

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of September 2026

Commission File Number: 001-42208

XCHG Limited

(Exact Name of Registrant as Specified in Its Charter)

**XCharge Europe GmbH, Heselstücken 18,
22453 Hamburg, Germany**

**XCharge Energy USA Inc, 19121 Marketplace Avenue,
Building 2-Suite 2-145, Kyle, TX 78640, United States**
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒

Form 40-F ☐

INFORMATION CONTAINED IN THIS REPORT ON FORM 6-K

June 30, 2026 Financial Results

Attached as exhibits to this report on Form 6-K are (i) Management's Discussion and Analysis of Financial Conditions and Results of Operations for XCHG Limited (the "Company") for the six-month periods ended June 30, 2026 and 2025 which is attached as Exhibit 99.1; and (ii) the Company's Unaudited Condensed Consolidated Interim Financial Statements as of June 30, 2026 and for the six-month periods ended June 30, 2026 and 2025, which are attached as Exhibit 99.2.

The information contained in this Report on Form 6-K, including Exhibit 99.1 and Exhibit 99.2 hereto, is hereby incorporated by reference into the Company's registration statement on Form F-3 (File No. 333-292266) and S-8 (Registration No. 333-294184).

EXHIBIT INDEX

Exhibit No.	Description
99.1	<u>Management's Discussion and Analysis of Financial Conditions and Results of Operations for the six-month periods ended June 30, 2026 and 2025.</u>
99.2	<u>Unaudited Condensed Consolidated Interim Financial Statements as of June 30, 2026 and for the six-month periods ended June 30, 2026 and 2025.</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

XCHG Limited

Date: September 18, 2026

By: /s/ Yifei Hou

Name: Yifei Hou

Title: Co-Chief Executive Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our unaudited condensed consolidated financial statements and related notes and the other financial information included in the Exhibits to the Report of Foreign Private Issuer on Form 6-K to which this Exhibit is attached. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those disclosed below and in our Annual Report on Form 20-F.

Key Components of Results of Operations

Revenues

We derive our revenues from two sources, namely (i) product revenues; and (ii) service revenues. For the six months ended June 30, 2025 and 2026, our revenues amounted to US\$12.5million and US\$10.3 million, respectively. The following table sets forth a breakdown of our revenues, in absolute amounts and as percentages of total revenues, for the periods indicated.

	For the Six Months Ended June 30,			
	2025		2026	
	US\$	%	US\$	%
	(in thousands, except for percentages)			
Revenues				
Product revenues	12,089	97.1	9,467	92.2
Service revenues	362	2.9	804	7.8
Total	12,451	100.0	10,271	100.0

Product revenues. We generate revenues from the sales of our products. We typically recognize the revenue at a point in time when the products are accepted by customers. In the six months ended June 30, 2025 and 2026, our product revenues amounted to US\$12.1 million and US\$9.5 million, respectively, representing 97.1% and 92.2% of our total revenues in the same periods, respectively. The year-over-year decrease was mainly due to external policy dynamics, including trade policy turbulence and evolving renewable energy regulations. These factors led certain customers to temporarily delay procurement decisions in the last quarter of 2025. However, we have received more orders in the six months ended June 30, 2026, compared to the same period of last year, and we expect to achieve significant revenue in the second half year of 2026.

Service revenues. Complementary to the initial sales of products, we also offer accompanying services throughout the entire life cycle, including both software system upgrades and hardware maintenance. Our service revenues amounted to US\$0.4 million and US\$0.8 million in the six months ended June 30, 2025 and 2026, respectively, representing 2.9% and 7.8% of our total revenues in the same periods, respectively. As the number of installed chargers grows, we expect recurring service revenues to account for an increasing portion of our total revenues in the long run.

Cost of Revenues

Our cost of revenues consists of the costs and expenses that are directly related to providing our products and services to our customers. These costs and expenses include (i) cost of products sold, (ii) shipping costs, (iii) customs duties, (iv) share-based compensation, and (v) others. In the six months ended June 30, 2025 and 2026, our cost of revenues amounted to US\$6.1 million and US\$6.3 million respectively, representing 48.8% and 61.2% of our revenues in the same periods, respectively. The following table sets forth our cost of revenues, in absolute amounts and as percentages of total cost of revenues, for the periods indicated.

	For the Six Months Ended June 30,			
	2025		2026	
	US\$	%	US\$	%
	(in thousands, except for percentages)			
Cost of revenues				
Cost of products sold	4,694	77.3	5,572	88.6
Shipping costs	483	8.0	164	2.6
Customs duties	574	9.4	470	7.5
Share based compensation	16	0.3	(11)	(0.2)
Others ⁽¹⁾	303	5.0	95	1.5
Total	6,070	100.0	6,290	100.0

Note:

- (1) Primarily consist of warranty costs, write-downs of inventories and other costs.

We expect our cost of revenues to decrease as a percentage of our revenues in the long run through economies of scale and improvement of operating efficiency, and to increase in absolute amount in line with our expansion of business and customer base growth.

Gross Profit

Gross profit is equal to our total revenues less cost of revenues. Gross profit as a percentage of our total revenues is referred to as gross margin. In the six months ended June 30, 2025 and 2026, our gross profit was US\$6.4 million and US\$4.0 million, respectively, and our gross margin was 51.3% and 38.8%, respectively.

Operating Expenses

Our operating expenses consist of selling and marketing expenses, research and development expenses, general and administrative expenses. In the six months ended June 30, 2025 and 2026 our operating expenses amounted to US\$13.9 million and US\$15.2 million, respectively, representing 111.6% and 147.7% of our revenues in the same periods, respectively. The following table sets forth a breakdown of our operating expenses, in absolute amounts and as percentages of our total operating expenses, for the periods indicated.

	For the Six Months Ended June 30,			
	2025		2026	
	US\$	%	US\$	%
	(in thousands, except for percentages)			
Operating expenses				
Selling and marketing expenses	5,187	37.3	5,844	38.5
Research and development expenses	4,085	29.4	2,339	15.4
General and administrative expenses	4,620	33.3	6,989	46.1
Total	13,892	100.0	15,172	100.0

Selling and marketing expenses. Selling and marketing expenses consist of (i) staff cost in relation to selling and marketing activities, (ii) share-based compensation, (iii) Marketing expense, and (iv) other selling and marketing expenses. In the six months ended June 30, 2025 and 2026 our selling and marketing expenses amounted to US\$5.2 million and US\$5.8 million, respectively, 41.7% and 56.9% of our revenues in the same periods, respectively. The following table sets forth a breakdown of our selling and marketing expenses, in absolute amounts and as percentages of our total selling and marketing expenses, for the periods indicated.

	For the Six Months Ended June 30,			
	2025		2026	
	US\$	%	US\$	%
	(in thousands, except for percentages)			
Selling and marketing expenses				
Staff cost	2,700	52.1	3,127	53.5
Share based compensation	180	3.4	21	0.4
Marketing expense	1,456	28.1	1,905	32.6
Others ⁽¹⁾	851	16.4	791	13.5
Total	5,187	100.0	5,844	100.0

Note:

- (1) Primarily consist of business entertainment expenses, traveling expenses, rental and depreciation in relation to selling and marketing functions, and other expenses.

Research and development expenses. Research and development expenses consist of (i) outsourcing development expense, (ii) staff cost in relation to research and development activities, (iii) share-based compensation, and (iv) other research and development expenses. In the six months ended June 30, 2025 and 2026, our research and development expenses amounted US\$4.1 million and US\$2.3 million, respectively, representing 32.8% and 22.8% of our revenues in the same periods, respectively. The following table sets forth a breakdown of our research and development expenses, in absolute amounts and as percentages of our total research and development expenses, for the periods indicated.

	For the Six Months Ended June 30,			
	2025		2026	
	US\$	%	US\$	%
	(in thousands, except for percentages)			
Research and development expenses				
Outsourcing development expense	1,621	39.7	-	-
Staff cost	1,815	44.4	2,068	88.4
Share based compensation	223	5.5	77	3.3
Others ⁽¹⁾	426	10.4	194	8.3
Total	4,085	100.0	2,339	100.0

Note:

- (1) Primarily consist of certification expenses, testing expenses, and other expenses.

