

KEHUA TECH RECEIVES THE 2023 COMPETITIVE STRATEGY LEADERSHIP AWARD

*Identified as best in class in the global uninterruptible
power supply industry*



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Kehua Tech (hereinafter referred to as Kehua) excels in many of the criteria in the uninterruptible power supply space.

AWARD CRITERIA	
<i>Strategy Innovation</i>	<i>Customer Impact</i>
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

Kehua: Driving Reliable, Flexible, and Sustainable Outcomes

Harnessing 35 years of excellence and expertise in intelligent power management, Kehua provides safe, green, and smart power solutions. With the vision of “becoming a world-leading supplier of integrated solutions for power protection and energy conservation,” the company promotes an intelligent and comprehensive energy management system encompassing power electronics, artificial intelligence (AI), and the Internet of Things (IoT) technologies. With over 1,000 engineers and 5,000 employees, users in over 100 countries and regions, and 70+ service outlets, Kehua has established a robust global business framework that entails superior research and development (R&D), a world-class supply chain, and rigorous quality control.

The company employs a three-pronged sustainability-oriented energy management strategy to enhance value for its brand, customers, and suppliers. As a socially responsible and environmentally conscious business, Kehua elevates its brand equity through customer-centric and sustainable practices, enabling it to harmonize with customers and market requirements. This approach helps the company acquire and retain customers, boost customer loyalty, and contribute to world sustainability. Kehua’s trailblazing solutions allow customers to amplify efficiency and condense energy costs and carbon footprint in the short and long runs, further boosting its competitive edge.

The company’s full-scale manufacturing process is characterized by its unique Kehua Production System (KPS). Its structure accentuates intelligent and visualized manufacturing, product quality, cost, production efficiency, flexibility, agility, delivery speed, and the integration of information technology (IT) and

industrialization. While these capabilities create a streamlined, sustainable supply chain system, they actively encourage and guide the upstream and downstream industrial chains. Kehua's product line covers various industries, such as data centers, high-end power supply, photovoltaic, energy storage, and electric vehicle charging.

Kehua's deep-rooted strategy based on sustainability-oriented energy management has paved the way for the company to establish a robust product roadmap encompassing three key pillars: continuous innovation, leveraging cutting-edge technologies, and a deep understanding of current and evolving market needs. This approach has enabled the company to deliver safe, smart, and simple products. The company's strategic orientation helps continuously catalyze business sector development, with a vision to serve global customers with power solutions that meet and exceed their unique needs. Its safe, reliable, and efficient smart power offerings cater to partners in numerous sectors (such as nuclear power,

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petrochemical, semiconductor, and rail transit), testifying to the versatility of Kehua's technology.

Kehua's uninterruptible power supply (UPS) solutions have accomplished immense recognition within high-end use cases. For example, the company has won multiple nuclear island UPS projects due to its nuclear-grade, leading-edge UPS, ultimately strengthening the expansion of the nuclear power industry. Another prominent example is Kehua's MR series modular UPS application in the world's largest solar radio imaging telescope, the Meridian Project Phase II, at the National Aerospace Science Facility.

Furthermore, Kehua fosters an enhanced management strategy, improving organizational motivation and efficiency. In 2019, the company reinvigorated its market and product development strategies, regional market team-building initiatives, supply chain management, and process optimization. As a result of its exceptional market strategy, the company swiftly expanded its presence in multiple vertical markets (e.g., data centers and rail transit). Kehua also introduced the integrated product development (IPD) process and enhanced organization. This initiative established central departments responsible for product development and project approval, framed a practical incentive system, and promoted R&D, supply chain, and other multi-party collaborations.

Through efficient R&D and effective investments, Kehua has attained outstanding improvements in recent years. The company has significantly increased its focus on its core products (such as modular UPS) through the meticulous voice of customer analysis and diligent monitoring of industry trends to gauge current and future market needs. Frost & Sullivan firmly believes that this approach will be a key driving force that guides Kehua's product roadmap and supports the continuous evolution of its technology solutions.

The other intriguing aspect of Kehua's excellence in strategy effectiveness is how it has structured its IPD and lead to cash (LTC) processes. It has seamlessly integrated various departments (market research, R&D,

and manufacturing), where each department has a dedicated person to lead new product initiatives. By leveraging the IPD transformation process, bolstering market research, amplifying business strategies, accelerating product planning and implementation, and ensuring high quality, Kehua maximizes product development's success rate. On the other hand, the LTC transformation process further accelerates the company's sales performance while improving business processes.

