WOER
沃尔核材
WOER HEAT-SHRINKABLE MATERIAL

深圳市沃爾核材股份有限公司
SHENZHEN WOER HEAT-SHRINKABLE MATERIAL CO.,LTD.*

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

Stock Code: 9981

GLOBAL OFFERING

Joint Sponsors, Sponsor-overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

中信建投國際
CHINA SECURITIES INTERNATIONAL

CMS 招商證券國際

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

山證國際
SHANXI SECURITIES INTERNATIONAL

Joint Bookrunners and Joint Lead Managers

DBS 星展集团

富途證券
FUTU Securities International

老虎證券
TIGER BROKERS

* For identification purposes only

IMPORTANT

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

WOER
沃尔核材

Shenzhen Woer Heat-Shrinkable Material Co., Ltd.*
深圳市沃爾核材股份有限公司

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

Global Offering

Number of Offer Shares under the Global Offering	:	**139,988,800 H Shares**
Number of Hong Kong Offer Shares	:	**13,999,000 H Shares (subject to reallocation)**
Number of International Offer Shares	:	**125,989,800 H Shares (subject to reallocation)**
Maximum Offer Price	:	**HK$20.09 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**RMB1.00 per H Share**
Stock code	:	**9981**

Joint Sponsors, Sponsor-overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

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

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

The Offer Price is expected to be fixed by agreement between the Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or before Wednesday, February 11, 2026 (Hong Kong time) and, in any event, not later than 12:00 noon on Wednesday, February 11, 2026 (Hong Kong time). The Offer Price will not be more than HK$20.09 per Offer Share. If, for any reason, the Offer Price is not agreed by 12:00 noon on before Wednesday, February 11, 2026 (Hong Kong time) between the Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse. Applicants for Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK$20.09 for each Hong Kong Offer Share together with a brokerage fee of 1%, an SFC transaction levy of 0.0027%, a Stock Exchange trading fee of 0.00565% and an AFRC transaction levy of 0.00015%.

The Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, an announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at http://www.woer.com not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Details of the arrangement will then be announced by us as soon as practicable. For further information, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

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

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered, sold, pledged or transferred within the United States, except that Offer Shares may be offered, sold or delivered outside the United States in offshore transactions in reliance on Regulation S.

ATTENTION

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

This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.woer.com.

If you require a printed copy of this prospectus, you may download and print from the websites above.

February 5, 2026

* *For identification only*

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

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

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at www.woer.com. You may download and print from these website addresses if you want a printed copy of this prospectus.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or

(2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

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

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

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

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 200 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below. No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

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

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your **broker** or **custodian**, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application
	HK$		HK$		HK$		HK$
200	4,058.53	4,000	81,170.43	60,000	1,217,556.47	800,000	16,234,086.12
400	8,117.04	5,000	101,463.04	70,000	1,420,482.54	900,000	18,263,346.89
600	12,175.57	6,000	121,755.64	80,000	1,623,408.61	1,000,000	20,292,607.66
800	16,234.08	7,000	142,048.26	90,000	1,826,334.69	2,000,000	40,585,215.30
1,000	20,292.61	8,000	162,340.86	100,000	2,029,260.76	3,000,000	60,877,822.96
1,200	24,351.13	9,000	182,633.47	200,000	4,058,521.54	4,000,000	81,170,430.60
1,400	28,409.65	10,000	202,926.07	300,000	6,087,782.30	5,000,000	101,463,038.26
1,600	32,468.18	20,000	405,852.15	400,000	8,117,043.05	6,000,000	121,755,645.90
1,800	36,526.69	30,000	608,778.22	500,000	10,146,303.83	6,999,400[1]	142,036,077.98
2,000	40,585.21	40,000	811,704.31	600,000	12,175,564.59		
3,000	60,877.83	50,000	1,014,630.38	700,000	14,204,825.35		

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

(2) The amount payable is inclusive of the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

EXPECTED TIMETABLE[1]

If there is any change to the expected timetable of the Hong Kong Public Offering, we will issue an announcement on the respective websites of the Company at ***www.woer.com*** *and the Stock Exchange at* ***www.hkexnews.hk.***

The Hong Kong Public Offering commences	9:00 a.m. on Thursday, February 5, 2026
Latest time to complete electronic applications under **White Form eIPO** service through the designated website at **www.eipo.com.hk**[2]	11:30 a.m. on Tuesday, February 10, 2026
Application lists for the Hong Kong Public Offering open[3]	11:45 a.m. on Tuesday, February 10, 2026
Latest time to (a) complete payment for **White Form eIPO** applications by effecting Internet banking transfer(s) or PPS payment transfer(s) and (b) give **electronic application instructions to HKSCC**[4]	12:00 noon on Tuesday, February 10, 2026

If you are instructing your **broker** or **custodian** who is an HKSCC Participant to submit **electronic application instructions** on your behalf through HKSCC's FINI system in accordance with your instruction to apply for the Hong Kong Offer Shares, you are advised to contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by **broker** or **custodian**.

Application lists for the Hong Kong Public Offering close[3]	12:00 noon on Tuesday, February 10, 2026
Expected Price Determination Date[5]	by 12:00 noon on Wednesday, February 11, 2026
Announcement of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published on the website of the Stock Exchange at **www.hkexnews.hk** and the website of the Company at **www.woer.com** [6] at or before[7]	11:00 p.m. on Thursday, February 12, 2026

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

• in the announcement to be published on our website at **www.woer.com** and the website of the Stock Exchange at **www.hkexnews.hk**	no later than 11:00 p.m. on Thursday, February 12, 2026
• from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function from	from 11:00 p.m. on Thursday, February 12, 2026 to 12:00 midnight on Wednesday, February 18, 2026
• from the allocation results telephone enquiry by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on	Friday, February 13, 2026, Monday, February 16, 2026, Friday, February 20, 2026 and Monday, February 23, 2026
H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before[8]	Thursday, February 12, 2026

White Form e-Refund payment instructions/refund checks in respect of wholly or partially successful applications if the final Offer Price is less than the maximum Offer Price per Offer Share initially paid on application (if applicable) or wholly or partially unsuccessful applications to be dispatched/collected on or before[9]	Friday, February 13, 2026
Dealings in the H Shares on the Stock Exchange expected to commence at	Friday, February 13, 2026

Notes:

(1) All times and dates refer to Hong Kong local times and dates unless otherwise stated.

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

(3) If there is/are a "black" rainstorm warning signal, a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, February 10, 2026, the application lists will not open or close on that day. For further information, please refer to the section headed "How to Apply for Hong Kong Offer Shares—E. Bad Weather Arrangements" in this prospectus.

(4) If you instruct your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via FINI to apply for the Hong Kong Offer Shares on your behalf, you should contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

(5) The Price Determination Date is expected to be on or before Wednesday, February 11, 2026. If, for any reason, the Offer Price is not agreed between the Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on or before 12:00 noon on Wednesday, February 11, 2026, the Global Offering will not proceed and will lapse.

(6) No temporary documents of title will be issued in respect of the Offer Shares. H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be on or around Friday, February 13, 2026, provided that the Global Offering becomes unconditional in all respects on or before then. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid do so entirely at their own risks.

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

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

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

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

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) despatched to the bank account in the form of **White Form** e-Refund

payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions in the form of refund checks by ordinary post at their own risk.

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

The above expected timetable is a summary only. You should see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for details of the structure of the Global Offering, including the conditions of the Global Offering, and the procedures for application for the Hong Kong Offer Shares.

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

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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

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

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this prospectus. As this is a summary, it does not contain all the information that may be important to you, and we urge you to read the entire prospectus carefully before making your investment decision.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this prospectus.

OVERVIEW

About Us

Our principal business consists of : (i) electronic communications business, which involves the development, manufacture, and sale of (a) telecoms cable products, including high-speed copper cables, consumer and industrial electronic cables, and (b) electronic materials; (ii) electrical power transmission business, comprising the development, manufacture, and sale of (a) NEV power transmission products including NEV charging products and power battery safety protection products as well as (b) electrical cable accessories; and (iii) other businesses, mainly including our wind power operations. In particular, during the Track Record Period, the sales of our heat-shrinkable materials accounted for the vast majority of the revenue from our electronic materials.

According to F&S, in terms of global revenue in 2024 we ranked fifth among the manufacturers of telecoms cables, holding a global market share of 12.7%. We ranked first in the global heat-shrinkable materials industry, with a global market share of 20.6% in terms of global revenue in 2024. We ranked ninth in the global NEV power transmission products industry, holding a global market share of 1.9%, in terms of global revenue in 2024. We ranked seventh in the global electrical cable accessories industry, holding a global market share of 2.5%, in terms of global revenue in 2024.

We believe these achievements stem from our continuous investment in product innovation. As of September 30, 2025, we held 547 invention patents. Leveraging our well-recognized product quality and leading market position, we have achieved strong growth during the Track Record Period. Based on financial reports prepared in accordance with IFRS Accounting Standards, our revenue grow from RMB5,336.6 million in 2022 to RMB5,718.8 million in 2023 and further to RMB6,920.1 million in 2024; our net profit grow from RMB660.2 million in 2022, to RMB757.7 million in 2023 and further to RMB920.5 million in 2024. In the nine months ended September 30, 2025, our revenue and net profit amounted RMB6,076.7 million and RMB883.3 million, respectively.

Our Products

During the Track Record Period, we derived revenue primarily from developing, manufacturing and sales of (i) electronic materials products and telecoms cable products that are widely used in IT infrastructure, including computing centers, NEVs, autonomous systems, robotics, and smart consumer electronics; and (ii) power transmission products used for safe and reliable transmission of electricity for NEVs, power grids and power stations, and rail transportation, such as charging guns and sockets, in-vehicle power charging accessories, nuclear-grade heat-shrinkable cable accessories, high-voltage cable accessories, cold-shrinkable and heat-shrinkable cable accessories, and separable connectors.