General and administrative expenses. Our general and administrative expenses consist of (i) professional expenses paid to professional consultants, (ii) staff cost in relation to general and administrative activities, (iii) share based compensation, (iv) foreign currency exchange loss (gain) resulting from the exchange difference in remeasuring foreign currencies to the functional currency as of the relevant dates, (v) losses of credit impairment, and (vi) other general corporate expenses. In the six months ended June 30, 2025 and 2026, our general and administrative expenses amounted to US\$4.6 million and US\$7.0 million, respectively, representing 37.1% and 68.0% of our revenues in the same periods, respectively. The following table sets forth a breakdown of our general and administrative expenses, in absolute amounts and as percentages of our total general and administrative expenses, for the periods indicated.

	For the Six Months Ended June 30,			
	2025		2026	
	US\$	%	US\$	%
	(in thousands, except for percentages)			
General and administrative expenses				
Professional expenses	1,491	32.3	2,605	37.3
Staff cost	1,088	23.5	1,276	18.3
Share based compensation	2,425	52.5	655	9.4
Foreign currency exchange loss (gain)	(1,234)	(26.7)	805	11.5
Provision on credit loss	110	2.4	539	7.7
Other general corporate expenses	740	16.0	1,109	15.8
Total	4,620	100.0	6,989	100.0

Results of Operations

This information should be read together with our unaudited condensed consolidated financial statements and related notes included or incorporated by reference elsewhere in the Exhibits to the Report of Foreign Private Issuer on Form 6-K to which this Exhibit is attached.

Revenues

Our revenues decreased by 17.5% from US\$12.5 million in the six months ended June 30, 2025 to US\$10.3 million in the same period of 2026, primarily driven by external policy dynamics, including trade policy turbulence and evolving renewable energy regulations. These factors led certain customers to temporarily delay procurement decisions, contributing to a softer order volume in the last quarter of 2025. However, we have received more orders in the six months ended June 30, 2026, compared to the same period of last year, and we expect to achieve significant revenue in the second half year of 2026.

Product revenues

Our revenues generated from sales of products decreased by 21.7% from US\$12.1 million in the six months ended June 30, 2025 to US\$9.5 million in the same period of 2026, mainly driven by the year-over-year decrease was mainly due to external policy dynamics, including trade policy turbulence and evolving renewable energy regulations. These factors led certain customers to temporarily delay procurement decisions in the last quarter of 2025. However, we have received more orders in the six months ended June 30, 2026, compared to the same period of last year, and we expect to achieve significant revenue in the second half year of 2026..

Service revenues

Our revenues generated from services were US\$0.4 million and US\$0.8 million in the six months ended June 30, 2025 and 2026, respectively.

Cost of Revenues

Our cost of revenues increased slightly by 3.6% from US\$6.1 million in the six months ended June 30, 2025 to US\$6.3 million in the same period of 2026. The year-on-year increase in costs was mainly due to the rise in prices of

precious metals such as silver and copper in the first six months ended June 30, 2026, which led some spare parts suppliers to raise their selling prices.

Gross Profit

As a result of the foregoing, our gross profit decreased by 37.6% from US\$6.4 million in the six months ended June 30, 2025 to US\$4.0 million in the same period of 2026. Our gross margin was 51.3% and 38.8%, respectively. One reason for the year-on-year decrease in gross margin in the first six months of 2026 is the increased proportion of lower-margin products in the sales mix. In addition, rise in prices of precious metals such as silver and copper also increased the purchase cost of spare parts and led to the increase of cost of sales and decrease of gross profit.

Operating Expenses

Our operating expenses increased by 9.2% from US\$13.9 million in the six months ended June 30, 2025 to US\$15.2 million in the same period of 2026, primarily reflecting the increases in our general and administrative expenses and selling and marketing expenses, partially offset by the decrease in research and development expenses.

Selling and marketing expenses

Our selling and marketing expenses increased by 12.7% from US\$5.2 million in the six months ended June 30, 2025 to US\$5.8 million in the same period of 2026. The increase was mainly attributable to the increase in expenses for product promotion. Our selling and marketing expenses as percentages of total revenues increased from 41.7% in the six months ended June 30, 2025 to 56.9% in the same period of 2026, reflecting the increase in expenses for product promotion.

Research and development expenses

Our research and development expenses decreased by 42.7% from US\$4.1 million in the six months ended June 30, 2025 to US\$2.3 million in the same period of 2026. The decrease was mainly attributable to the reduced cost in outsourcing development costs. Our research and development expenses as percentages of total revenue decreased from 32.8% in the six months ended June 30, 2025 to 22.8% in the same period of 2026, which was primarily driven by the decrease in outsourcing development costs.

General and administrative expenses

Our general and administrative expenses increased by 51.3% from US\$4.6 million in the six months ended June 30, 2025 to US\$7.0 million in the same period of 2026, mainly attributable to the increases in professional fees incurred related to the secondary offerings and the shift from foreign currency exchange gain to loss, partially offset by the decrease in share-based compensation for certain employees and non-employee consultants of the Group. Our general and administrative expenses as percentages of total revenues therefore increased from 37.1% in the six months ended June 30, 2025 to 68.0% in the same period of 2026.

Changes in Fair Value of Financial Instruments

Our changes in fair value of financial instruments decreased from US\$0.1 million in the six months ended June 30, 2025 to US\$41 thousand in the same period of 2026, mainly due to fluctuations in stock prices.

Interest Expenses

We recorded interest expenses of US\$65 thousand in the six months ended June 30, 2026, as compared to US\$75 thousand in the same period of 2025. Such decrease was primarily due to decrease in interest rate of the short-term bank borrowings.

Interest Income

We recorded interest income of US\$81 thousand in the six months ended June 30, 2026, as compared to US\$67 thousand in the same period of 2025.

Income Tax Expense

We recorded no income tax expense for either of the six months ended June 30, 2026 or 2025.

Net Loss

As a result of the foregoing, we recorded net loss of US\$11.1 million in the six months ended June 30, 2026, as compared to US\$7.3 million in the same period of 2025.

Non-GAAP Financial Measures

We consider non-GAAP net loss and non-GAAP basic and diluted loss per Class A and Class B ordinary share as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance and formulate business plans. We also believe that the use of these non-GAAP measures facilitates investors' assessment of our operating performance.

These non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. These non-GAAP financial measures have limitations as analytical tools. One of the key limitations of using these non-GAAP financial measures is that they do not reflect all items of income and expense that affect our operations. Further, these non-GAAP measures may differ from the non-GAAP information used by other companies, including peer companies, and therefore their comparability may be limited. We compensate for these limitations by reconciling these non-GAAP financial measures to the nearest U.S. GAAP performance measures, all of which should be considered when evaluating our performance. We encourage you to review our financial information in its entirety and not rely on a single financial measure.

We define non-GAAP net loss as net loss excluding share-based compensation and changes in fair value of financial instruments. We define non-GAAP basic and diluted loss per Class A and Class B ordinary share as non-GAAP net loss divided by the weighted average number of Class A and Class B ordinary shares outstanding during the period.

Adjusted Net Loss

We define adjusted net loss as net loss excluding share-based compensation and changes in fair value of financial instruments.

