for the option to be granted under each Employee Incentive Schemes shall be either (i) no less than 80% (75% for Employee Incentive Scheme 2023-A) of the higher of (a) the average trading price of the Shares in the trading day before the announcement of the draft plan; and (b) the average trading price of the Shares during 120 trading days (20 trading days for Employee Incentive Scheme 2023-B) before the announcement of the draft plan; (ii) RMB60.92 (without taking into account the adjustment pursuant to the Dividends Distributions); (iii) RMB148.41 (without taking into account the adjustment pursuant to the Dividends Distributions); or (iv) no less than 80% of the higher of (a) average trading price of the Shares in the trading day before the announcement of the Board resolution for the granting of options; and (b) one of the average trading price of the Shares during 20, 60 or 120 trading days before the announcement of the Board resolution for the granting of options. The number of options granted and the exercise prices will be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares and issue of new shares.

The exercise schedule of the options granted are either:

(a) exercisable in tranches of 30% or 40% in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant;

(b) exercisable in tranches of 50% in each of the two exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant; or

(c) exercisable in tranches of 50% in each of the two exercise periods that occur between the first trading date after the 48-month anniversary from the date of grant and the last trading day up to the 72-month anniversary of the date of grant.

The grantees must exercise their options within the validity period of the respective options. Upon the expiry of the validity period, options granted but not exercised will cease to be exercisable and shall be canceled by our Company.

(viii) Outstanding options

As of the Latest Practicable Date, the number of A Shares underlying the outstanding options granted under the Employee Incentive Schemes amounted to 8,230,507 A Shares (excluding an aggregate of 355,451 options held by 51 departed employees which are subject to cancellation and taking into account the Dividends Distributions), representing approximately 2.81% of the issued Shares immediately following the completion of the Global Offering (assuming no changes to our issued and outstanding shares between the Latest Practicable Date and the Global Offering and assuming the Over-allotment Option is not exercised and without taking into account of any A Shares to be issued upon exercise of the share options granted under the Employee Incentive Schemes). As of the Latest Practicable Date, the outstanding options were held by 468 grantees (excluding the departed employees). Assuming full exercise of all outstanding options granted under the Employee Incentive Schemes, the issued and outstanding shareholding of the Shareholders immediately following completion of the Global Offering will be diluted by approximately 2.74% (assuming the Over-allotment Option is not exercised).

The following table summarizes the number of underlying A Shares of the outstanding options granted to our Directors, senior management members, other connected persons and grantees who have been granted options to subscribe for 58,719 or more A Shares under the Employee Incentive Schemes as of the Latest Practicable Date.

Name of grantee	Position held at our Company	Address	Date of Grant	Exercise Price (RMB per Share)(6)	Number of A Shares underlying the outstanding options granted(6)	Vesting period	Approximate percentage of issued Shares immediately after completion of the Global Offering
Directors, members of senior management and/or Connected Persons							
Mr. Zhang Manliang (張滿良)	Executive Director and general manager	Room 2704, Building 19, Zone 4, Shidai Shangcheng Garden, No. 128 Dongshahu Road, Suzhou Industrial Park Suzhou, Jiangsu, PRC	December 6, 2021	27.72(A)	123,031(A)	Please refer to the Note 1 below	0.04
			June 13, 2022	42.40(B)	279,616(B)	Please refer to the Note 2 below	0.10
			February 2, 2023	104.98(C)	318,762(C)	Please refer to the Note 4 below	0.11
Mr. Zheng Hongwei (鄭洪偉)	Executive Director and deputy general manager	No. 31, Lane 1638, Huqingping Road, Qingpu District, Shanghai, PRC	December 6, 2021	27.72(A)	111,846(A)	Please refer to the Note 1 below	0.04
			February 2, 2023	104.98(C)	314,568(C)	Please refer to the Note 4 below	0.11
Ms. Zheng Tong (鄭彤)	Executive Director, secretary of the Board and joint company secretary	D1-2, Ruyaju, Jinpan Yayuan, No. 6 Jinlian Road, Haikou, Hainan, PRC	June 13, 2022	42.40(B)	58,719(B)	Please refer to the Note 3 below	0.02
Ms. Huang Falian (黃發連)	Chief financial officer	No. 601, No. 10 Shengping Lane, Wuxi, Jiangsu, PRC	June 13, 2022	42.40(B)	117,438(B)	Please refer to the Note 3 below	0.04