The core functionalities of our products demand strong performance on data transmission rate, high-voltage power transmission, safety and reliability, which in turn, rely on utilization of high-performance insulation, shielding, and protective materials, precision structural design, sophisticated manufacturing processes, and stringent quality control.

The table below sets out our major products and their key applications.

Our Business (Revenue Contribution in 2024)	Major Products	Major End Markets
Electronic Communications Business (62.2%)	**Telecoms Cable Products** • High-speed copper cables • Automotive cables • Industrial cables • Consumer electronic cables • Robot cables **Electronic Material Products** • Heat-shrinkable tubing • Dual-wall tubing • Identification sleeves • Continuous busbar protection sleeves	• Computing centers • Industrial and robotics • NEVs • Rail transit • Aerospace • Information technology • Medical • Consumer electronics
Electrical Power Transmission Product Business (33.4%)	**NEV Power Transmission Products** • Charging guns • High-voltage wiring harnesses • High-voltage connectors • AC/DC charging sockets • Power battery safety protection products **Electrical Cable Accessories Products** • Nuclear-grade cable accessories • High-voltage cable accessories • Cold-shrinkable and heat- shrinkable cable accessories • Separable connectors • Tubular busbar	• NEVs • Charging stations • Power generation plants • Nuclear power plants • Power distribution networks • Rail transit • Mining and metallurgy • Petrochemical • High-speed rail & marine vessels

- ***Electronic Communications Business***

In our electronic communications business, we primarily offer telecoms cable products and electronic material products.

Along value chain of telecoms cable industry, we stay in the midstream sector, being a manufacturer of products ued by downstream customers, including (i) computing centers, cloud computing, HPC and 5G equipment that use telecoms cables; and (ii) enterprises engaging in industries like electronics, aerospace, telecommunications, petrochemical, medical, shipbuilding and rail transportation who demands heat-shrinkable tubes and related products manufactured through irradiation crosslinking.

- *Telecoms cable products*. Our products are used in a broad range of industries exhibited rapid expansion in recent years with strong growth potential, including computing centers, automotive systems, industrial automation, robotics, and consumer electronics.
- *Electronic material products*. Specializing in heat-shrinkable electronic materials, we have developed advanced products through crosslinking technology, delivering enhanced insulation, shielding, mechanical protection performance with strong adaptability to harsh environment.

According to F&S, we ranked first in the global heat-shrinkable materials industry, with a 20.6% global market share in terms of global revenue in 2024; and we held a 58.5% China market share in terms of China revenue in 2024 and maintaining a leading position in China.

- ***Electrical Power Transmission Product Business***

In our electrical power transmission product business, we primarily develop, manufacture and offer a comprehensive product portfolio for the safe and reliable transmission of electricity for NEVs, power grids and power stations, and rail transportation.

Along value chain of electronic power transmission industries, we stay in the midstream sector, being a manufacturer of products used by downstream consumers, including (i) charging facility operators, NEV manufacturers and energy management platforms that use AC and DC charging guns products and (ii) companies engaging in the power and transportation sectors who demands for cable accessories products that can effectively ensure safe and quality performance in diverse environmental and application requirement.

- *NEV power transmission products*. We provide a broad range of power transmission products for NEVs, including charging guns, charging stations, high-voltage harnesses, connectors and power battery safety protection products.
- *Electrical cable accessories products*. We offer various power transmission products, including nuclear-grade cable accessories, high-voltage cable accessories, cold/hot shrinkable cable accessories and separable connectors.

Our R&D Capacity

We believe development and implementation of advanced technology, as well as continuous innovation across different product lines, are crucial for us to achieve sustainable growth and maintain our competitive edge.

We have been focusing on opportunities and technology trends driven by two strategic R&D orientations, namely, digital revolution driven by AI as its core accelerator, and an energy revolution powered by renewable technologies and electrification.

Our Diversified Customer Base and Global Business Network

We hold global vision in setting business development strategy and have established long-term cooperation relationship with companies engaging in AI, telecoms, NEV manufacturing, energy and power industries, many of which are among global top 100 enterprises. We strategically locate our manufacturing bases to places with close proximity to our customers, allowing comprehensive coverage of, and quick response to, their production need and supply chain management demands. As of September 30, 2025, we had nine manufacturing bases in China and one overseas plant in Vietnam.

Financial Performance

In 2022, 2023, 2024 and the nine months ended September 30, 2025, our revenue were RMB5,336.6 million, RMB5,718.8 million, RMB6,920.1 million and RMB6,076.7 million, respectively; our net profit amounted to RMB660.2 million, RMB757.7 million, RMB920.5 million and RMB883.3 million, respectively. In 2022, 2023, 2024 and the nine months ended September 30, 2025, our net cash generated from operating activities was RMB1,035.8 million, RMB860.1 million, RMB942.9 million and RMB886.3 million, respectively.

OUR COMPETITIVE STRENGTHS

- We are one of the largest manufacturers of heat-shrinkable materials and telecoms cable products in the world.
- We possess strong technology R&D and have continuously launched a broad range of well-received innovative products capabilities focusing on electronic communication and electrical power transmission related industries.
- Our ever-expanding comprehensive product portfolio allows us to enhance customer loyalty and capture evolving market demands.
- We enjoy diversified customer portfolio featuring outstanding long-term business relationship and robust growth potential.
- Our manufacturing and supply chain system with global vision and reach allows us to achieve fast and large-scale delivery while maintaining cost advantages.
- Led by our visionary and seasoned founder, we are highly committed to technology development and product innovation.

OUR STRATEGIES

- Focus on high-speed data communication and electrical power transmission, with continued investment in R&D to enhance new-product development and product competitiveness.
- Optimize global production capacity prudently and orderly in response to market demand.
- Expand sales network and maintain long-term strategic cooperation relationship.
- Make investments and acquisitions in a prudent manner.

COMPETITIVE LANDSCAPE

The market for electronic communications and electrical power transmission products is rapidly evolving and competitive, with many potential applications under development. As a result, although we believe that we have market-leading high-speed data and power transmission technologies, we face competition from a range of companies developing high-speed data communication and electrical power transmission for these applications, some of which may be similar to ours. Our primary competitors include other high-speed copper cable manufacturers, heat-shrinkable materials companies, NEV DC charging gun providers, cable accessories manufacturers. According to Frost & Sullivan, the telecoms cable industry in which we operate is highly competitive and fragmented with over 100 market participants globally. The global high-speed copper cable industry is relatively concentrated. We ranked second among high-speed copper cable manufacturers by global revenue in 2024. In addition, the global and China's heat-shrinkable materials industry is also relatively competitive, with over 800 and 300 companies, respectively. We ranked the first globally and domestically. The NEV core power charging products market is highly fragmented, with over 300 players operate in the market in China. Furthermore, the global cable accessories market is very fragmented, with over 500 companies around the world. We believe that we are able to compete favorably with others based on our advanced high-speed data and power transmission technologies that delivers strong performance and quality, our comprehensive product portfolio, and our R&D capabilities. See "Industry Overview."

CUSTOMERS AND SUPPLIERS

Our customers primarily consist of direct sales customers and distributors, of which direct sales customers contributed to the majority of our revenue during the Track Record Period. During the Track Record Period, we derived the largest share of our revenue from mainland China. In 2022, 2023, 2024 and the nine months ended September 30, 2025, (i) our five largest customers in each year/period during the Track Record Period contributed 12.6%, 11.5%, 12.7% and 19.3% to our total revenue for the respective year/period; and (ii) our largest customer in each year/period during the Track Record Period accounted for 5.5%, 5.2%, 4.0% and 9.7% of our total revenue for the respective year/period. To the best knowledge of our Directors, each of our five largest customers in each year/period during the Track Record Period was an Independent Third Party.

Our suppliers primarily include suppliers for raw materials, equipment and packaging materials. In 2022, 2023, 2024 and the nine months ended September 30, 2025, (i) our purchases from our five largest suppliers in each year/period during the Track Record Period accounted for 21.9%, 22.6%, 18.0% and 15.8% of our total purchases for the respective year/period; and (ii) our purchase from the largest supplier in each year/period during the Track Record Period accounted for 8.3%, 7.1%, 6.6% and 4.5% of our total purchases for the respective year/period. To the best knowledge of our Directors, each of our five largest suppliers in each year/period during the Track Record Period was an Independent Third Party. For more details, see "Business—Marketing, Sales and Customers—Our Customers" and "Business—Our Suppliers" in this prospectus.

OUR PRODUCTION

In line with our development strategy, we invested in developing and enhancing automated, intelligentized, and lean manufacturing management across multiple manufacturing bases. As of September 30 , 2025, we had nine manufacturing bases in China and one overseas manufacturing base in Vietnam. As of the Latest Practicable Date, we have signed a land purchase agreement and purchased 160,000 sq.m. of land with the intention to establish a manufacturing base in the Pengerang area of Johor, Malaysia. For details, please see "Business – Our Production – Our Manufacturing Bases".

RESEARCH AND DEVELOPMENT

We have strong technology capability in relation to application of crosslinking and heat-shrinkable polymer products. We believe development and implementation of advanced technology, as well as continuous innovation across different product lines, are crucial for us to achieve sustainable growth and maintain our competitive edge. We have established a strong in-house R&D team with cross-discipline academic background and rich cross-industry experience, which comprised over 880 staff as of September 30, 2025. In addition, we invested in developing advanced facilities and engaging latest R&D equipment to ensure our pioneer industry position. For instance, our WOER Lab owns a fully-shielded high-voltage test hall.