The following table reconciles our adjusted net loss for the periods indicated to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, which is net loss:

	For the Six Months Ended June 30,	
	2025	2026
	US\$	US\$
	(in thousands)	
Net loss	(7,338)	(11,126)
Add:		
Share-based compensation	2,844	742
Changes in fair value of financial instruments	(106)	(41)
Adjusted net loss	<u>(4,600)</u>	<u>(10,425)</u>

Liquidity and Capital Resources

Cash flows and working capital

Our principal sources of liquidity have been cash generated from financing activities and operating activities. As of June 30, 2026, we had US\$8.9 million in cash and cash equivalents, held primarily across financial institutions in three geographic locations. Our deposits held at financial institutions of PRC were primarily denominated in Renminbi, Euros and US dollars, which amounted to US\$294.0 thousand, US\$29.0 thousand and US\$283.7 thousand, respectively. Outside the PRC, we held US\$7.7 million denominated in US dollars at institutions in the United States, and US\$0.5 million denominated in Euros at institutions in Germany. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements. Specifically, under the existing exchange restrictions, without prior approval of SAFE, cash generated from the operations of our subsidiaries in China may be used to pay dividends to our company. However, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. As a result, we need to obtain SAFE approval to use cash generated from the operations of our PRC subsidiaries to pay off their respective debt in a currency other than Renminbi owed to entities outside China, or to make other capital expenditure payments outside China in a currency other than Renminbi. For details, see “Risk Factors—Risks Related to Regulations—Governmental control of currency conversion may limit our ability to utilize our revenues effectively and affect the value of your investment” in prior year’s 20-F. We do not believe that such restrictions on foreign exchange would have a material impact on the net assets and liquidity of our company or any of our subsidiaries. We believe that our current cash and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures, for at least the next 12 months.

We are evaluating strategies to obtain additional funding for future operations. These strategies may include, but are not limited to, obtaining equity financing, issuing debt or entering into other financing arrangements. However, we may be unable to access future equity or debt financing when needed. As such, there can be no assurance that we will be able to obtain additional liquidity when needed. As such, there can be no assurance that we will be able to obtain additional liquidity when needed or under acceptable terms, if at all.

The following table presents our consolidated cash flow data for the periods indicated.

	For the Six Months Ended June 30,	
	2025	2026
	US\$	US\$
	(in thousands)	
Net cash used in operating activities	(6,816)	(7,471)
Net cash used in investing activities	(311)	(303)
Net cash (used in) provided by financing activities	(3,509)	5,122
Effect of foreign currency exchange rate changes on cash and cash equivalents and restricted cash	200	157
Net decrease in cash, cash equivalents and restricted cash	(10,436)	(2,495)
Cash, cash equivalents and restricted cash at the beginning of the period	26,774	13,908
Cash, cash equivalents and restricted cash at the end of the period	16,338	11,413

Operating activities

Net cash used in operating activities was US\$6.8 million in the six months ended June 30, 2025. The difference between our net loss of US\$7.3 million and the net cash used in operating activities was mainly due to (i) an increase in inventories of US\$2.6 million, reflecting stockpiling in preparation for upcoming customer orders, and (ii) a decrease in accounts payable of US\$2.1 million, primarily attributable to the change of payment method to prepayment

for some of our raw materials, (iii) a decrease in accrued expenses and other current liabilities of US\$0.9 million, primarily attributable to the decrease in accrued payroll and social insurance, and (iv) an increase in amounts due from related parties of US\$0.8 million, current and non-current, primarily attributable to increased sales to one of our related party; partially offset by (i) share-based compensation expenses of US\$2.8 million in relation to the shares we granted under the 2023 Share Plan II, (ii) a decrease in accounts receivable of US\$3.0 million, primarily attributable to our measures to accelerate collection of payments, and (iii) a decrease in prepayments and other current assets of US\$1.4 million, primarily attributable to utilization of our prepayment balance, which aligns with regular business rhythms as suppliers fulfilled their service obligations.

Net cash used in operating activities was US\$7.5 million in the six months ended June 30, 2026. The difference between our net loss of US\$11.1 million and the net cash used in operating activities was mainly due to (i) an increase in contract liabilities of US\$2.5 million, (ii) a decrease in prepayments and other assets of US\$2.0 million, (iii) an increase in accounts payable of US\$1.6 million, (iv) a decrease in accounts receivable of US\$0.8 million, and (v) share-based compensation expenses of US\$0.7 million; partially offset by (i) an increase in inventories of US\$4.2 million, reflecting stockpiling in preparation for upcoming deliveries of customer orders.

Investing activities

Net cash used in investing activities was US\$0.3 million in the six months ended June 30, 2025, which was primarily attributable to cash paid for purchase of property and equipment and intangible assets.

Net cash used in investing activities was US\$0.3 million in the six months ended June 30, 2026, which was primarily attributable to cash paid for purchase of property and equipment and intangible assets.

Financing activities

Net cash used in financing activities was US\$3.5 million in the six months ended June 30, 2025, which was primarily attributable to (i) repayment of short-term bank borrowings of US\$3.9 million, and (ii) payment for initial public offering ("IPO") costs of US\$1.0 million; partially offset by proceeds from short-term bank borrowings of US\$1.4 million.

Net cash provided by financing activities was US\$5.1 million in the six months ended June 30, 2026, which was primarily attributable to (i) proceeds from short-term bank borrowings of US\$4.4 million, and (ii) proceeds from sale of ordinary shares through registered direct offering of US\$3.9 million; partially offset by repayment of short-term bank borrowings of US\$2.9 million.

Material cash requirements

Our material cash requirements as of June 30, 2026 primarily include our operating lease commitments, capital expenditures, and working capital requirements.

Our operating lease commitments consist of the commitments under the lease agreements for our office premises. We lease our office facilities under non-cancelable operating leases with various expiration dates. The majority of our operating lease commitments are related to our office lease agreements.

The following table sets forth our contractual obligations as of June 30, 2026:

	Payment Due by Period		
	Total	Less than 1 Year (US\$ in thousands)	1-3 Years
Operating lease liabilities ⁽¹⁾	1,711	511	1,200
Repayment of short-term borrowings	8,106	8,106	—
Total	9,817	8,617	1,200

Note:

- (1) Represents obligations under lease agreements for our office premises.

Our capital expenditures are incurred primarily in connection with purchase and improvement in property and equipment. We recorded capital expenditures of US\$311 thousand and US\$273 thousand in the six months ended June 30, 2025 and 2026, respectively. We intend to fund our future capital expenditures with our existing cash balance and proceeds from Securities offerings. We will continue to make capital expenditures to meet the expected growth of our business. Other than those shown above, we did not have any significant capital and other commitments, long-term obligations, or guarantees as of June 30, 2026.

XCHG LIMITED
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	As of December 31, 2025 US\$	As of June 30, 2026 US\$
ASSETS			
Current assets			
Cash and cash equivalents		11,385,381	8,855,514
Restricted cash		2,522,898	2,557,464
Accounts receivable, net	2	7,005,396	6,452,834
Amounts due from related parties	14	2,517,833	1,734,333
Inventories, net	3	9,432,929	13,832,492
Prepayments and other current assets	4	4,246,959	3,023,022
Total current assets		37,111,396	36,455,659
Non-current assets			
Property and equipment, net	5	1,972,396	2,008,436
Long-term investments		106,704	110,536
Operating lease right-of-use assets, net		1,766,194	1,524,016
Other non-current assets	4	1,711,830	1,101,478
Total non-current assets		5,557,124	4,744,466
Total assets		42,668,520	41,200,125
LIABILITIES			
Current liabilities			
Short-term borrowings	6	6,402,231	8,105,997
Accounts payable		6,727,086	8,320,524
Contract liabilities		4,074,505	6,510,896
Operating lease liabilities—current		592,989	468,274
Financial liability	8	63,593	24,192
Amounts due to a related party	14	164,046	159,996
Accrued expenses and other current liabilities	7	5,513,404	6,068,318
Total current liabilities		23,537,854	29,658,197
Non-current liabilities			
Operating lease liabilities—non-current		1,175,413	1,075,871
Other non-current liabilities		88,898	28,089
Total non-current liabilities		1,264,311	1,103,960
Total liabilities		24,802,165	30,762,157
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDERS' EQUITY			
Class A ordinary shares (USD0.00001 par value; 4,258,745,553 shares authorized; 2,160,310,915 and 2,799,892,915 shares issued, and 2,160,310,915 and 2,459,892,915 shares outstanding, as of December 31, 2025 and June 30, 2026, respectively; the shares issued as of June 30, 2026 include 340,000,000 escrowed reserve shares under the ATM Program.)	10	21,603	27,999
Class B ordinary shares (USD0.00001 par value; 741,254,447 shares authorized, issued and outstanding as of December 31, 2025 and June 30, 2026)	10	7,413	7,413
Additional paid - in capital		100,820,027	105,035,759
Accumulated other comprehensive income		1,893,379	1,369,044
Accumulated deficit		(84,876,067)	(96,002,247)
Total shareholders' equity		17,866,355	10,437,968
Total liabilities and shareholders' equity		42,668,520	41,200,125