Kehua has forged a streamlined organization through defined strategies for all business aspects, enabling its leaders and workforce to dedicate their efforts to business and customer success. The company has established its service team (including market sales, product engineering delivery, and technical support) for regional market team construction. In addition, Kehua ensures that all core departments work optimally to strengthen its position in high-end vertical markets and strategic industries. Regarding process optimization, Kehua's strategic focus is to primarily identify and replace long, irrelevant, and outdated processes while addressing project progress issues and reducing business mismatch. It also accelerates process approval speed for better outcomes.

Kehua has established itself as a leading name in the global UPS market due to its extensive market knowledge, innovative power solutions, sustainable practices, and robust business infrastructure. Frost & Sullivan recognizes the company's longstanding history of excellence, which has resulted in multiple customer benefits and reinforced its competitive advantage.

An Outstanding Product Strategy Helps Pioneer Groundbreaking Solutions

Kehua's excellent execution of its holistic energy management has catalyzed a solid product strategy that accentuates continuous technology leveraging and improvement and a deep understanding of market demand. This exceptional approach of developing growth strategies helps the company sustain its objective of delivering innovative and compelling products, ultimately emerging as a pioneer in the global UPS market. Over the years, with regular product enhancements, Kehua has engineered an outstanding product portfolio, with products ranging from one kilo-volt-amperes to 1.6 megawatts for single units. In 2021, the company introduced the world's first 125 kilowatt (kW) UPS module with only three rack units (touted as one of the highest power densities in the world). The new UPS module already has two years of application experience with highly positive customer endorsements.

Carbon neutrality is becoming a global priority for all industries, and green energy is emerging as a megatrend. Furthermore, the lithium-ion (Li-ion) battery market has progressed incredibly with new infrastructure and 'dual carbon' goals. Harmonizing with these trends, Kehua applied power electronics to the Li-ion battery technology and designed its cutting-edge, highly safe, and reliable S³ Smart Backup Lithium-ion Battery System Solution (Safety-Li, Smart-Li, and Simple-Li) in 2022. This development also contributed to the company's product differentiation efforts, demonstrating its superior application and technology expertise in UPS and data centers. Notably, the solution integrates a three-layer building management system architecture, safeguarding the reliability of the Li-ion battery system from cell, module, and system layers.

Additionally, S³ Lithium-ion Battery System Solution's modular parallel design makes it compatible with Kehua's full range of UPS, with power ranging from 6 kW to 1,200 kW. Kehua increases the impact and

value of its solution with applications across multiple sectors: government, education, transportation, communication, finance, data center, medical treasure, enterprise, industry, and energy storage.¹

Avant-garde Product Features: Safe, Smart, and Simple²

- **The electrical and physical double isolation** decreases the fault scope to an effective space without diffusion, and there are no risks of short circuit shocks due to port zero voltage.
- **Pack-level fire linkage** ensures modular fire protection and can quickly, accurately, and effectively detect and extinguish the fire source in the initial stage. Even under the battery failure (under extreme condition), can ensure the firefighting protection
- **Failure modules exit automatically** and do not affect the system, while other modules work normally, improving reliability.
- **Module design (plug and play)** requires only minutes-level of maintenance and reduces operational expenditure (OPEX).
- **Flexible for expansion** feature expands the capacity of modules or cabinets and lowers capital expenditure.
- **Smart battery tests** the capacity separately and does not require cutting off the power supply, optimizing reliability.
- **Intelligent current equalization** allows the usage of old and new batteries.
- **Fault recording** and **early warning** facilitate accurate and quick fault identification, eventually reducing OPEX.
- **Adaptive SOC management** enables intelligent charge and discharge management, eliminating overcharging and over-discharging. It also detects the battery's internal temperature and strengthens safety, further minimizing OPEX.

Frost & Sullivan commends Kehua for its pioneering S³ Smart Backup Lithium-ion Battery System Solution, which delivers many advantages and underscores its commitment to technology innovation and product development.

Kehua continues to maximize growth opportunities in 2023. In January, the company launched its Eon Series UPS, the first built-in Li-ion battery solution UPS. This outstanding product addresses major customer concerns, including space utilization, service timeliness, and product safety. Incorporated with high power density and a built-in long-life Li-ion battery, this dependable product series can enhance customer value multifold by lowering the total cost of ownership while maximizing the return on investment. Eon Series UPS's highly integrated design element and all-in-one modular make it easy to operate and maintain; it is befitting for different sectors, including finance, education, healthcare, and IT.

¹ S³ Lithium-ion Battery System_Brochure

² Ibid.

It has received the UL1778 certification and has already secured high recognition in the United States market.³

Furthermore, Kehua's strong focus on other related product areas catering to renewable energy and data centers is highly commendable; key highlights in this space include liquid-cooled data center models, liquid-cooled energy storage systems, and iStoragE Series. Frost & Sullivan's research findings suggest that the company stays attuned to evolving market and customer demands through its exceptional product development strategy.