INTELLECTUAL PROPERTY RIGHTS

Our success and competitive advantages depend in part on our ability to develop and protect our core technologies and intellectual property. Our R&D efforts have produced 540 invention patents, 1,490 utility model patents, 140 design patents, 730 registered trademarks and 82 software copyrights in the PRC as of September 30, 2025. As of the same date, we were also granted seven patents and 170 registered trademarks in overseas jurisdictions, including the U.S., Japan and Europe. See "Appendix IV—Statutory and General Information—Further Information about the Business of Our Company—2. Intellectual Property Rights" in this prospectus for more information.

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to invest in our Shares. Some of the major risks that we face include:

- Our business is exposed to the supply-demand dynamics in the electronic communications and electrical power transmission industry and is therefore affected by market demand;
- Any failure to protect our intellectual property rights could undermine our competitive position and adversely affect our business prospects;
- If we fail to compete effectively in the competitive industry where we operate, our market share may decline, and our market position, growth prospects and results of operations may be adversely affected;
- Our historical financial and operating results during the Track Record Period are not indicative of future performance, and we may not be able to achieve and sustain the historical level of revenue and profitability;

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary of key financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this prospectus, as well as the information set forth in the section headed "Financial Information."

Summary Consolidated Statements of Profit or Loss

The following table summarizes our consolidated statements of profit or loss for the years/periods indicated:

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	(in RMB in thousands, except for percentages)									
							(Unaudited)			
Revenue	**5,336,649**	**100.0**	**5,718,841**	**100.0**	**6,920,102**	**100.0**	**4,815,515**	**100.0**	**6,076,678**	**100.0**
Cost of sales	(3,724,687)	(69.8)	(3,930,200)	(68.7)	(4,809,739)	(69.5)	(3,320,800)	(69.0)	(4,198,941)	(69.1)
Gross profit	**1,611,962**	**30.2**	**1,788,641**	**31.3**	**2,110,363**	**30.5**	**1,494,715**	**31.0**	**1,877,737**	**30.9**
Other income, gains and losses	91,145	1.7	88,339	1.5	91,919	1.3	62,902	1.3	48,884	0.8
Selling expenses	(314,238)	(5.9)	(323,933)	(5.7)	(353,553)	(5.1)	(243,306)	(5.1)	(283,870)	(4.7)
Administrative expenses	(248,248)	(4.7)	(297,873)	(5.2)	(345,659)	(5.0)	(215,713)	(4.5)	(235,310)	(3.9)
Research and development expenses	(305,808)	(5.7)	(309,962)	(5.4)	(348,694)	(5.0)	(243,104)	(5.0)	(325,688)	(5.4)
Share of results of associates	6,060	0.1	9,877	0.2	9,807	0.1	9,288	0.2	4,164	0.1
Finance costs	(89,595)	(1.7)	(66,778)	(1.2)	(60,439)	(0.9)	(44,933)	(0.9)	(39,273)	(0.6)
Impairment losses on financial assets, net	(23,922)	(0.4)	(15,434)	(0.3)	(29,881)	(0.4)	(7,504)	(0.2)	(9,922)	(0.2)
Listing expense	—	—	—	—	—	—	—	—	(636)	(0.0)
Profit before taxation	**727,356**	**13.6**	**872,877**	**15.2**	**1,073,863**	**15.5**	**812,345**	**16.8**	**1,036,086**	**17.0**
Income tax expense	(67,109)	(1.3)	(115,150)	(2.0)	(153,360)	(2.2)	(103,102)	(2.1)	(152,783)	(2.5)
Profit for the year/period	**660,247**	**12.3**	**757,727**	**13.2**	**920,503**	**13.3**	**709,243**	**14.7**	**883,303**	**14.5**

During the Track Record Period, our revenue, gross profit and net profit all achieved consistent increase. For further information, see "Financial Information—Description of Selected Components of Consolidated Statements of Profit or Loss" in this prospectus.

Revenue

The table below sets forth a breakdown of our revenue by business line during the Track Record Period:

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	(in RMB in thousands, except for percentages)									
							(Unaudited)			
Electronic Communications Business	3,467,234	65.0	3,362,765	58.8	4,301,647	62.2	3,036,126	63.0	3,938,499	64.8
Electrical Power Transmission Product Business	1,605,025	30.0	2,035,942	35.6	2,308,394	33.4	1,548,975	32.2	1,900,503	31.3
Other Business	264,390	5.0	320,134	5.6	310,061	4.4	230,414	4.8	237,676	3.9
Total	5,336,649	100.0	5,718,841	100.0	6,920,102	100.0	4,815,515	100.0	6,076,678	100.0

During the Track Record Period, we derived revenue primarily from (i) our electronic communications business, comprising the developing, manufacturing and sales of telecoms cable products, which include high-speed copper cables and consumer and industrial electronic cable products, and electronic materials products; (ii) our electrical power transmission product business, comprising the developing, manufacturing and sales of NEV power transmission products, which includes NEV charging products and power battery safety protection products, and electrical cable accessories products; and (iii) other business, including wind power business and other business.

The table below sets forth a breakdown of our revenue by product line during the Track Record Period:

	Year Ended December 31						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	(in RMB in thousands, except for percentages)						(Unaudited)			
Telecoms cable products	**1,362,366**	**25.5**	**1,164,501**	**20.4**	**1,702,272**	**24.6**	**1,196,963**	**24.8**	**1,894,591**	**31.2**
High-speed copper cables	110,568	2.1	96,093	1.7	300,876	4.3	179,622	3.7	748,023	12.3
Consumer and industrial electronic cables products	1,251,798	23.4	1,068,408	18.7	1,401,396	20.3	1,017,341	21.1	1,146,568	18.9
Electronic material products	**2,104,868**	**39.5**	**2,198,264**	**38.4**	**2,599,375**	**37.6**	**1,839,163**	**38.2**	**2,043,908**	**33.6**
NEV power transmission products	**823,878**	**15.4**	**1,082,420**	**18.9**	**1,381,421**	**20.0**	**917,071**	**19.1**	**1,159,471**	**19.1**
NEV charging products	515,545	9.7	701,395	12.3	891,455	12.9	562,318	11.7	806,671	13.3
Power battery safety protection products	308,333	5.7	381,025	6.6	489,966	7.1	354,753	7.4	352,800	5.8
Electrical cable accessories products	**781,147**	**14.6**	**953,522**	**16.7**	**926,973**	**13.4**	**631,904**	**13.1**	**741,032**	**12.2**
Other business	**264,390**	**5.0**	**320,134**	**5.6**	**310,061**	**4.4**	**230,414**	**4.8**	**237,676**	**3.9**
Wind power business	146,768	2.8	158,713	2.8	151,724	2.2	116,470	2.4	101,154	1.7
Others *	117,622	2.2	161,421	2.8	158,337	2.2	113,944	2.4	136,522	2.2
Total	**5,336,649**	**100.0**	**5,718,841**	**100.0**	**6,920,102**	**100.0**	**4,815,515**	**100.0**	**6,076,678**	**100.0**

Note:

* Others mainly include revenue from the development, sales and provision of implementation services of MOM and MES platforms.

Gross Profit and Gross Profit Margin

The table below sets forth a breakdown of our gross profit and gross profit margin by product and business line during the Track Record Period:

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(in RMB in thousands, except for percentages)						(Unaudited)			
Electronic Communications Business										
Telecoms cable products	259,899	19.1	173,487	14.9	278,801	16.4	198,302	16.6	399,949	21.1
High-speed copper cables	52,826	47.8	36,334	37.8	130,001	43.2	68,951	38.4	340,871	45.6
Consumer and industrial electronic cables	207,073	16.5	137,153	12.8	148,800	10.6	129,351	12.7	59,078	5.2
Electronic material products	686,155	32.6	787,313	35.8	1,015,122	39.1	651,584	35.4	812,064	39.7
Electrical Power Transmission Product Business										
NEV power transmission products	240,193	29.2	286,383	26.5	321,207	23.3	228,296	24.9	249,887	21.6
NEV charging products	112,146	21.8	149,920	21.4	181,307	20.3	120,168	21.4	156,373	19.4
Power battery safety protection products	128,047	41.5	136,463	35.8	139,900	28.6	108,128	30.5	93,514	26.5
Electrical cable accessories products	299,961	38.4	393,547	41.3	342,281	36.9	262,384	41.5	269,739	36.4
Other Business										
Wind power business	98,268	67.0	109,933	69.3	101,753	67.1	79,315	68.1	62,127	61.4
Others*	27,486	23.4	37,978	23.5	51,199	32.3	74,834	65.7	83,971	61.5
Total	**1,611,962**	**30.2**	**1,788,641**	**31.3**	**2,110,363**	**30.5**	**1,494,715**	**31.0**	**1,877,737**	**30.9**

Note:

* Others mainly include gross profit and gross profit margin from the development, sales and provision of implementation services of MOM and MES platforms.

Profit for the Year

During the Track Record Period, we experienced significant growth in net profit, which increased from RMB660.2 million in 2022 to RMB757.7 million in 2023 and further to RMB920.5 million in 2024. Our net profit increased from RMB709.2 million for the nine months ended September 30, 2024 to RMB883.3 million for the nine months ended September 30, 2025. The increase in our net profit are primarily driven by the increase in our revenue as we expanded our product portfolio to meet growing demands for our products across different industry lines. Such increase are also contributed to optimization of our costs management mainly due to

improving unit economics attributable to our continuous R&D, increase in automation and operating efficiency and product mix optimization, particularly as we expanded sales of high-speed copper cables, electronic materials and NEV related products.