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

XCHG LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Note	For the Six Months Ended June 30,	
		2025	2026
		US\$	US\$
Revenues (including sales to a related party of US\$753,827 and US\$226 for the six months ended June 30, 2025 and 2026, respectively)	15	12,451,126	10,270,989
Cost of revenues (including purchase from a related party of US\$147,611 and US\$526 for the six months ended June 30, 2025 and 2026, respectively)	15	(6,069,788)	(6,290,301)
Gross profit		6,381,338	3,980,688
Operating expenses:			
Selling and marketing expenses		(5,186,741)	(5,843,734)
Research and development expenses		(4,084,917)	(2,339,474)
General and administrative expenses		(4,619,965)	(6,989,407)
Total operating expenses		(13,891,623)	(15,172,615)
Government grants		73,825	8,181
Operating loss		(7,436,460)	(11,183,746)
Changes in fair value of financial instruments	10	106,289	41,217
Interest expenses		(75,149)	(64,515)
Interest income		67,190	80,864
Loss before income taxes		(7,338,130)	(11,126,180)
Income tax expense	12	—	—
Net loss		(7,338,130)	(11,126,180)
Other comprehensive income (loss)			
Foreign currency translation adjustment, net of nil income taxes		(52,090)	(524,335)
Comprehensive loss		(7,390,220)	(11,650,515)
Loss per Class A and Class B ordinary share—Basic and diluted	13	(0.003)	(0.004)
Weighted average number of Class A and Class B ordinary shares – Basic and diluted	13	2,544,609,189	3,128,519,848

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

XCHG LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended June 30,	
	2025	2026
	US\$	US\$
Cash flows from operating activities:		
Net cash used in operating activities	(6,815,957)	(7,470,588)
Cash flows from investing activities:		
Cash paid for purchase of property and equipment and intangible assets	(311,025)	(273,477)
Loans provided to a third party	—	(29,144)
Net cash used in investing activities	(311,025)	(302,621)
Cash flows from financing activities:		
Proceeds from short-term bank borrowings	1,391,999	4,371,674
Repayment of short-term bank borrowings	(3,945,105)	(2,914,449)
Proceeds from sale of ordinary shares through follow-up offering, net of placement agent fees and other reimbursable expenses \$480,312		3,894,688
Payments of follow-up offering cost	(956,248)	(230,389)
Net cash (used in) provided by financing activities	(3,509,354)	5,121,524
Effect of foreign currency exchange rate changes on cash and cash equivalents and restricted cash	199,983	156,384
Net increase (decrease) in cash, cash equivalents and restricted cash	(10,436,353)	(2,495,301)
Cash, cash equivalents and restricted cash at the beginning of the period	26,773,902	13,908,279
Cash, cash equivalents and restricted cash at the end of the period	16,337,549	11,412,978
Supplemental cash flow information:		
Interest paid	73,886	63,655
Non-cash investing and financing activities:		
Accrual of ATM program cost	—	5,385
Offering costs charged against additional paid-in capital	—	894,379
Operating right-of-use assets obtained in exchange for operating lease liabilities	874,106	—
Property and equipment transferred from inventories	874,663	—
ROU assets disposed as reduction of operating lease liabilities due to lease termination	—	26,029
Reconciliation of the amount for cash, cash equivalents and restricted cash:		
Cash and cash equivalents	16,337,549	8,855,514
Restricted cash	—	2,557,464
Total cash, cash equivalents and restricted cash	16,337,549	11,412,978

The accompanying notes are an integral part of these unaudited condensed consolidated financial statement

XCHG LIMITED
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The accompanying unaudited condensed consolidated financial statements of XCHG Limited (“the Company”), its wholly-owned subsidiaries (collectively referred to as “the Group”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted as permitted by rules and regulations of the U.S. Securities and Exchange Commission. The consolidated balance sheet as of December 31, 2025 was derived from the audited consolidated financial statements of the Group. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company as of and for the year ended December 31, 2025, which are included in the Annual Report on Form 20F.

In the opinion of management, all adjustments (which include normal recurring adjustments) necessary to present a fair statement of the financial position as of June 30, 2026, the results of operations and cash flows for the six months ended June 30, 2025 and 2026, have been made.

The preparation of the unaudited condensed consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures of contingent assets and liabilities at the balance sheet date, and the reported revenues and expenses during the reported periods. Significant accounting estimates include, but not limited to, allowance for credit losses, write downs for excess and obsolete inventories, the realization of deferred income tax assets and the fair value of ordinary shares, redeemable preference shares and convertible debts. Changes in facts and circumstances may result in revised estimates. Actual results could differ from those estimates, and as such, differences may be material to the unaudited condensed consolidated financial statements.

The accompanying unaudited condensed consolidated financial statements have been prepared assuming the Group will continue as a going concern. The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Group is evaluating strategies to obtain additional funding for future operations. These strategies may include, but are not limited to, obtaining equity financing, issuing debt or entering into other financing arrangements and obtaining agreements with the existing investors to extend the due dates for outstanding debt. However, the Group may be unable to access to future equity or debt financing when needed. As such, there can be no assurance that the Group will be able to obtain additional liquidity when needed or under acceptable terms, if at all.

The unaudited condensed consolidated financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities, and reported expenses that may be necessary if the Group were unable to continue as a going concern.

(b) Concentration of risk

Concentration of customers and suppliers

Customers from whom individually represent greater than 10% of total revenues of the Group for the six months ended June 30, 2025 and 2026 are as follows.

	For the Six Months ended June 30,			
	2025		2026	
	US\$	%	US\$	%
Customer A	*	*	2,165,662	21 %
Customer B	*	*	1,084,000	11 %
Customer C	1,389,443	11 %	*	*
Customer D	1,281,392	10 %	*	*

Suppliers from whom individually represent greater than 10% of total purchases of the Group for the six months ended June 30, 2025 and 2026 are as follows.

	For the Six Months ended June 30,			
	2025		2026	
	US\$	%	US\$	%
Supplier A	660,265	11%	1,032,065	11%
Supplier B	820,419	13%	*	*
Supplier C	786,562	12%	*	*
Supplier D	725,198	12%	*	*

Customers accounting for 10% or more of accounts receivable, net are as follows:

	As of December 31,		As of June 30,	
	2025		2026	
	US\$	%	US\$	%
Customer A	*	*	2,988,337	46%
Customer E	1,224,249	17%	*	*

Customers accounting for 10% or more of contract liabilities are as follows:

	As of December 31,		As of June 30,	
	2025		2026	
	US\$	%	US\$	%
Customer F	*	*	2,276,250	35%
Customer G	660,000	16%	660,000	10%

Suppliers accounting for 10% or more of accounts payable are as follows:

	As of December 31,		As of June 30,	
	2025		2026	
	US\$	%	US\$	%
Supplier A	1,612,153	24%	1,807,541	22%
Supplier E	*	*	1,075,283	13%
Supplier C	1,119,645	17%	*	*
Supplier D	687,776	10%	*	*

Suppliers accounting for 10% or more of prepayments are as follows:

	As of December 31,		As of June 30,	
	2025		2026	
	US\$	%	US\$	%
Supplier B	625,654	20%	654,399	29%
Supplier F	1,789,478	56%	559,010	34%

* The amount was less than 10% of total sales, total purchases or total balance.