Name of grantee	Position held at our Company	Address	Date of Grant	Exercise Price (RMB per Share)(6)	Number of A Shares underlying the outstanding options granted(6)	Vesting period	Approximate percentage of issued Shares immediately after completion of the Global Offering
Ms. Chen Pingxian (陳平仙)	Chief marketing officer	No. 103, Building 11, No. 36 Liuqi Road, Shangrao, Jiangxi, PRC	December 6, 2021	27.72(A)	44,738(A)	Please refer to the Note 1 below	0.02
			July 15, 2022	62.88(A)	215,304(A)	Please refer to the Note 1 below	0.07
			January 16, 2023	42.40(B)	93,321(B)	Please refer to the Note 3 below	0.03
			May 23, 2023	42.40(B)	80,739(B)	Please refer to the Note 3 below	0.03
			February 2, 2023	104.98(C)	250,116(C)	Please refer to the Note 4 below	0.09
Other grantees who have been granted options to subscribe for 58,719 or more A Shares							
Mr. Wei Zhaowang (魏兆旺)	Assistant to the general manager	Room 6-2, Unit 1, Building 11, Poly Golf Garden, 12 Huyun Street, Yubei District, Chongqing, PRC	June 13, 2022	42.40(B)	67,107(B)	Please refer to the Note 3 below	0.02
Mr. Chen Minghui (陳明輝)	Assistant to the general manager	Room 901, Unit 1, Building 7, Shuanghu Yaju Phase 1, No. 27, Shuanggao Road, Chunxi Town, Gaochun District, Nanjing, Jiangsu, PRC	March 15, 2024	59.48(D)	60,000(D)	Please refer to the Note 5 below	0.02
Mr. Guo Xinggang (郭興剛)	Deputy general manager of Jietai Technology	63-1402, Jindu Garden, 298 Zhenghe Avenue, Huishan District, Wuxi, Jiangsu, PRC	June 13, 2022	42.40(B)	67,107(B)	Please refer to the Note 3 below	0.02
			March 15, 2024	59.48(D)	80,000(D)	Please refer to the Note 5 below	0.03

Name of grantee	Position held at our Company	Address	Date of Grant	Exercise Price (RMB per Share)(6)	Number of A Shares underlying the outstanding options granted(6)	Vesting period	Approximate percentage of issued Shares immediately after completion of the Global Offering
Ms. Zheng Xueli (鄭雪麗)	Deputy director of the supply department	Room 1-301, Building 8, 158 Binjiang East Road, Xinzhou District, Shangrao, Jiangxi, PRC	December 6, 2021	27.72(A)	61,515(A)	Please refer to the Note 1 below	0.02
Mr. Wang Jian (王健)	Director of public relations department	1-7-2 of 18-2, Lingyuan Street, Huanggu District, Shenyang, Liaoning, PRC	October 13, 2023	74.24(D)	67,080(D)	Please refer to the Note 5 below	0.02
Mr. Song Yixiao (宋怡瀟)	Senior director of R&D department	Room 1601, Unit 1, Building G016, Nanjing Bay Agile Garden, 33 Changjiang Road, Xincheng, Chuzhou, Anhui, PRC	October 13, 2023	74.24(D)	67,080(D)	Please refer to the Note 5 below	0.02
Mr. Tang Jianming (唐劍明)	Manufacturing director of Chuzhou base	Room 1208, Building 2, Xiangjiang Golden Age, Chahe Town, Lai'an County, Chuzhou, Anhui, PRC	January 16, 2023	42.40(B)	13,980(B)	Please refer to the Note 3 below	0.01
			February 2, 2023	104.98(C)	83,884(C)	Please refer to the Note 4 below	0.03
Mr. Zhou Fushen (周福深)	General manager of Huai'an base	Room 803, Building 3, Jinyue Mansion, Intersection of Fengdeng Road and Gongnong Road, Qingjiangpu District, Huai'an, Jiangsu, PRC	May 23, 2023	42.40(B)	13,980(B)	Please refer to the Note 3 below	0.01
			October 13, 2023	74.24(D)	67,080(D)	Please refer to the Note 5 below	0.02
Mr. Zhou Xiaohui (周小輝)	Deputy general manager of Jietai Technology	Room 1602, Building 12, Jinko Binjiang No. 1, Xinzhou District, Shangrao, Jiangxi, PRC	December 6, 2021	27.72(A)	67,108(A)	Please refer to the Note 1 below	0.02
			July 15, 2022	62.88(A)	224,112(A)	Please refer to the Note 1 below	0.08