Summary Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this prospectus:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	4,133,457	4,718,097	5,536,890	6,080,237
Non-current assets	4,185,279	4,262,339	4,693,436	5,556,147
Total assets	8,318,736	8,980,436	10,230,326	11,636,384
Current liabilities	2,799,419	2,742,978	2,884,640	4,023,871
Non-current liabilities	719,923	774,954	1,217,357	1,146,817
Total liabilities	3,519,342	3,517,932	4,101,997	5,170,688
Net current assets	1,334,038	1,975,119	2,652,250	2,056,366
Net assets	4,799,394	5,462,504	6,128,329	6,465,696
Non-controlling interests	456,772	554,957	593,524	292,176

We recorded net assets of RMB4,799.4 million, RMB5,462.5 million and RMB6,128.3 million and RMB6,465.7 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. The continued growth in net asset status during the Track Record Period were mainly attributed to increase in our net profit. We made dividend distributions in 2022, 2023 and 2024, respectively and made share repurchase in 2023, which partially offset increase of net assets for relevant years. For details, please see Note 13 and Note 33 to Accountants' Report attached to this Prospectus. Our net assets increased from RMB4,799.4 million as at December 31, 2022 to RMB5,462.5 million as at December 31, 2023, primarily attributable to the profit for the year of RMB757.7 million in 2023. Such increase was partially offset by (i) the repurchase of shares of RMB100.1 million; and (ii) the dividend paid of RMB50.4 million in 2023. Our net assets increased from RMB5,462.5 million as at December 31, 2023 to RMB6,128.3 million as at December 31, 2024, primarily attributable to the profit for the year of RMB920.5 million in 2024. Such increase was partially offset by (i) the dividend paid during the year of RMB211.9 million; and (ii) acquisition of additional interests in a subsidiary without change in control of RMB32.6 million in 2024. Our net assets increased from RMB6,128.3 million as at December 31, 2024 to RMB6,465.7 million as at September 30, 2025, primarily due to the profit for the nine months ended September 30, 2025 of RMB883.3 million. Such increases were partially offset by (i) acquisition of additional interests in a subsidiary without change in control of RMB344.1 million; and (ii) the dividend paid during the period of RMB170.7 million.

We recorded net current assets of RMB1,334.0 million, RMB1,975.1 million, RMB2,652.3 million and RMB2,056.4 million as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. The increase in our net current assets during the Track Record Period were mainly attributed to increase in trade and other receivable in line with growth in our revenue and increase in bank balances and cash, as well as decrease in bank and other borrowings, the effect of which are partially offset by increase in trade and other payables and tax payables in line with our business growth.

For further information, see "Financial Information—Discussion of Selected Items From Consolidated Statements of Financial Position" in this prospectus.

Summary Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows information for the years/periods indicated:

	Year Ended December 31,			Nine Months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Net cash flows from operating activities	1,035,843	860,089	942,949	652,542	886,257
Net cash flows used in investing activities	(388,275)	(390,629)	(591,112)	(640,705)	(621,108)
Net cash flows (used in)/ from financing activities	(517,747)	(391,537)	(349,464)	(188,257)	(209,201)
Net increase/(decrease) in cash and cash equivalents	**129,821**	**77,923**	**2,373**	(176,420)	55,948
Cash and cash equivalents at beginning of the year	657,398	799,820	879,070	879,070	877,485
Effect of foreign exchange rate changes, net	12,601	1,327	(3,958)	2,999	(1,786)
Cash and cash equivalents at end of the year	**799,820**	**879,070**	**877,485**	**705,649**	**931,647**

For more details, see "Financial Information—Liquidity and Capital Resources" in this prospectus.

Key Financial Ratio

The table below sets forth our key financial ratios for the years/as of the dates indicated:

	As of/Year Ended December 31,			As of/Nine Months ended September 30, 2025
	2022	2023	2024	
Gross profit margin	30.2%	31.3%	30.5%	30.9%
Net profit margin	12.3%	13.2%	13.3%	14.5%
Return on equity	14.8%	14.8%	15.9%	14.0%
Current ratio	1.48	1.72	1.92	1.51
Debt to equity ratio	23.8%	14.3%	15.3%	24.4%

DIVIDENDS

On June 13, 2022, we paid a final dividend of RMB44.1 million (RMB0.35 per 10 A Shares) for the year ended December 31, 2021. On May 29, 2023, we paid a final dividend of RMB50.4 million (RMB0.40 per 10 A Shares) for the year ended December 31, 2022. On May 29, 2024, we paid a final dividend of RMB211.9 million (RMB1.70 per 10 A Shares) for the year ended December 31, 2023. On June 23, 2025, we paid a final dividend of RMB170.7 million (RMB1.37 per 10 A Shares) for the year ended December 31, 2024.

Upon completion of the Global Offering, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the Global Offering.

OUR SINGLE LARGEST SHAREHOLDER

As of the Latest Practicable Date, Mr. Zhou directly holds 139,563,801 A Shares, representing approximately 11.08% of the total issued Shares our Company (including 10,283,600 treasury A Shares). In addition, Mr. Zhou and Ms. Yi Huarong, Mr. Zhou's spouse and an executive Director, who are the only beneficial owners of the Tongyi Funds, are interested in 50,000,000 A Shares, representing approximately 3.97% of the total issued Shares of our Company (including 10,283,600 treasury A Shares), through the Tongyi Funds. As such, as of the Latest Practicable Date, each of Mr. Zhou and Ms. Yi Huarong is interested in 189,563,801 A Shares, representing approximately 15.05% of the total issued Shares of our Company (including 10,283,600 treasury A Shares), and Mr. Zhou, Ms. Yi and the Tongyi Funds constitute a group of single largest shareholder of the Company. For details, see "Substantial Shareholders".

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises: (a) the Hong Kong Public Offering of 13,999,000 H Shares (subject to adjustment as mentioned below) in Hong Kong as described below in the section headed "Structure of the Global Offering—The Hong Kong Public Offering"; and (b) the International Offering of an aggregate of 125,989,800 H Shares (subject to adjustment as mentioned below) outside the United States in offshore transactions in accordance with Regulation S, as described in "Structure of the Global Offering—The International Offering" in this prospectus.

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that the Global Offering has been completed and 139,988,800 Offer Shares are issued pursuant to the Global Offering:

	Based on a maximum Offer Price of HK$20.09 per H Share
Market capitalization of our H Shares	HK$2,812.4 million
Market capitalization of our Shares upon the completion of the Global Offering(note 1)	HK$47,186.2 million
Unaudited pro forma adjusted consolidated net tangible assets per Share(note 2)	HK$6.38

Notes:

1) The total market capitalization of the Company is calculated based on (i) 1,249,614,962 A Shares (excluding 10,283,600 treasury shares) as of the Latest Practicable Date at the average closing price of the A Shares of the Company for the five business days immediately preceding the Latest Practicable Date at RMB31.82 (or approximately HK$35.51) per Share, and (ii) the expected market capitalization of the Company's H Shares based on 139,988,800 H Shares expected to be issued at Listing.

2) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at after the adjustments referred to in the section headed "Unaudited Pro Forma Financial Information" in Appendix IIA to this prospectus and is calculated based on 1,386,322,362 Shares (excluding treasury shares) in issue immediately following the completion of the Global Offering had it been completed as of September 30, 2025.

3) The difference of number of shares used to calculate the market capitalization and the unaudited pro forma NTA per Share is 3,281,400 treasury A Shares, which were granted to participants of the 2025 Restricted Share Scheme on May 12, 2025. Those shares shall be vested on the vesting date if certain conditions are fulfilled under the Scheme. For details, please see Note 36 Accountants' Report attached to this Prospectus.

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

On the basis set out in Appendix IIB to this prospectus, and in the absence of unforeseen circumstances, we estimate our unaudited consolidated profit attributable to owners of our Company for the year ended December 31, 2025 to be not less than RMB1.1 billion . For details about our consolidated profit attributable to owners of our Company for the year ended December 31, 2025, see "Appendix IIB—Profit Estimate."

POTENTIAL SPIN-OFF

Given our significant scale of overall business operation, we assess different opportunities for financing and business operation from time to time with an aim to create value to our shareholders, including spinning off certain subsidiaries or business, subject to, amongst others, the market conditions, financing needs and development of the subsidiaries and business.

As of the date of this Prospectus, we have issued announcements on the Shenzhen Stock Exchange that we have commenced the preliminary preparatory work of the spin-off Shanghai Keter and Huizhou LTK previously. Further, we wish to retain the possibility to spin-off Woer New Energy (together with Shanghai Keter and Huizhou LTK, collectively, the "**Spin-off Businesses**") within three years from the Listing. The Spin-off Businesses will be subject to compliance with all applicable requirements of the Listing Rules including, without limitation, Practice Note 15, unless otherwise waived by the Stock Exchange. We have obtained from the Stock Exchange a waiver from strict compliance with the three-year restriction requirement under paragraph 3(b) of Practice Note 15 in relation to the Spin-off Businesses. For the avoidance of doubt, there is no assurance as to the timing or the sequence of the potential spin-offs. We cannot assure you that any spin-off will ultimately be consummated, whether within the three-year period after the Listing or otherwise, and any such spin-off will be subject to, among other things, market conditions and Shareholders' approval at the time.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK$20.09 per Offer Share (being the maximum amount of the Offer Price range stated in the prospectus), will be approximately HK$2,733.6 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering.

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

- 45%, or approximately HK$1,240.8 million, will be used to diversify our product portfolio and upgrade our products to expand our business scope and increase our market share and penetration, so as to consolidate our leading position in the electronic communication and electrical power transmission industries;
- 27%, or approximately HK$727.4 million, will be used to expand our global business footprint, enhance our production capacity in China and Malaysia to meet the growing demand from fast-growing overseas markets;
- 18%, or approximately HK$492.0 million, will be used for potential strategic investments and/or acquisitions; and
- 10%, or approximately HK$273.4 million will be used for the working capital and general corporate purposes.