Concentration of credit risk

Cash and cash equivalents consisted of cash on hand, cash at bank and term deposits, which have original maturities of three months or less and are readily convertible to known amounts of cash. The Group's cash and cash equivalents, excluding cash on hand, are deposited in financial institutions at below locations:

	As of December 31, 2025 US\$	As of June 30, 2026 US\$
Financial institutions in the mainland of the PRC		
—Denominated in RMB	1,827,969	294,013
—Denominated in USD	7,400	283,676
—Denominated in EUR	1,574,250	29,070
Total cash and cash equivalents balances held at mainland PRC financial institutions	3,409,619	606,759
Financial institution in Germany		
—Denominated in EUR	1,833,658	539,112
Total cash balances held at a Germany financial institution	1,833,658	539,112
Financial institutions in the USA		
—Denominated in USD	6,141,320	7,703,724
Total cash balances held at a USA financial institution	6,141,320	7,703,724
Total cash and cash equivalents balances held at financial institutions	11,384,597	8,849,595

(c) Recent accounting pronouncements

Newly adopted accounting pronouncements

In July 2025, the FASB issued ASU 2025-05 — Financial Instruments — Credit Losses (Topic 326). The amendments in this Update provide (1) all entities with a practical expedient and (2) entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. An entity that elects the practical expedient and the accounting policy election, if applicable, should apply the amendments in this Update prospectively. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. The Group adopted ASU 2025-05 effective January 1, 2026 on a prospective basis and elected the practical expedient. The adoption did not have a material impact on the Group's unaudited condensed consolidated financial statements and related disclosures.

Recent accounting pronouncements not yet adopted

In November 2024, the FASB issued ASU No. 2024-03, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”), and in January 2025, the FASB issued ASU No. 2025-01, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date (“ASU 2025-01”). ASU 2024-03 requires additional disclosure of the nature of expenses included in the income statement as well as disclosures about specific types of expenses included in the expense captions presented in the income statement. ASU 2024-03, as clarified by ASU 2025-01, is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Both early adoption and retrospective application are permitted. The Group is currently evaluating the impact of this accounting standard update on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU No. 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities. The amendments in this update establish authoritative guidance on the recognition, measurement, presentation, and disclosure of government grants. For public business entities, this update is effective for annual periods beginning after December 15, 2028, including interim periods within those annual reporting years. For all other entities, the amendments are effective for annual reporting periods beginning after December 15, 2029. Early adoption is permitted for all entities. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Improvements to Interim Disclosure Requirements (“ASU 2025-11”). The amendments clarify disclosure requirements for interim financial statements. For public business entities, the amendments are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. For all other entities, the amendments are effective for interim reporting periods within annual reporting periods beginning after December 15, 2028. Early adoption is permitted for all entities. The Company is currently evaluating the impact of this accounting standard update on its consolidated financial statements and related disclosures.

2. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consisted of the following:

	As of December 31, 2025	As of June 30, 2026
	US\$	US\$
Accounts receivable	8,015,176	7,629,555
Allowance for expected credit losses	(1,009,780)	(1,176,721)
Accounts Receivable, net	7,005,396	6,452,834

The movements of the allowance for doubtful accounts were as follows:

	As of December 31, 2025	As of June 30, 2026
	US\$	US\$
Balance at the beginning of the year/period	(650,396)	(1,009,780)
Provision for expected credit losses	(425,835)	(415,718)
Reversal of expected credit losses	98,045	259,286
Foreign currency translation	(31,594)	(10,509)
Balance at the end of the year/period	(1,009,780)	(1,176,721)

3. INVENTORIES, NET

Inventories, net consisted of the following:

	As of December 31, 2025	As of June 30, 2026
	US\$	US\$
Raw materials	3,242,149	3,855,803
Work-in-progress	1,871,933	3,504,585
Finished goods	4,318,847	6,472,104
Inventories	9,432,929	13,832,492

Write-downs of inventories from the carrying amount to its estimated net realizable value amounted to US\$16,418 and nil were recorded as cost of revenues for the six months ended June 30, 2025 and 2026.

4. PREPAYMENTS AND OTHER ASSETS

Prepayments and other current assets consisted of the following:

	As of December 31, 2025 US\$	As of June 30, 2026 US\$
Advances to suppliers	1,042,917	1,016,075
Deductible input VAT	527,286	520,387
Deferred financing costs(a)	1,097,980	454,489
Receivables from third party payment platforms	8,030	-
Prepayment to service vendors(b)	1,900,158	725,303
Loans to third parties(c)	824,694	891,414
Others(d)	557,724	516,832
Prepayments and Other Assets	5,958,789	4,124,500
Less: Other Non-Current Assets	1,711,830	1,101,478
Prepayments and Other Current Assets	4,246,959	3,023,022

- a. Deferred financing costs as of December 31, 2025 consisted of direct costs incurred by the Group in connection with the follow-up offering and the ATM program (as defined in note 10). On June 29, 2026, the Company completed the follow-up offering. Accordingly, the direct costs related to the follow-up offering were offset against the gross proceeds received from the offering. As of June 30, 2026, the remaining deferred financing costs related primarily to the ATM program. Such costs were classified as a non-current asset as of both December 31, 2025 and June 30, 2026.
- b. Prepayment to service vendors primarily consist of advance payments for outsourcing core hardware development and market promotion services.
- c. Loans to third parties consisted of the following: (i) On November 24, 2025, the Company entered into a loan agreement with an individual third party to provide a loan of RMB 0.2 million (approximately US\$31.0 thousand). The loan bears interest at a floating rate equal to 3.91% per annum and matures twelve months from the effective date; (ii) On November 28, 2025, X-Charge Technology entered into a loan agreement with a third-party entity to provide a loan of RMB 4.3 million (approximately US\$0.6 million). The loan bears interest at 3.5% per annum and matures two years from the disbursement date. As the loan matures more than twelve months from each of the balance sheet date, it was classified as a non-current asset; (iii) On June 2, 2026, X-Charge Technology entered into a loan agreement with a third-party entity to provide a loan of RMB 0.2 million (approximately US\$29.5 thousand). The loan bears interest at 3.5% per annum and matures twelve months from the effective date.
- d. Others mainly include staff advances and deposits.

5. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following:

	As of December 31, 2025 US\$	As of June 30, 2026 US\$
Machinery and equipment	356,946	369,766
EV Chargers	1,845,556	1,877,966
Office and electronic equipment	665,570	770,462
Software	18,764	19,438
Leasehold improvement	782,207	810,301
Constructions in progress	192,436	321,494
Property and Equipment	3,861,479	4,169,427
Less: Accumulated depreciation	(1,889,083)	(2,160,991)
Property and Equipment, net	1,972,396	2,008,436

Depreciation expenses were US\$166,540 and US\$271,908 for the six months ended June 30, 2025 and 2026, respectively.

6. SHORT-TERM BORROWINGS

	As of December 31, 2025 US\$	As of June 30, 2026 US\$
Short-term bank borrowings ⁽ⁱ⁾	4,268,154	5,895,272
Loans from investor C ⁽ⁱⁱ⁾	2,134,077	2,210,725
Short-term borrowings	6,402,231	8,105,997

(i) Short-term bank borrowings

Short-term bank borrowings consist of RMB denominated borrowings from financial institutions in the PRC that are repayable within one year. The weighted average interest rates for the outstanding short-term bank borrowings as of December 31, 2025 and June 30, 2026 were 2.72% and 2.47%, respectively. As of December 31, 2025 and June 30, 2026, the repayments of all short-term bank borrowings are guaranteed by the Founders or third parties except for one loan from Bank of Beijing that started on December 28, 2025. As of December 31, 2025 and June 30, 2026, the Company had outstanding short-term bank loan balances payable to the following financial institutions:

Lender	Interest Rate	Maturity Date	As of December 31, 2025 US\$	As of June 30, 2026 US\$
Bank of Beijing Fuyu Sub-branch	3.00%	December 27, 2026	1,422,718	1,473,818
Bank of China Beijing Guomao Sub-branch	2.24%	March 12, 2027	1,422,718	1,473,818
China Merchants Bank Beijing Dayuncun Sub-branch	2.30%	December 18, 2026	1,422,718	1,473,818
Industrial and Commercial Bank of China Beijing Sub-branch	2.35%	June 9, 2027	-	1,473,818
Total Short-term borrowings			4,268,154	5,895,272

(ii) Loans from investor C

On May 27, 2024, the Company and Beijing X-Charge Technology Co., Ltd. (“X-Charge Technology”) entered into an adjustment agreement on the convertible loan investment with investor C, pursuant to which all parties agreed that X-Charge Technology shall repay the loan principal in the amount of RMB15 million (equivalent to US\$2.1 million) and applicable interest to investor C upon 180 days after the consummation of a qualified IPO.