Name of grantee	Position held at our Company	Address	Date of Grant	Exercise Price (RMB per Share)(6)	Number of A Shares underlying the outstanding options granted(6)	Vesting period	Approximate percentage of issued Shares immediately after completion of the Global Offering
Mr. Lv Qiang (吕強)	Director of marketing department	Room 308, Building 1, 1988 Tongda Road, Guoxiang, Wuzhong District, Suzhou, Jiangsu, PRC	January 16, 2023	42.40(B)	6,990(B)	Please refer to the Note 3 below	0.01
			February 2, 2023	104.98(C)	62,913(C)	Please refer to the Note 4 below	0.02
Mr. Wang Haichao (王海超)	Assistant to general manager	No. 870, North Street, District 2, Liu Mingzhuang Village, Wan'an Town, Lixian County, Baoding, Hebei, PRC	June 13, 2022	42.40(B)	44,738(B)	Please refer to the Note 3 below	0.02
			February 2, 2023	104.98(C)	27,962(C)	Please refer to the Note 4 below	0.01
Mr. Hou Xiaowei (侯小偉)	Deputy manager of production center	No. 048, Hongchangzhuang, Luochang Village, Shantou Town, Si County, Suzhou, Anhui, PRC	June 13, 2022	42.40(B)	19,573(B)	Please refer to the Note 3 below	0.01
			February 2, 2023	104.98(C)	34,952(C)	Please refer to the Note 4 below	0.01
			October 13, 2023	74.24(D)	30,000(D)	Please refer to the Note 5 below	0.01

(A) Employee Incentive Scheme 2021

(B) Employee Incentive Scheme 2022

(C) Employee Incentive Scheme 2023-A

(D) Employee Incentive Scheme 2023-B

Notes:

(1) 30%, 30% and 40% of the share options granted under the Employee Incentive Scheme 2021 will vest in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively.

(2) 50% and 50% of the share options granted to Mr. Zhang Manliang (張滿良) under the Employee Incentive Scheme 2022 will vest in each of the two exercise periods that occur between the first trading date after the 48-month anniversary from the date of grant and the last trading day up to the 72-month anniversary of the date of grant, respectively.

(3) 30%, 30% and 40% of the share options granted under the Employee Incentive Scheme 2022 on June 13, 2022 will vest in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively. 50% and 50% of the share options granted under the Employee Incentive Scheme 2022 on January 16, 2023 and May 23, 2023 will vest in each of the two exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant, respectively.

(4) 30%, 30% and 40% of the share options granted under the Employee Incentive Scheme 2023-A will vest in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively.

(5) 50% and 50% of the share options granted under the Employee Incentive Scheme 2023-B will vest in each of the two exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant, respectively.

(6) Taking into account the adjustment pursuant to the Dividends Distributions.

According to the respective incentive plan, the exercise price and outstanding options are adjusted under the scenarios and illustrated as follows:

Scenario 1 Stock Dividend

Exercise price	Outstanding options
P=P0/(1+n) P0: exercise price before adjustment n: stock dividend per share P: exercise price after adjustment	Q=Q0×(1+n) Q0: option shares before adjustment n: stock dividend per share Q: option shares after adjustment

Scenario 2 Cash Dividend

Exercise price	Outstanding options
P=P0-V P0: exercise price before adjustment V: cash dividend per share P: exercise price after adjustment Note: P should be more than RMB1 after adjustment.	Q=Q0 Q0: option shares before adjustment Q: option shares after adjustment

The table below sets forth the details of options granted to other grantees (excluding the abovementioned three Directors, two members of senior management of our Company and other 12 grantees who have been granted options, which were outstanding as of the Latest Practicable Date, to subscribe for 58,719 or more A Shares) under the Employee Incentive Schemes which were outstanding as of the Latest Practicable Date:

	Number of grantees[8]	Date of grant	Number of A Shares underlying the outstanding options[9]	Exercise price	Vesting period	A Share underlying the outstanding options as a percentage of issued Shares immediately after completion of the Global Offering[1]
				(RMB)		
Employee Incentive Scheme 2021	47	December 6, 2021	626,903[7]	27.72[7]	Please refer to the Note 2 below	0.21
Employee Incentive Scheme 2022	66	June 13, 2022	462,371[7]	42.40[7]	Please refer to the Note 3 below	0.16
	5	January 16, 2023	96,466[7]	42.40[7]	Please refer to the Note 4 below	0.03
	1	May 23, 2023	6,990[7]	42.40[7]	Please refer to the Note 4 below	0.01
Employee Incentive Scheme 2023-A . .	90	February 2, 2023	1,328,878[7]	104.98[7]	Please refer to the Note 5 below	0.45
Employee Incentive Scheme 2023-B . .	259	October 13, 2023	1,958,340	74.24	Please refer to the Note 6 below	0.67
	86	March 14, 2024	575,200	59.48	Please refer to the Note 6 below	0.20

Notes:

(1) The calculation is based on the assumption that no new Shares are issued under the Employee Incentive Schemes, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Global Offering.

(2) 30%, 30% and 40% of the share options granted under the Employee Incentive Scheme 2021 will vest in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively.

(3) 30%, 30% and 40% of the share options granted under the Employee Incentive Scheme 2022 on June 13, 2022 will vest in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively.

(4) 50% and 50% of the share options granted under the Employee Incentive Scheme 2022 on January 16, 2023 and May 23, 2023 will vest in each of the two exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant, respectively.

(5) 30%, 30% and 40% of the share options granted under the Employee Incentive Scheme 2023-A will vest in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively.

(6) 50% and 50% of the share options granted under the Employee Incentive Scheme 2023-B will vest in each of the two exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant, respectively.

(7) Taking into account the adjustment pursuant to the Dividends Distributions.

According to the respective incentive plan, the exercise price and outstanding options are adjusted under the scenarios and illustrated as follows:

Scenario 1 Stock Dividend

Exercise price	Outstanding options
P=P0/(1+n) P0: exercise price before adjustment n: stock dividend per share P: exercise price after adjustment	Q=Q0×(1+n) Q0: option shares before adjustment n: stock dividend per share Q: option shares after adjustment

Scenario 2 Cash Dividend

Exercise price	Outstanding options
P=P0-V P0: exercise price before adjustment V: cash dividend per share P: exercise price after adjustment Note: P should be more than RMB1 after adjustment.	Q=Q0 Q0: option shares before adjustment Q: option shares after adjustment

(8) Exclude the departed employees. In addition, the disclosure in table below categorized based on the number of A Shares underlying each individual grantee, being: 1 to 10,000 A Shares and 10,001 to 58,718 A Shares under each Employee Incentive Schemes:

	Date of grant	Range of outstanding A Shares under options granted	Number of grantees	Number of A Shares underlying the outstanding options	A Share underlying the outstanding options as a percentage of issued Shares immediately after completion of the Global Offering
Employee Incentive Scheme 2021	December 6, 2021	1 to 10,000 A Shares	21	112,406	0.04
		10,001 to 58,718 A Shares	26	514,497	0.18
Employee Incentive Scheme 2022	June 13, 2022	1 to 10,000 A Shares	54	286,214	0.10
		10,001 to 58,718 A Shares	12	176,157	0.06
	January 16, 2023	1 to 10,000 A Shares	2	13,980	0.01
		10,001 to 58,718 A Shares	3	82,486	0.03
	May 23, 2023	1 to 10,000 A Shares	1	6,991	0.01
Employee Incentive Scheme 2023-A	February 2, 2023	1 to 10,000 A Shares	10	69,201	0.02
		10,001 to 58,718 A Shares	80	1,259,677	0.43
Employee Incentive Scheme 2023-B	October 13, 2023	1 to 10,000 A Shares	208	957,480	0.33
		10,001 to 58,718 A Shares	51	1,000,860	0.34
	March 14, 2024	1 to 10,000 A Shares	76	416,200	0.14
		10,001 to 58,718 A Shares	10	159,000	0.05

(9) Exclude the options granted to the employees who have departed and subject to cancellation.

OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration or claim of material importance, and, so far as we are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of our Group, which would have a material adverse effect on our financial condition or results of operations, taken as a whole.

3. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules, and each of the Joint Sponsors will receive a fee of US$300,000 to act as the sponsors to our Company in connection with the Global Offering.

4. Preliminary expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

5. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this prospectus are as follows:

Name	Qualifications
Huatai Financial Holdings (Hong Kong) Limited	Licensed corporation under the SFO 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
CMB International Capital Limited	Licensed corporation under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
Deutsche Securities Asia Limited	Licensed corporation under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 6 (advising on corporate finance) regulated activities
Deloitte Touche Tohmatsu	Certified public accountants, and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Tian Yuan Law Firm	PRC Legal Advisor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

6. Consents

Each of the experts as referred to in the paragraph headed "5. Qualifications of Experts" of this Appendix has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it respectively included.

7. Taxation of Holders of H Shares

(1) Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further details in relation to taxation, please refer to the section headed "Appendix III — Taxation and Foreign Exchange" to this prospectus.

(2) Consultation with professional advisers

Potential investors in the Global Offering are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, or any other person or party involved in the Global Offering accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

8. No Material Adverse Change

Except as otherwise disclosed in this Prospectus, our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in the financial or trading position of our Company since December 31, 2024 (being the date to which the latest condensed consolidated financial statements of our Company were prepared).

9. Promoters

Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

10. Restrictions on Repurchase

For details, please refer to the sections headed "Appendix IV — Summary of Principal Legal and Regulatory Provisions" and "Appendix V — Summary of Articles of Association" to this prospectus.

11. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of it, 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 so far as applicable.

12. Bilingual Prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

Save as otherwise disclosed in this prospectus:

(a) within the two years preceding the date of this prospectus, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any shares of our Company;

(b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;

(g) save for our A Shares which are listed on the Shenzhen Stock Exchange, our Company is not presently listed on any stock exchange or traded on any trading system; and

(h) our Company is a joint stock limited company and is subject to the PRC Company Law.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) a copy of each of the material contracts referred to in the paragraph headed "Appendix VI — Statutory and General Information — Further Information about the Business of our Company — 1. Summary of Material Contracts" in this prospectus; and

(ii) the written consents referred to in the paragraph headed "Appendix VI — Statutory and General Information — Other information — 6. Consents" in this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of our Company at **www.jietaisolar.com** and on the website of the Stock Exchange at **www.hkexnews.com** up to and including the date which is 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the accountants' report prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix IA to this prospectus and the report on review of condensed consolidated financial statements for the three-month period ended March 31, 2025 prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix IB to this prospectus;

(c) the audit consolidated financial statements of our Group for the financial years ended December 31, 2022, 2023 and 2024;

(d) the report prepared by Deloitte Touche Tohmatsu on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;

(e) the industry report issued by Frost & Sullivan referred to in the section headed "Industry Overview";

(f) the PRC legal opinions issued by Tian Yuan Law Firm, our PRC Legal Advisor, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;

(g) the material contracts referred to in the paragraph headed "Appendix VI — Statutory and General Information — Further Information about the Business of our Company — 1. Summary of Material Contracts";

(h) the service contracts referred to in the paragraph headed "Appendix VI — Statutory and General Information — Further Information about Our Directors, Supervisors and Substantial Shareholders — 2. Service Contracts";

(i) the written consents referred to in the paragraph headed "Appendix VI — Statutory and General Information — Other Information — 6. Consents";

(j) the terms of Employee Incentive Schemes; and

(k) the PRC Company Law, the PRC Securities Law and the Overseas Listing Trial Measures together with unofficial English translations thereof.

DOCUMENT AVAILABLE FOR INSPECTION

A list of grantees under the Employee Incentive Schemes, containing all details as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of O'Melveny & Myers, at 31/F, AIA Central, 1 Connaught Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus.

JTPV

海 南 鈞 達 新 能 源 科 技 股 份 有 限 公 司

Hainan Drinda New Energy Technology Co., Ltd.