For more details, see "Future Plans and Use of Proceeds" in this prospectus.

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately RMB70.6 million (HK$78.8 million) (including underwriting commission), at the Offer Price of HK$20.09 per Share, among which (i) underwriting-related expenses, including underwriting commission and other expenses are approximately RMB42.8 million (HK$47.8 million) and (ii) non-underwriting-related expenses are approximately RMB27.8 million (HK$31.0 million), comprising (a) fees and expenses of legal advisers and accountants of approximately RMB19.5 million (HK$21.8 million) and (b) other fees and expenses of approximately RMB8.3 million (HK$9.2 million). As of September 30, 2025, we incurred a total of RMB14.2 million (HK$15.9 million) in Listing expenses, among which RMB0.6 million (HK$0.7 million) were recognized in our consolidated statement of profit or loss, and RMB13.6 million (HK$15.2 million) were directly attributable to the offering and listing of our Offer Shares and will be deducted from equity upon the Listing.

We estimate that additional Listing expenses of approximately RMB56.4 million (HK$62.9 million), based on the Offer Price of HK$20.09 per Offer Share) will be incurred by us, approximately RMB1.7 million (HK$1.9 million) of which is expected to be charged to our statements of profit or loss, and approximately RMB54.7 million (HK$61.0 million) of which is directly attributable to the offering and listing of our Offer

Shares and will be deducted from equity upon the Listing. Our listing expenses as a percentage of gross proceeds is 2.80%. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE LISTING ON THE STOCK EXCHANGE

Since 2007, our Company has been listed on the Shenzhen Stock Exchange. During the Track Record Period and up to the Latest Practicable Date, our Directors confirmed that we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Adviser is of the view that, based on confirmation from the Directors, the Company has complied in all material respects with the laws and regulations applicable to its listing on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with our Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

Our Company seeks to be listed on the Hong Kong Stock Exchange in order to further advance our internationalization strategy, optimize our global production capacity layout, strengthen our core competitiveness, and improve our operational and management capabilities. See "Business—Development Strategies" and "Future Plans and Use of Proceeds" for more details.

IMPACT OF TARIFF

During the Track Record Period, we derived revenue primarily from China, but also generated a small portion of revenue from overseas to satisfy growing demands for certain of our telecom cable products, electronic material products, NEV power charging products and electrical cable accessories products, mainly driven by development of automotive, robotics and electronics manufacturing sectors and power infrastructure projects in relevant local markets.

In 2025, U.S. tariff on Chinese export changed multiple times. On February 1 2025, an additional 10% tariff was put on Chinese products, which was raised to 20% on March 3, 2025. On April 2 2025, an additional tariff was further increased, changing the effective rate of Chinese goods to be 30%. On April 10 2025, the additional tariff on China was raised to 125%. On May 12 2025, additional tariff was temporarily reduced to 20%, and this reduced rate was extended for another 90 days on August 11 2025. On November 4, 2025, the additional tariff was further reduced to 10%, effective on November 10, 2025, and remaining in effect through November 10, 2026. On May 28, 2025, the U.S. Court of International Trade ruled that the Additional US Tariffs exceeded the president's legal authority. The international tariff policies are rapidly evolving, and the final outcome, including whether the current US Tariffs can be implemented as proposed, is highly uncertain.

Our Directors believe that the 2025 Additional US Tariffs, including the corresponding tariff policies introduced by other countries, assuming they are enforced as proposed, will not have a material and adverse impact on our business, results of operations and expansion plan, on the bases that (i) we make very limited direct exports to the U.S., and therefore has insignificant direct exposure to the tariffs imposed by the U.S.; (ii) downstream customers, who import the end products incorporating our products in the U.S., are responsible for the tariffs; (iii) we do not intend to significantly increase our direct sales in the U.S.; and (iv) we do not source any major raw materials from the U.S..

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, our business operation remained stable. Our business model remains unchanged subsequent to the Track Record Period and we continue to develop more electronic communication products and electrical power transmission products and reach a larger customer base after the Track Record Period.

Our Directors confirm that, up to the date of this prospectus, there had been no material adverse change in our financial, operational or prospects since September 30, 2025, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report in Appendix I to this prospectus.

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

"A Share (s)"	ordinary share (s) issued by our Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and is/are listed for trading on the Shenzhen Stock Exchange
"A Shareholder (s)"	holder (s) of the A Share (s)
"Accountants' Report"	the accountants' report of our Company from Moore CPA Limited, the text of which is set out in Appendix I to this prospectus
"affiliate (s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company adopted on June 3, 2025, with effect upon the Listing Date (as amended from time to time), a summary of which is set out in Appendix III to this prospectus
"associate (s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Board" or "Board of Directors"	the board of Directors of our Company
"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"Capital Market Intermediary (ies)" or "CMI (s)"	the capital market intermediary (ies) as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus and has the meaning ascribed thereto under the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
"Changzhou LTK"	LTK Electric Wire (Changzhou) Ltd. (樂庭電線工業(常州)有限公司) is a limited liability company incorporated under the laws of PRC on July 23, 2013, a subsidiary of our Company
"Changzhou Woer"	Changzhou Woer Heat-Shrinkable Material Co., Ltd. (常州市沃爾核材有限公司) is a limited liability company incorporated under the laws of PRC on November 10, 2010, a subsidiary of our Company

"Changzhou Woke"	Changzhou Varlk Technology Co., Ltd. (常州市沃科科技有限公司), a limited liability company established under the laws of the PRC on March 9, 2016, a subsidiary of our Company
"China" or "PRC"	the People's Republic of China, which only in the context of describing PRC rules, laws, regulations, regulatory authority, and any PRC entities or citizens under such rules, laws and regulations and other legal or tax matters in this prospectus, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People's Republic of China
"close associate (s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (深圳市沃爾核材股份有限公司), a joint stock company with limited liability incorporated in the PRC and, if the context requires, includes its predecessor
"connected person (s)"	has the meaning ascribed thereto under the Listing Rules
"core connected person (s)"	has the meaning ascribed thereto under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"CYG Electronics"	CYG Electronics (Group) Co., Ltd. (長園電子（集團）有限公司), a limited liability company established in the PRC on July 29, 1993 and one of our subsidiaries
"Director (s)"	the director (s) of our Company
"Dongguan Changyuan"	Changyuan Electronics (Dongguan) Co., Ltd. (長園電子(東莞)有限公司) is a limited liability company incorporated under the laws of PRC on February 14, 2014, a subsidiary of our Company
"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
"Employee Incentive Schemes"	the 2025 Restricted Share Scheme and the 2025 Share Option Scheme
"ESG"	environmental, social and governance
"Extreme Conditions"	extreme conditions caused by a super typhoon or other natural disaster of a substantial scale seriously affect the working public's ability to resume work or brings safety concern for a prolonged period as announced by the government of Hong Kong
"FINI"	Fast Interface for New Issuance, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings

"F&S" or "Industry Consultant"	Frost & Sullivan, our industry consultant
"F&S Report" or "Industry Report"	the industry report commissioned by our Company and independently prepared by F&S, a summary of which is set forth in the section headed "Industry Overview" in this prospectus
"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "we", "our" or "us"	our Company and its subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries at the relevant time, the business acquired or operated by such subsidiaries or their predecessors (as the case may be)
"Guide for New Listing Applicants"	the Guide for New Listing Applicants published by the Stock Exchange
"H Share (s)"	overseas listed foreign ordinary share (s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Hong Kong Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"H Shareholder (s)"	holders of the H Shares
"HK$", "Hong Kong dollars", "HK Dollars" or "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a clearing participant or a custodian participant under HKSCC to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly owned subsidiary of the HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant

"HK Woer"	Hongkong Woer Trading Co., Limited (香港沃爾貿易有限公司), a limited liability company established under the laws of the Hong Kong Special Administrative Region of the PRC on December 16, 2008, a subsidiary of our Company
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Hong Kong Offer Shares"	the 13,999,000 H Shares being initially offered by us for subscription pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus)
"Hong Kong Public Offering"	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong, on and subject to the terms and conditions described in the section headed "Structure of the Global Offering" in this prospectus
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in the section headed "Underwriting" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated February 4, 2026 relating to the Hong Kong Public Offering and entered into by, among others, our Company, the Sponsor-overall Coordinators and the Hong Kong Underwriters, as further described in the section headed "Underwriting" in this prospectus
"HPC"	the highperformance computing
"Huizhou Cable"	Hui Zhou LTK Electronics Cable Ltd. (惠州樂庭電子線纜有限公司), a limited liability company established under the laws of the PRC on April 27, 2002, a subsidiary of our Company
"Huizhou LTK"	LTK Electric Wire (Huizhou) Ltd. (惠州樂庭智聯科技股份有限公司) is a joint stock company, formerly incorporated as a limited liability company under the laws of PRC on January 4, 1988, a subsidiary of our Company
"IASB"	International Accounting Standards Board
"IFRS Accounting Standards"	International Accounting Standards, International Financial Reporting Standards, amendments and the related interpretations issued by the IASB
"IIT Law"	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)
"Independent Third Party (ies)"	any person (s) or entity (ies) who/which is not a connected person of our Company within the meaning of the Listing Rules