Subsequently, the qualified IPO was consummated, making the total outstanding amount of RMB 16.13 million (approximately US\$2.26 million), comprising principal and accrued interest, due on March 10, 2025. The Company failed to repay by this date, and pursuant to the agreement, overdue principal accrues default interest at a simple rate of 12% per annum from the date of default until full repayment.

On October 28, 2025, X-Charge Technology received a formal notice of arbitration from the China International Economic and Trade Arbitration Commission (“CIETAC”). The notice states that a claim was filed by Investor C seeking repayment of the outstanding principal and interest totaling RMB16.71 million (equivalent to US\$2.33 million), plus default interest accruing at an annual rate of 12% from March 9, 2025 to May 31, 2025, as well as recovery of its legal fees and arbitration costs. The claim also demands joint and several liability from the Company, its German subsidiary, and its founders, Mr. Ding Rui and Mr. Hou Yifei.

On July 25, 2026, the CIETAC held its first hearing. No decision was reached at that hearing. Both parties are currently in the process of submitting supplementary evidence, and the matter remains pending before the CIETAC for further proceedings.

For the six months ended June 30, 2025 and 2026, the Company recognized interest expense on the loan from investor C of US\$117,157 and US\$130,072, respectively, consisting of contractual interest of US\$38,900 and nil and default interest of US\$78,257 and US\$130,072 accruing at a simple rate of 12% per annum on the overdue principal from March 10, 2025 until full repayment.

As of June 30, 2026, the Company’s cumulative accrued interest amounted to US\$514,100 related to the loans from investor C, which is recognized within Accrued Expenses and Other Current Liabilities.

7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

	As of December 31, 2025 US\$	As of June 30, 2026 US\$
Accrued payroll and social insurance	2,938,321	2,531,628
Cash collected on behalf of the customers(a)	53,683	105,434
Other taxes payable	540,679	597,556
Accrued follow-up offering cost	522,813	478,198
Accrued service expenses	403,298	979,196
Interest payable to investors	825,081	969,898
Others(b)	229,529	406,408
Accrued Expenses and Other Current Liabilities	5,513,404	6,068,318

- a. The Group collects the EV charging considerations from end users on behalf of certain customers and pays to these customers on a regular basis.
- b. Others as of December 31, 2025 and June 30, 2026 mainly included accrued warranty and other payable.

8. FINANCIAL LIABILITY

In October 2020, X-Charge Technology entered into a loan agreement with SPD Silicon Valley Bank to borrow up to RMB10 million (equivalent to US\$1.4 million). In October 2020, in connection with the loan agreement, X-Charge Technology issued warrants to Shengwei Venture Capital Management (Shanghai) Co., Ltd (“Shengwei”), an affiliate of SPD Silicon Valley Bank, to purchase 0.542% of X-Charge Technology’s equity interest at an exercise price at RMB2 million (equivalent to US\$0.3 million) in aggregate or purchase 8,786,150 ordinary shares of the Company at the option of Shengwei on a fully diluted basis. The warrants are exercisable upon issuance and expires in October 2027. The warrants have not been exercised as of December 31, 2025 and June 30, 2026.

During the exercisable period and when the warrants are exercised, Shengwei is entitled to require X-Charge Technology to repurchase all equity interest at the price of fair market value.

In accordance with ASC 480, the Company classified the warrants as financial liability as the warrants embody an obligation to repurchase the X-Charge Technology’s equity interest which may require settlement by transferring assets. The Group recorded the financial liability on the consolidated balance sheets at its estimated fair value and subsequently, at each reporting date, recorded changes in estimated fair value included in the changes in fair value of financial instruments on the consolidated statement of comprehensive loss.

9. FAIR VALUE MEASUREMENT

The tables below reflect the reconciliation from the opening balances to the closing balances for recurring fair value measurements categorized as Level 3 of the fair value hierarchy for the six months ended June 30, 2026:

			For the Six Months Ended June 30, 2026				
			Gain or Losses				
	US\$	January 1, 2026	Purchase	Included in Earnings	Included in Other Comprehensive Loss	Foreign Currency Translation Adjustment	June 30, 2026
Liabilities:							
Financial liability		63,593	—	(41,217)	—	1,816	24,192

For the financial liability that does not have a quoted market rate, the Group measured its fair value using the option-pricing model with the assistance of an independent third-party valuation firm. The fair values of financial liability as of June 30, 2026 are estimated with the following key assumptions:

	June 30, 2026
Risk-free rate of return (per annum)	4.03%
Volatility	62.9%
Expected dividend yield	0.00%
Expected term	1.31 years
Fair value of the Company's ordinary shares	US\$0.0023 per share

These inputs used in the analysis were classified as Level 3 inputs within the fair value hierarchy due to the lack of observable market data and activity. If different estimates and assumptions had been used, the fair values of the preference shares and ordinary shares could be significantly different, and the fair value of the financial liability may materially differ from the recognized amount.

10. ORDINARY SHARES

On January 30, 2026, the Company entered into a sales agreement (the "Sales Agreement") with Alliance Global Partners ("A.G.P." or the "Sales Agent"), pursuant to which the Company may offer and sell, from time to time, American depositary shares ("ADSs"), each representing 40 Class A ordinary shares, par value US\$0.00001 per share, having an aggregate offering price of up to US\$12,800,000, in an "at-the-market" offering (the "ATM Program"). Sales, if any, are made at prevailing market prices, and the Company pays the Sales Agent a commission equal to 3.0% of the aggregate gross proceeds from each sale of ADSs. The Company is not obligated to sell any ADSs and may suspend or terminate the ATM Program at any time.

On February 2, 2026, to facilitate the settlement of future sales under the ATM Program, the Company issued 8,500,000 ADSs (representing 340,000,000 Class A ordinary shares) to the depositary bank to be held in reserve, for which no consideration was received. Although these shares are legally issued, they carry no economic rights (including rights to dividends and other distributions) while held in reserve and are delivered to purchasers — with the related proceeds recognized — only as and when the underlying ADSs are sold under the ATM Program. Accordingly, for accounting purposes these shares are treated as escrowed shares, are not considered outstanding, and are excluded from the shares used to compute basic and diluted net loss per ordinary share until sold. The Company recorded the par value of US\$3,400 with a corresponding reduction of additional paid-in capital, resulting in no net impact on total shareholders' equity.

During the six months ended June 30, 2026, no ADSs were sold under the ATM Program and no proceeds were received. As of June 30, 2026, all 8,500,000 ADSs (representing 340,000,000 Class A ordinary shares) remained held in reserve by the depositary bank and unsold, and the full US\$12,800,000 of ADSs remained available for future issuance under the ATM Program. Upon a sale of ADSs under the ATM Program, the corresponding shares are reclassified as outstanding and the net proceeds (after the 3.0% sales commission and offering expenses) are recorded as additional paid-in capital.

On July 23, 2025, the Company completed the registration of 489,550 ADSs, representing 19,582,000 Class A Ordinary Shares, under its share incentive plan.

On June 29, 2026, the Company completed its registered direct offering (the "Offering"). In the Offering, an aggregate of 7,000,000 American Depositary Shares each representing forty (40) Class A Ordinary Shares par value US\$0.00001 per share, at a purchase price of \$0.625 per ADS. The gross proceeds to the Company from the Offering, before deducting commissions and offering expenses, were approximately \$4.375 million.