Excellent Customer Experience Propels Competitive Differentiation

Kehua further boosts its competitive differentiation by acquiring patents for its intellectual property. In 2023, the company completed 299 patent applications (205 invention patent applications, 74 utility model patent applications, and 20 design patent applications), 5 overseas invention patent applications, 217 patent authorizations (including 114 invention patent authorizations and six overseas patents), and 31 software copyrights. As of 2023, Kehua has secured 2,141 valid intellectual property rights, including 512 invention patents, 656 utility model patents, 171 design patents, and 583 software copyright records.⁴

Furthermore, the company strategically invests in product design, advanced technologies (AI and IoT), user experience, and application scenario analysis. Kehua has achieved major scientific research breakthroughs in various areas, including rail transit energy feedback technology, nuclear island-level power protection technology, and data center energy-saving technology and equipment status monitoring.

Kehua's three decades of excellence in power electronics technology, solid technical background, and future-focused capabilities have empowered it to devise and execute strategies other market players cannot easily duplicate. Additionally, Kehua ensures excellent customer experience through its customer-centric service system and technical seminars, online conferences, live broadcasts, regular meetings, 24/7 online support, feedback collection, and online training academy. The company promotes a strong sense of ownership by placing customers at the center of its business framework, offering low maintenance costs, and addressing their requirements. This results in improved customer satisfaction and fortifies Kehua's reputation. Kehua streamlines the customer purchasing process through its experts, who diligently guide and support customers and help them choose the solutions that best meet their needs. With its customer-centric approach, the company constantly forges effective customer relationships, allowing it to grow its customer base and amplify short- and long-term revenue growth.

The company's investment in cutting-edge technologies and customer-centric approach have enabled it to obtain numerous intellectual property rights, achieve significant scientific research milestones, and establish strong customer relationships.

³ <https://www.kehua.com/newslist/146.html>

⁴ Frost & Sullivan's Interview with Kehua

Unified and Focused Leadership

Kehua's executive team aligns its organizational processes with its vision and mission of driving a low-carbon digital future with smart power. With clear directions and focus, the company leaders ensure everyone works towards the same goals, optimizing overall performance and efficiency. The team makes decisions that complement Kehua's philosophies, objectives, and values. The company also facilitates training and development opportunities for the executive team to equip it with the skills and knowledge required to reinforce Kehua's vision. The company's uniquely designed internal feedback mechanism optimizes team performance. It inculcates a sense of ownership and pride while providing clear visibility on every individual's impact on customer value and overall company goals and growth.

Employee well-being is of paramount importance at Kehua. This approach prompts a positive work environment that nurtures employee commitment and dedication, boosting employee satisfaction and retention rates. Moreover, the company promotes safe, efficient, and green energy utilization,

contributing to a better future by galvanizing digitalization and low-carbon energy implementation.

"Kehua's fundamental value proposition accentuates quality, efficiency, cost-effectiveness, technology, and long-term orientation. The company's strategy excellence is driven by its extensive technology expertise, executive team alignment, and best-in-class operational capabilities, with customer value as a core strategic imperative. Kehua's profound technical background, customer-centric service system, and corporate culture exemplify the distinctiveness of its strategies."

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guarantees product quality through KPS, a quality control system, and a series of testing processes. For the price offered, Kehua delivers value in multiple aspects, including availability (for customized products), packaging, performance, ease to use, assurances, and life-cycle costs, thus, maximizing the price/performance value.

Frost & Sullivan believes that with its top-notch corporate infrastructure, best practices implementation, and competitive pricing, Kehua can drive the global UPS space into its next growth phase, sustaining its leadership in the coming years.

Conclusion

With a 35-year legacy of expertise in intelligent power management, customer-centric best practices, the integration of cutting-edge technologies, and a strong global presence, Kehua persistently delivers customer benefits, value, and success. Its sustainability-oriented energy management strategy has enabled the company to catalyze future-focused approaches for augmented management, product development, regional market team building, supply chain management, and process optimization. With products ranging from one kilo-volt-amperes to 1.6 megawatts for single units, Kehua has engineered an outstanding product portfolio with regular product enhancements. Its new S³ Smart Backup Lithium-ion Battery System Solution is highly safe, reliable, and agile, with applications across multiple sectors. Kehua's excellence in strategy effectiveness and customer-focused strategy implementation initiatives have secured it a trusted partner position in the highly competitive uninterruptible power supply industry.

With its strong overall performance, Kehua Tech earns Frost & Sullivan's 2023 Global Competitive Strategy Leadership Award in the uninterruptible power supply industry.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