"International Offer Shares"	the 125,989,800 H Shares being initially offered by us for subscription under the International Offering (subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus)
"International Offering"	the conditional placing of the International Offer Shares at the Offer Price outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as further described in the section headed "Structure of the Global Offering" in this prospectus
"International Underwriters"	the group of international underwriters expected to enter into the International Underwriting Agreement to underwrite the International Offering
"International Underwriting Agreement"	the underwriting agreement expected to be entered into on or around February 11, 2026 by, among others, our Company, the Joint Sponsors, the Sponsor-overall Coordinators and the International Underwriters in respect of the International Offering, as further described in "Underwriting—Underwriting Arrangements and Expenses—The International Offering" in this prospectus
"Joint Bookrunners"	the Joint Bookrunners as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Global Coordinators"	the Joint Global Coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Lead Managers"	the Joint Lead Managers as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Sponsors" and "Sponsor-overall Coordinators"	the Joint Sponsors and the Sponsor-overall Coordinators of the listing of the H Shares on the Hong Kong Stock Exchange as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"Latest Practicable Date"	January 27, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Listing"	the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Committee"	the listing committee of the Hong Kong Stock Exchange
"Listing Date"	the date, expected to be on or about Friday, February 13, 2026, on which the H Shares are listed on the Hong Kong Stock Exchange and dealings in the H Shares are first permitted to commence on the Hong Kong Stock Exchange
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange

"Major Subsidiaries"	our subsidiaries as identified in "History, Development and Corporate Structure—Major Subsidiaries", which we consider are material to our operations and/or our financial performance during the Track Record Period
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"Mr. Zhou"	Mr. Zhou Heping (周和平), our executive Director and chairperson of the Board
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of our Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Offer Price"	the final offer price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed "Structure of the Global Offering" in this prospectus
"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares
"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023
"PRC Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》)
"PRC GAAP"	generally accepted accounting principles in Chinese mainland
"PRC Government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
"PRC Legal Adviser"	Sundial Law Firm, the legal adviser of our Company as to the PRC laws
"PRC Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
"Price Determination Agreement"	the agreement to be entered into between our Company and the Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) on the Price Determination Date to fix and record the Offer Price

"Price Determination Date"	the date on which the Offer Price is to be fixed
"Qingdao Wind Power"	Qingdao Woerxinyuan Wind Power Generation Co., Ltd. (青島沃爾新源風力發電有限公司) is a limited liability company incorporated under the laws of PRC on June 22, 2011, a subsidiary of our Company
"Regulation S"	Regulation S under the U.S. Securities Act
"Reporting Accountants"	Moore CPA Limited, the reporting accountants of our Company
"Remaining Group"	The Group, excluding Shanghai Keter, Huizhou LTK and Woer New Energy
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"R&D"	research and development
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
"Securities and futures Commission" or "SFC"	the Securities and futures Commission of Hong Kong
"SFO"	the Securities and futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Changyuan"	Shanghai Changyuan Electronic Material Co., Ltd. (上海長園電子材料有限公司) is a limited liability company incorporated under the laws of PRC on July 17, 2000, a subsidiary of our Company
"Shanghai Keter"	Shanghai Keter New Materials Co., Ltd. (上海科特新材料股份有限公司) is a joint stock company, formerly incorporated as a limited liability company under the laws of PRC on August 28, 1997, a subsidiary of our Company
"Shanghai Lante"	Shanghai Lante New Material Co., Ltd. (上海藍特新材料有限公司), a limited liability company established under the laws of the PRC on May 21, 2001, a subsidiary of our Company
"Share (s)"	ordinary share (s) in the capital of our Company with a nominal value of RMB1.00 each, including both A Shares and H Shares
"Shareholder (s)"	holder (s) of our Share (s)
"Shenzhen Cable"	Shenzhen Wore Wire & Cable Technology Co., Ltd. (深圳市沃爾特種線纜有限公司), a limited liability company established under the laws of the PRC on October 12, 2005, a subsidiary of our Company
"Shenzhen Changyuan"	CYG Tefa Co., Ltd. (深圳市長園特發科技有限公司), a limited liability company established under the laws of the PRC on December 6, 2002, a subsidiary of our Company

"Shenzhen Heat-Shrinkable"	Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (深圳市沃爾熱縮有限公司) is a limited liability company incorporated under the laws of PRC on August 10, 2018, a subsidiary of our Company
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shenzhen
"Shenzhen Orbit"	Shenzhen Orbit Systems Inc. (深圳市華磊迅拓科技有限公司) is a limited liability company incorporated under the laws of PRC on September 19, 2005, a subsidiary of our Company
"Shenzhen Woer Electric"	Shenzhen WOER Electric Technology Co., Ltd. (深圳市沃爾電力技術有限公司), a limited liability company established under the laws of the PRC on September 17, 2018, a subsidiary of our Company
"sq.m."	square meters
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary (ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder (s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buy-backs published by the SFC (as amended, supplemented or otherwise modified from time to time)
"Tianjin Changyuan"	Tianjin Changyuan Electronic Material Co., Ltd. (天津長園電子材料有限公司), a limited liability company established under the laws of the PRC on April 21, 2011, a subsidiary of our Company
"Tongyi Funds"	Shanghai Tongyi Investment Management Co., Ltd.—Tongyi Qingtong No. 1 Private Securities Investment Fund (上海通怡投資管理有限公司－通怡青桐1號私募證券投資基金), Shanghai Tongyi Investment Management Co., Ltd.—Tongyi Qingtong No. 3 Private Securities Investment Fund (上海通怡投資管理有限公司－通怡青桐3號私募證券投資基金), Shanghai Tongyi Investment Management Co., Ltd.—Tongyi Qingtong No. 6 PrivateSecurities Investment Fund (上海通怡投資管理有限公司－通怡青桐6號私募證券投資基金), and Shanghai Tongyi Investment Management Co., Ltd.—Tongyi Furong No. 17 Private Securities Investment Fund (上海通怡投資管理有限公司－通怡芙蓉17號私募證券 投資基金)
"Track Record Period"	the three years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2025
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"VAT''	value-added tax
"Vietnam Legal Adviser"	Everone Law Firm, the legal adviser of our Company as to the Vietnamese laws
"we", "us" or "our"	our Company
"Woer New Energy"	Shenzhen Woer New Energy Electric Technology Co., Ltd. (深圳市沃爾新能源電氣科技股份有限公司) is a joint stock company, formerly incorporated as a limited liability company under the laws of PRC on December 2, 2003, a subsidiary of our Company
"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **White Form eIPO** Service Provider at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"%"	per cent
"2025 Share Option Scheme"	the A Share option scheme adopted by our Company pursuant to resolutions passed by our Shareholders on April 9, 2025, the principal terms of which are set out in "Statutory and General Information—Employee Incentive Schemes" in Appendix IV to this prospectus
"2025 Restricted Share Scheme"	the restricted A Share scheme adopted by our Company pursuant to resolutions passed by our Shareholders on April 9, 2025, the principal terms of which are set out in "Statutory and General Information—Employee Incentive Schemes" in Appendix IV to this prospectus

In this prospectus, unless the context otherwise requires, explanations and definitions of certain terms used in this prospectus in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"A"	ampere
"AC"	alternating current, a current that periodically reverses its direction
"AC charging"	alternating current charging, a method of charging NEVs using the standard electrical grid power
"ADAS"	advanced driver assistance system, a system made up of various components, sensors and controllers, which together with the human driver ensure the correct and safe movement of the vehicle, enabling L1 to L2 automation
"ADAS ECU"	advanced driver assistance system electronic control unit, a specialized computer within a vehicle that processes sensor data and controls various ADAS functions; acts as the brain for integrating sensor inputs like cameras, radar, and lidar, enabling features like lane keeping, automatic emergency braking, and adaptive cruise control
"AI"	artificial intelligence, simulation of human intelligence processes by machines, especially computer systems
"algorithm"	a finite sequence of well-defined instructions, typically used to solve a class of specific problems or to perform a computation
"anti-torsion cables"	specialized cables designed to minimize twisting or twisting resistance, primarily used in applications where efficient torque transmission is crucial
"automatic inkjet coding control"	electronic systems used to manage and regulate the printing of codes and other information onto products or packaging using inkjet technology
"AWG"	American wire gauge, a specification of sorts that gives specific wire dimensions for, among other things, electrical wires; the larger the number, the smaller the wire diameter and thickness
"balloon tubing"	a type of flexible plastic tubing specifically designed for use in medical and industrial applications, often utilized in conjunction with balloon catheters or similar devices. This tubing is characterized by its ability to expand and contract, allowing for the controlled inflation and deflation of balloons within the body or other systems.
"cable accessories"	devices or components used alongside cables to enhance their performance, protect them, and ensure safe and reliable operation
"CAGR"	compound annual growth rate
"ceramicized polymer materials"	a kind of material created by transforming polymers into ceramics through a process called pyrolysis; offer a versatile approach to ceramic production, utilizing polymeric precursors for shaping and processing