As of December 31, 2025 and June 30, 2026, the Company had authorized 4,258,745,553 Class A ordinary shares and 741,254,447 Class B ordinary shares. As of December 31, 2025 and June 30, 2026, 2,160,310,915 and 2,799,892,915 Class A ordinary shares were issued, respectively, and 2,160,310,915 and 2,459,892,915 shares outstanding, as of December 31, 2025 and June 30, 2026, respectively, the shares issued as of June 30, 2026 include 340,000,000 escrowed reserve shares under the ATM Program. All 741,254,447 Class B ordinary shares authorized were issued and outstanding as of December 31, 2025 and June 30, 2026.

11. SHARE-BASED COMPENSATION

Compensation expenses recognized for share-based compensation granted by the Company were as follows:

	For the six months ended June 30,	
	2025	2026
	US\$	US\$
Cost of revenues	15,689	(11,100)
Selling and marketing expenses	179,907	21,165
Research and development expenses	223,152	76,570
General and administrative expenses	2,424,953	654,871
Total	2,843,701	741,506

(a) 2023 Share Incentive Plan II

On December 23, 2024, the Company adopted the 2023 Share Incentive Plan II (the “2023 Plan II”). Pursuant to the 2023 Plan II, restricted shares units were granted to its directors, certain employees and non-employee consultants of the Group as approved by the administrator appointed by the board of directors. Shares granted under the 2023 Plan II are generally subject to only service condition but with multiple vesting schedules.

The fair value of each restricted share units granted is estimated based on the fair market value of the underlying ordinary shares of the Company on the date of grant.

The following table summarizes activities of the Company’s restricted shares units granted under the 2023 Plan II:

	Number of ADS Outstanding (a)	Weighted Average Grant Date Fair Value (Per ADS) (a) US\$
Unvested as of December 31, 2025	58,228	32.40
Vested	(12,281)	40.80
Forfeited	(4,343)	33.00
Unvested as of June 30, 2026	41,604	29.80

- (a) The number of restricted share units (expressed in ADSs) and the related weighted-average grant date fair value per ADS presented in the tables above have been retrospectively adjusted for all periods presented to reflect the change in the ADS ratio from one ADS representing 40 Class A ordinary shares to one ADS representing 800 Class A ordinary shares, which had the same effect as a one-for-twenty (20) reverse ADS split and became effective on August 21, 2026 (see Note 18).

For the six months ended June 30, 2025 and 2026, total share-based compensation expenses recognized for the restricted shares units granted under the 2023 Plan II were US\$2,843,701 and US\$312,818, respectively.

As of December 31, 2025 and June 30, 2026, there were US\$935,641 and US\$462,001 of unrecognized share-based compensation expenses related to the restricted share units granted under the 2023 Plan II. Such unrecognized expenses are expected to be recognized over a weighted-average period of 1.26 years and 1.07 years as of December 31, 2025 and June 30, 2026, respectively.

Effective as of March 9, 2026, the Company terminated the 2023 Plan II and ceased making awards thereunder. All awards previously granted under the 2023 Plan II remain outstanding and continue to be governed by its terms and applicable award agreements.

(b) 2026 Share Incentive Plan

On March 9, 2026, the Company adopted the 2026 Share Incentive Plan (the “2026 Plan”), under which the Company reserved 1,492,028,626 shares to motivate employees, nonemployee directors and consultants. Shares granted to officers under the 2026 Plan are generally subject to only service condition but with multiple vesting schedules.

The fair value of each restricted share units granted is estimated based on the fair market value of the underlying ordinary shares of the Company on the date of grant.

The following table summarizes activities of the Company’s restricted shares units granted under the 2026 Plan:

	Number of ADS Outstanding (a)	Weighted Average Grant Date Fair Value (Per ADS) (a) US\$
Unvested as of December 31, 2025	—	—
Granted	22,808	21.00
Vested	(20,808)	20.20
Unvested as of June 30, 2026	2,000	28.20

- (a) The number of restricted share units (expressed in ADSs) and the related weighted-average grant date fair value per ADS presented in the tables above have been retrospectively adjusted for all periods presented to reflect the change in the ADS ratio from one ADS representing 40 Class A ordinary shares to one ADS representing 800 Class A ordinary shares, which had the same effect as a one-for-twenty (20) reverse ADS split and became effective on August 21, 2026 (see Note 18).

For the six months ended June 30, 2025 and 2026, total share-based compensation expenses recognized for the restricted shares units granted under the 2026 Plan were nil and US\$428,688, respectively.

As of June 30, 2026, there were US\$48,035 of unrecognized share-based compensation expenses related to the restricted share units granted under the 2026 Plan. Such unrecognized expenses are expected to be recognized over a weighted-average period of 2.22 years as of June 30, 2026.

12. INCOME TAX

The Group recorded an income tax expense of nil and nil for six months ended June 30, 2025 and 2026, representing effective income tax rates of nil% and nil%, respectively.

The effective income tax rate for six months ended June 30, 2025 and 2026 differs from the PRC statutory income tax rate of 25% primarily due to the effect of the research and development expenses bonus deduction, the preferential tax rate of 15% relating to X-Charge Technology, which qualifies as an HNTE, and the valuation allowance recorded against deferred tax assets of loss-making entities.

13. LOSS PER SHARE

For the purpose of calculating loss per share, the number of shares used in the calculation reflects the outstanding shares of the Company as if the Restructuring took place at the earliest period presented.

	For the Six Months Ended June 30,	
	2025	2026
	US\$	US\$
Loss per share—basic and diluted:		
Numerator:		
Net loss attributable to Class A and Class B ordinary share of the Company—basic and diluted	(7,338,130)	(11,126,180)
Denominator:		
Weighted average number of Class A and Class B ordinary shares outstanding (a)(b)	2,378,061,531	2,921,417,207
Weighted average number of vested restricted share units	166,547,658	207,102,641
Denominator used in computing loss per share—basic and diluted (c)	2,544,609,189	3,128,519,848
Loss per Class A and Class B ordinary share—basic and diluted (US\$)	(0.003)	(0.004)

The following ordinary shares equivalents were excluded from the computation to eliminate any antidilutive effect:

	As of June 30,	
	2025	2026
Financial liability (d)	6,892,767	10,385,182

- The Company has a dual-class share structure, with each Class A ordinary share carrying 1 vote and each Class B ordinary share carrying 10 votes. All share classes enjoy equal rights to dividends; therefore, the allocation of net profits is independent of voting rights.
- The 340,000,000 Class A ordinary shares (8,500,000 ADSs) issued to the depositary bank as reserve shares under the ATM Program were held in escrow and unsold as of June 30, 2026. As these shares are not considered outstanding for accounting purposes, they have been excluded from the denominator used to compute both basic and diluted net loss per ordinary share for all periods presented (see Note 10).
- Vested but unregistered restricted share units are included in the denominator of basic loss per share calculation once there were no further vesting conditions or contingencies associated with them, as they are not considered contingently issuable shares. Accordingly, the weighted average number of shares of 166,547,658 and 207,102,641 are related to these restricted

share units are included in the denominator for the computation of basic EPS for the six months ended June 30, 2025 and 2026, respectively.

- d. The warrants represent 0.2898% of the Company's equity interest as of June 30, 2025 and 2026, respectively, calculated on a fully diluted basis according to the warrant agreement.

14. RELATED PARTY BALANCE AND TRANSACTIONS

The following is a list of related parties which the Company has major transactions with:

- (1) Mr. Ding Rui, one of the Founders.
- (2) Zhichong Technology (Shenzhen) Co., Ltd ("Shenzhen Zhichong"), which is 49% owned by the Group.
- (3) Beijing Puyan Enterprise Management Co., Ltd ("Beijing Puyan"), which is a related party of one of the Group's preferred shareholders.
- (4) Beijing Zhichong New Energy Technology Co., Ltd ("Zhichong New Energy"), which is 11.71% owned by the Group.
- (5) Mr. Hou Yifei, one of the Founders.