"cold-shrinkable"	a type of rubber tubing or sleeve that can shrink down in size without the need for heat
"control cable"	an electrical cable primarily used to transmit signals and data for controlling or monitoring the operation of electrical equipment, machinery, or systems
"CRM"	customer relationship management, a set of integrated technologies used to document, track and manage an organizations relationships and interactions with existing and potential customers
"crosslinking"	the process of connecting two or more molecules by covalent bonds
"DC"	direct current, an electric current flowing in one constant direction
"DC charging gun"	direct current charging gun, a NEV charging device that delivers electricity directly to the vehicle's battery using DC for faster charging
"DC charging socket"	direct current charging socket, an electrical connector that provides DC power to charge a NEV battery
"dual-wall tubing"	a type of tubing with two distinct walls, typically designed for applications requiring enhanced protection and insulation
"EMI"	electromagnetic interference, the disturbance caused by electromagnetic signals generated during the operation of electronic devices or systems
"EVA"	ethylene-vinyl acetate, a thermoplastic copolymer made from ethylene and vinyl acetate monomers, known for its flexibility, transparency, and resistance to UV radiation
"encoder cable"	a specialized cable used to transmit electrical signals between an encoder and a control device or system
"Ethernet cables"	a type of network cable used to connect devices to a local area network or a wide area network
"FEP"	fluorinated ethylene propylene, a type of fluoropolymer with excellent chemical resistance and high thermal stability
"flame-retardant tubing"	a kind of tubing treated with a chemical that slows down the spread of flames when exposed to fire
"fully-shielded"	a condition where a cable or electronic component is entirely enclosed in a protective conductive layer, which serves to block electromagnetic interference (EMI) and radio frequency interference (RFI). This design helps maintain signal integrity and protects internal components from external environmental factors, thereby improving overall performance and reliability
"G"	gigabit
"GPU"	graphics processing unit, a specialized electronic circuit for digital image processing and computer graphics, which were later found to be useful for non-graphic calculations. The ability of GPUs to rapidly

	perform vast numbers of calculations has led to their adoption in diverse fields including artificial intelligence where they excel at handling data-intensive and computationally demanding tasks.
"green advanced manufacturing"	a kind of manufacturing method that combines environmentally conscious practices with advanced technologies to improve resource efficiency and minimize negative environmental impacts throughout the product lifecycle
"GW"	gigawatt
"halogen-free tubing"	a kind of cable that has no halogens such as chlorine, fluorine or bromine used in the insulation and sheath material
"heat-shrinkable"	a type of polymer tubing or sleeve that can shrink down in size when heated
"heat-shrinkable tube printing"	a process where information, such as text, graphics, or barcodes, is printed directly onto heat shrink tubing using specialized printing methods
"heat-shrinkable tubing"	a flexible, shrinkable polymer tube that contracts when heated, offering insulation, protection, and reinforcement for wires, cables, and other components
"high current connector"	a type of electrical connector designed to handle and transfer large amounts of electric current, typically exceeding 30A
"high-frequency copper materials"	a kind of material specially designed substrates and laminates that can maintain their electrical and mechanical properties at high frequencies
"high-speed copper cable"	factory-terminated cable assemblies designed to transmit data at high speeds using copper wires, typically within computing centers
"high-speed copper interconnect"	a type of interconnect solution that utilizes copper as a conductor material, resulting in higher device speed, less heat generation, and fewer interconnect metal levels depending on specific requirements
"high-voltage cable"	a specialized type of cable used for transmitting electric power at high voltage levels
"high-voltage cable accessories"	components used to connect, terminate, and protect high-voltage cables, ensuring reliable and safe power transmission
"high-voltage connector"	a specialized electrical connector designed to transmit power at voltages above a certain threshold
"identification sleeves"	a kind of sleeve which could provide a larger labeling surface on small cables allowing legends to be clearly seen
"insulating materials"	substances that resist the flow of energy, such as heat, sound or electricity
"interconnect solutions"	the technologies and mechanisms used to establish connections between different parts of an electrical or electronic system, or between networks and data centers

"irradiation production cluster"	a manufactured grouping of irradiation systems organized often in a single site to provide efficient, high-throughput processing of materials (like sterilizing medical devices, enhancing polymer properties, or treating food) using a centralized control, safety, and management infrastructure
"IT"	information technology
"kV"	kilovolt
"liquid-cooled charging"	a kind of charging method using a liquid, like coolant, to dissipate heat generated during high-power charging particularly important for NEV charging
"LLM"	large language model, an AI algorithm that uses deep learning techniques and massively large data sets to understand, summarize, generate and predict new content
"medical-grade tubing"	a kind of tubing specifically designed and produced to meet the rigorous standards of the medical industry for performance, purity and safety
"MES"	manufacturing execution system, software that manages and controls the manufacturing process, bridging the gap between enterprise planning systems and the shop floor
"MOM"	manufacturing operations management, a comprehensive approach to overseeing, controlling, and optimizing all aspects of manufacturing processes within a facility
"MW"	megawatt
"NEV"	new energy vehicle, vehicle powered by an alternative energy source rather than traditional fossil fuels
"new materials"	any new or significantly improved material that provides a distinct advantage in (physical or functional) performance when compared to conventional materials
"nuclear safety (1E-class) cable accessories"	electrical components classified as Class 1E, which are essential to nuclear power plant safety and support emergency shutdown, containment isolation, and reactor core cooling to prevent radioactive release
"nuclear-grade cable accessories"	essential components like terminals, joints, and connectors specifically designed and tested to nuclear power plant standards
"offshore wind power projects"	projects for generating electricity using wind turbines placed in bodies of water, typically the ocean
"photovoltaic"	the production of electric current at the junction of two substances exposed to light
"PVC"	Polyvinyl chloride, a synthetic plastic polymer derived from the polymerization of vinyl chloride monomer, widely used in

	construction, electrical insulation, medical devices, and consumer products due to its durability, versatility, and cost-effectiveness.
"SCADA"	supervisory control and data acquisition, a computerized system that is capable of gathering and processing data and applying operational controls over long distances
"separable connectors"	electrical devices that connect and disconnect power cables to equipment like transformers, switchgear, and motors
"SRM"	supplier relationship management, a systematic approach to evaluating and partnering with vendors that supply goods, materials and services to an organization, determining each supplier's contribution to success, and developing strategies to improve their performance
"surge arresters"	a protective device that diverts excessive voltage or current from a surge, such as a lightning strike or switching event, to ground to prevent damage to equipment
"telecoms cable"	a thick copper cable used for high-speed connections in computing centers and for signal transmission in specific scenarios such as automotive, industrial, and consumer electronics
"ultra-fast charging"	a method of recharging NEVs that delivers significantly higher power output compared to standard chargers
"V2G"	vehicle-to-grid, a technology that allows NEVs to not only receive power from the grid for charging but also to send power back to the grid
"WES"	warehouse execution system, a software solution that manages and optimizes the day-to-day operations within a warehouse or distribution center

This prospectus contains certain forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our future business development, financial condition and results of operations;
- our ability to identify and satisfy user demands and preferences;
- our ability to maintain good relationships with, and the actions and developments by or affecting our business partners;
- our ability to further enhance our brand recognition;
- our future debt levels and capital needs;
- general economic, political and business conditions in the industries and markets in which we operate or plan to operate;
- relevant government policies and regulations relating to our industry, business and corporate structure;
- our ability to maintain the market leading positions;
- the actions and developments of our competitors;
- our ability to effectively contain costs and optimize pricing;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies, including our service and geographic expansion plans;
- our ability to defend our intellectual rights and protect confidentiality;
- our dividend policy;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends; including those pertaining to the PRC and the industry and markets in which we operate; and
- all other risks and uncertainties described in the section headed ''Risk Factors'' in this prospectus.

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

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

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

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

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. The trading price of our H Shares could decline due to any of these risks. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this prospectus. You should seek professional advice from your relevant advisers regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business is exposed to the supply-demand dynamics in the electronic communications and electrical power transmission industry and is therefore affected by market demand.

We primarily provide telecoms cables, electronic materials, NEV power transmission products and electrical cable accessories products, which are widely applied in industries including computing centers, NEVs, high-voltage power grids, nuclear power plants and high-speed rail transit. Accordingly, our results of operations have been and are expected to continue to be affected by downstream demand in these industries. The downstream demands are affected by many factors, such as:

- government policies promoting the development of data communication, alternative energy, grid infrastructure, and NEV adoption;
- technological advancements in high-performance data communication and power transmission;
- industrial demand for automation; and
- macroeconomic conditions affecting industrial investment and infrastructure projects.

There is no assurance that the downstream demand for computing centers, NEVs, high-voltage power grids, nuclear power plants and high-speed rail transit will maintain at a comparable level as we experienced during the Track Record Period or continue to increase in the future. If the downstream demand for these industries does not increase as we expect, the market demand for our products will decrease correspondingly, which may result in under-utilization of our production capacity and in turn materially and adversely affect our business, financial condition, and results of operations.

Any failure to protect our intellectual property rights could undermine our competitive position and adversely affect our business prospects.

We rely primarily on a combination of our patents, trade secrets, trademarks, and confidentiality agreements signed by the employees and third parties to protect our intellectual property rights. As of September 30, 2025, we had 540 invention patents, 1,490 utility model patents, 140 design patents, 730 registered trademarks and 82 software copyrights in the PRC. As of the same date, we had seven patents and 170 registered trademarks in overseas jurisdictions, including the U.S., Japan and Europe. Please see "Business — Intellectual Properties" in this prospectus for more details.

We believe that our current intellectual property rights provide protection to our business and are crucial for our operations. However, there can be no assurance that our intellectual property rights applications will be approved, our intellectual property rights will adequately protect our intellectual property, we will be able to detect breaches of our intellectual property rights, our intellectual property rights will not be challenged by third parties or found to be invalid or unenforceable, or our intellectual property rights will be effective in preventing third parties from utilizing similar business models, processes or brand names to offer similar products. We may

also be subject to disputes, claims or litigation involving our intellectual property rights or third-party intellectual property rights, and there may be claims that we infringe third-party intellectual property rights. Any of these could disrupt our business and divert our management's attention from our operations. The costs associated with these types of disputes, claims or litigation may be substantial and could have a material adverse effect on our business, reputation, financial condition, results of operations and prospects. As of the Latest Practicable Date, we were not involved in any material legal proceeding against parties who we believe are infringing upon our intellectual properties.