The Group mainly had the following transactions and balances with related parties:

(a) Major transactions with related parties

		For the Six Months Ended June 30,	
		2025	2026
		US\$	US\$
Interest income from Beijing Puyan	(i)	768	-
Purchase of materials from Shenzhen Zhichong	(ii)	33,363	526
Sell products to Shenzhen Zhichong	(ii)	11,693	-
Sell products to Zhichong New Energy	(iii)	897,497	226

(b) Balance of amounts due from related parties:

		As of December 31,	As of June 30,
		2025	2026
		US\$	US\$
Beijing Puyan	(i)	273,066	282,874
Shenzhen Zhichong	(ii)	11,951	43,184
Zhichong New Energy	(iii)	2,737,608	2,317,482
Amounts due from related parties, gross		3,022,625	2,643,540
Allowance for expected credit losses		(504,792)	(909,207)
Total		2,517,833	1,734,333

The movements of the allowance for doubtful accounts were as follows:

	As of December 31,	As of June 30,
	2025	2026
	US\$	US\$
Balance at the beginning of the year/period	-	(504,792)
Provision for expected credit losses	(496,730)	(381,936)
Foreign currency translation	(8,062)	(22,479)
Balance at the end of the year/period	(504,792)	(909,207)

(c) Balance of amounts due to a related party

		As of December 31, 2025 US\$	As of June 30, 2026 US\$
Shenzhen Zhichong	(ii)	164,046	159,996
Total		164,046	159,996

- (i) On March 22, 2021, the Board of Directors of X-Charge Technology approved a loan agreement with its related party, Beijing Puyan. Under this agreement, X-Charge Technology provided a two-year loan of RMB30.3 million (approximately US\$4.2 million) to Beijing Puyan, bearing an annual interest rate of 3.85%. Beijing Puyan repaid RMB10 million (approximately US\$1.4 million) of the principal in December 2022, and RMB20 million (approximately US\$2.8 million) was repaid in January 2023. As of December 31, 2025 and June 30, 2026, the balance outstanding was US\$0.3 million and US\$0.4 million, respectively. Interest income recognized from this loan amounted to US\$ 768 and nil in the unaudited condensed consolidated statements of comprehensive loss for the six months ended June 30, 2025 and 2026, respectively.
- (ii) The Group purchased certain types of EV chargers from Shenzhen Zhichong in the amount of US\$33 thousand and US\$0.5 thousand for the six months ended June 30, 2025 and 2026, respectively. The outstanding balance of accounts payable to Shenzhen Zhichong were US\$0.2 million and US\$0.2 million as of December 31, 2025 and June 30, 2026, respectively, which were included in amounts due to a related party on the consolidated balance sheets. Besides, the Group also sold certain types of EV chargers to Shenzhen Zhichong, with zero transaction volume for the six months ended June 30, 2025 and 2026. The outstanding balance of accounts receivable from Shenzhen Zhichong were US\$11.9 thousand and US\$43.2 thousand as of December 31, 2025 and June 30, 2026, respectively, which were included in amounts due from related parties on the consolidated balance sheets.
- (iii) The Group sold certain types of EV chargers to Zhichong New Energy in the amount of US\$0.9 million and US\$0.2 thousand for the six months ended June 30, 2025 and 2026, respectively. The outstanding balance of accounts receivable from Zhichong New Energy were US\$2.7 million and US\$2.2 million as of December 31, 2025 and June 30, 2026, respectively, which were included in amounts due from related parties on the consolidated balance sheets.

15. REVENUE INFORMATION

Revenues consisted of the following:

	For the Six Months Ended June 30,	
	2025 US\$	2026 US\$
Product revenues	12,088,605	9,466,876
Service revenues	362,521	804,113
Total revenues	12,451,126	10,270,989

The following summarizes the Group's revenues from the following geographic areas (based on the locations of customers):

	For the Six Months Ended June 30,	
	2025 US\$	2026 US\$
Europe	4,830,840	6,038,024
PRC	2,401,219	862,278
USA	5,186,643	2,945,420
Others	32,424	425,267
Total revenues	12,451,126	10,270,989

For the six months ended June 30, 2025 and 2026, revenues recognized that was included in the contract liabilities at January 1, 2025 and 2026 amounted to US\$2,181,112 and US\$1,026,891, respectively.

The Group has elected the practical expedient in ASC 606-10-50-14(a) not to disclose the information about remaining performance obligations which are part of contracts that have an original expected duration of one year or less.

16. CHANGES IN SHAREHOLDERS' EQUITY

	Ordinary Shares				Additional paid-in capital Amounts	Accumulate d other comprehens ive income Amounts	Accumulate d deficit Amounts	Total Shareholders , equity Amounts
	Class A Ordinary Shares		Class B Ordinary Shares					
	Number	Amounts	Number	Amounts				
Balance as of January 1, 2025	1,636,807,084	16,368	741,254,447	7,413	79,883,038	1,975,487	(52,373,422)	29,508,884
Net loss	—	—	—	—	—	—	(7,338,130)	(7,338,130)
Share-based compensation	—	—	—	—	2,903,701	—	—	2,903,701
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	(52,090)	—	(52,090)
Balance as of June 30, 2025	1,636,807,084	16,368	741,254,447	7,413	82,786,739	1,923,397	(59,711,552)	25,022,365

	Ordinary shares					Accumulate d other comprehensi ve income Amounts	Accumulate d deficit Amounts	Total Shareholders' equity Amounts
	Class A Ordinary Shares		Class B Ordinary Shares		Additional paid-in capital			
	Number	Amounts	Number	Amounts				
Balance as of January 1, 2026	2,160,310,915	21,603	741,254,447	7,413	100,820,027	1,893,379	(84,876,067)	17,866,355
Net loss							(11,126,180)	(11,126,180)
Share-based compensation	—	—	—	—	741,506	—	—	741,506
Issuance of escrowed reserve shares under the ATM Program	340,000,000	3,400			(3,400)	—	—	—
Share issuance from vest of restricted shares units	19,582,000	196			(196)	—	—	—
Share issuance upon followed-up offering, net of issuance costs of US\$894,379	280,000,000	2,800			3,477,822	—	—	3,480,622
Foreign currency translation adjustment, net of nil income taxes	—	—	—	—	—	(524,335)	—	(524,335)
Balance as of June 30, 2025	2,799,892,915	27,999	741,254,447	7,413	105,035,759	1,369,044	(96,002,247)	10,437,968

17. COMMITMENTS AND CONTINGENCIES

Commitments

As of June 30, 2026, the Group had neither significant financial nor capital commitment.

Contingencies

As of June 30, 2026, the Group was a party to an arbitration proceeding as detailed described in Notes 6. In connection with this matter, the Group had recognized a provision of RMB18.5 million (approximately US\$2.7 million) for outstanding principal, accrued interest, and default interest accrued up to the balance sheet date, and had restricted cash of RMB17.4 million (approximately US\$2.6 million) due to asset preservation measures on certain bank accounts. The Group concludes that the ultimate outcome of this arbitration could not have a material adverse effect on the Group's results of operations, consolidated financial condition, or cash flows.

18. SUBSEQUENT EVENTS

On August 19, 2026, the Company announced that it will change the ratio (the “ADS Ratio”) of its American depositary shares (“ADSs”) to its Class A ordinary shares from the ratio of one (1) ADS representing forty (40) Class A ordinary shares to one (1) ADS representing eight hundred (800) Class A ordinary shares (the “ADS Ratio Change”). For the Company’s ADS holders, the ADS Ratio Change will have the same effect as a one-for-twenty (20) reverse ADS split. The ADS Ratio Change does not change the number of the Company’s issued and outstanding ordinary shares, the par value per share, or any amounts recognized in these unaudited condensed consolidated financial statements, and accordingly has no impact on the loss per ordinary share for any period presented. The numbers of ADSs and the per-ADS amounts disclosed in the share-based compensation note (the 2023 Share Incentive Plan II and the 2026 Share Incentive Plan) have been retroactively adjusted to reflect the ADS Ratio Change for all periods presented.