In addition, while we intend to seek intellectual property protection for significant technologies related to product development and functionality, there is a risk that we may fail to adequately safeguard the intellectual property rights of our products or product candidates during the application process by not clearly identifying the specific technologies and associated IP rights. Should this occur, we may encounter challenges in establishing a sufficient scope of intellectual property protection, potentially exposing us to infringement by competitors or other third parties. Enforcing our intellectual property rights through litigation may become necessary to defend against unauthorized use or to clarify the validity and scope of our own rights, as well as those of others. Such litigation can be costly and time-consuming, and even if we achieve favorable outcomes, the associated expenses may be substantial and could divert management and technical personnel from their core responsibilities. There is no guarantee that we will succeed in any legal actions we initiate, and any damages or remedies awarded may not have significant commercial value.

Our success is also subject to our ability to use, develop and protect our patents and trade secrets without infringing the intellectual property rights of third parties. Others may hold or obtain patents, copyrights, trademarks, or other proprietary rights used in our products and services. This might prevent, limit, or interfere with our production, use, development, sales, or marketing, and could therefore disturb our daily operations and distract our management. Companies holding patents or other intellectual property rights may bring suits alleging infringement of such rights or otherwise assert their rights and urge us to obtain licenses. Our uses of trademarks relating to our technology could be found to infringe upon existing intellectual property rights owned by others. If we are found to have infringed upon a third party's intellectual property rights, we may be required to do one or more of the following:

- cease to sell products that are involved in the challenged intellectual property rights owned by others;
- pay damages;
- redesign our products; or
- establish and maintain alternative branding for our products.

The validity and scope of any potential claims/requests can be complicated and involve complex scientific, legal and factual questions and analysis and, therefore, may be highly uncertain. The defense and prosecution of intellectual property suits, patent opposition proceedings and related legal and administrative proceedings or requests can be both costly and time-consuming and may significantly divert the efforts and resources of our management, which will materially and adversely affect our business, financial condition and results of operations.

Whilst we generally enter into non-disclosure agreements with our key employees and partners, we cannot guarantee whether they will breach these agreements and leak our know-how, business secrets or any other commercially sensitive information to our competitors, which will have a material adverse effect on our business, financial condition and results of operations.

We may not be able to increase our production capacity as planned, and even if our production expansion projects proceed as planned, we may not be able to increase our production output in a timely manner or at all as envisaged.

We expect to further expand our production capacity to meet customers' increasing demands for our products. For details, see "Business — Our Production — Our Manufacturing Bases" and "Future Plans and Use

of Proceeds" in this prospectus. Such expansion will require significant commitments from our financial and managerial resources, as well as time to identify, recruit, maintain, and integrate additional employees. Difficulties in managing the budgeting, financing, forecasting, and process control for such expansion could negatively affect our business, prospects, results of operations, and financial condition.

Such expansion also requires obtaining various approvals, permits, licenses, and certificates, and completing inspections by competent government authorities. There is no assurance that we will be able to execute our expansion plan as contemplated or at all. Any delay or failure to obtain required approvals or complete inspections may materially delay our production expansion or even result in the cancelation of such plans, adversely affecting our business, financial condition, and results of operations.

Even if we successfully establish the new manufacturing base and expand our production capacity, there is no assurance that we will be able to increase our production output as planned. Our ability to scale production is subject to constraints and uncertainties, including but not limited to:

- delays by suppliers and equipment vendors, cost overruns, and unforeseen increases in raw material prices;
- delays or denials in government approvals for production;
- challenges in configuring production lines for specific products;
- performance and reliability of newly procured manufacturing equipment; and
- diversion of management attention and resources.

Additionally, our production and testing protocols require significant technological expertise. Any change in processes could lead to production errors, temporary suspensions, or delays, impacting our output. Failure to maintain proper quality assurance measures may lead to increased product failures, customer losses, warranty claims, higher logistics costs, and delivery delays. If we are unable to increase our production output as expected due to these risks, we may be unable to fulfill customer orders or achieve projected growth, damaging our reputation and customer relationships, which could materially and adversely affect our business, financial condition, and results of operations.

We operate in a highly competitive market. If we fail to meet evolving customer needs or the pace of industry innovation by continuously expanding our existing product lines or developing new products, our competitive position would be impacted and our business, results of operations and financial condition may be materially adversely affected.

The industry in which we operate is highly competitive and characterized by constant changes in technological advancements and evolving market trends. To maintain our competitive edge and market share, we are required to continuously innovate and introduce new products that meet the changing demands of market. This may include new product forms, advanced processing techniques, or the introduction of alternative raw materials and new product lines.

The competitive landscape of this market is subject to ongoing evolution as it is affected by the general economic conditions of such market and the competitive advancements in technology. The competitive dynamics in the China's market evolve as quickly as customer power demand and technology breakthroughs. Despite the high-speed data communication and electrical power transmission industry involving complex technologies with significant barriers, such as precise molecular and crosslinking control, strict requirements for transmission rate, latency, bandwidth, and electromagnetic compatibility, advanced power transmission and thermal management technologies, the evolving nature of competition may bring uncertainties as new entrants establish themselves in these markets. In addition, the competitive landscape of this market is fragmented, with numerous players offering a wide range of products and varying levels of expertise. For example, in 2024, the China's electronic materials industry has over 300 companies. In particular, the China's NEV charging products market is highly fragmented, with numerous players offering a wide range of products and varying levels of expertise. In China,

there are over 300 players operating in the market, each specializing in different segments. The China's cable accessories market also remained relatively fragmented, with over 150 companies. The China's telecoms cable market was relatively fragmented, with over 50 companies. We also face fierce competition from other technologically advanced competitors whose activities directly affect and shape the pace of competition. Factors affecting competition include, among others, technological iteration such as ultra-high-voltage wiring architectures and advanced battery technologies, product reliability, safety compliance, and seamless integration with vehicle electrical systems, product pricing, sales efficiency, manufacturing efficiency, government support, policy tailwind and quality of after-sales services and branding.

There is no guarantee that our new products will attract sufficient customer demand or achieve profitability. Moreover, despite our efforts to ensure high product quality, we cannot guarantee that our future products will continue to meet the high standards expected by customers or comply with industry regulations. If any new products fail to recover the R&D, production, and marketing costs, or if we are unable to maintain the desired product quality, it could negatively impact our financial performance, operational results, and overall business operations.

Our future success depends on our ability to retain key management and R&D personnel and our ability to attract, train and retain talented personnel.

Our success remains dependent on the continued services of our key management and R&D personnel as they are in charge of the overall planning, execution of our business and operations and R&D of the new products. If any of our Directors, any members of senior management and/or any key members of our R&D department were to terminate their services or employment with us, we may not be able to find suitable replacements in a timely manner, at an acceptable cost or at all.

In addition, as a result of the highly specialized, technical nature of our business, we must attract, train and retain a sizable workforce comprising highly skilled employees and other key personnel. If one or more of our highly skilled employees or key personnel were unable or unwilling to continue their services with us, we might not be able to replace them easily, in a timely manner, or at all. Moreover, our industry is characterized by high demand and intense competition for talent, we may have to pay higher salaries and wages and provide greater benefits in order to attract and retain highly skilled employees or other key personnel that we will need to achieve our strategic objectives. Our ability to recruit, train and integrate new employees into our operations may not meet the growing demands of our business. Our failure to attract, train or retain highly-skilled employees and other key personnel in numbers that are sufficient to satisfy our needs would materially and adversely affect our business and the results of operations. Staff that we are unable to retain also pose a risk, since they can inform competitors of our commercially sensitive information such as know-how and may lessen the technological advantages over our competitors that we have developed.

If we fail to compete effectively in the competitive industry where we operate, our market share may decline, and our market position, growth prospects and results of operations may be adversely affected.

The high-speed data communication and electrical power transmission industry is competitive, and such competition may intensify in the future. The competitive landscape of this market is fragmented, with numerous players offering a wide range of products and varying levels of expertise. Specifically, in 2024, the competitive landscape of the global telecoms cable industry features over 100 market participants globally. The global heat shrink material industry has over 800 companies, while China's heat shrink material industry has over 300 companies. The NEV core power charging products market is highly fragmented, with numerous players offering a wide range of products and varying levels of expertise. In China, there are over 300 players operating in the market, each specializing in different segments. In particular, with the rapid development of the AI, computing center and alternative energy industry, many new enterprises have entered these sectors, and existing manufacturers have also expanded their production capacities, intensifying market pressure. We may not succeed in competing with established manufacturers and new market players, which could hinder our ability to expand into new product categories or achieve the anticipated business growth in the future.

In response to market competition, our existing competitors may seek to increase their market share through various measures, including continued R&D efforts, increased production capacity, optimized production processes, and aggressive marketing campaigns. Competitors may also engage in price reductions to capture a greater share of the market. There is no guarantee that we will always succeed in securing orders from customers over our competitors. If we fail to compete effectively, our market position, growth prospects and results of operations may be adversely affected, which in turn may result in a significant decline in the price of our Shares.

If we are unable to retain existing customers and attract new customers, our business, financial conditions, and results of operations will be adversely affected.

Our continued success requires us to maintain our existing customers and develop new customers. Our sales to the five largest customers in each year/period during the Track Record Period amounted to RMB672.2 million, RMB653.7 million, RMB885.8 million and RMB1,173.6 million and accounted for 12.6%, 11.5%, 12.7% and 19.3% of our total revenue for the respective year/period. Specifically, certain customers maintain a qualified supplier list, in which we enrolled during the Track Record Period. Some of these customers review the qualified supplier list annually. There is no assurance we will continue to remain in the qualified supplier list of our customers due to the factors beyond our control, such as changes in customers' specific requirements and their evaluation method.

We may be unable to maintain or expand our relationships with existing customers or to obtain new customers on a profitable basis due to intense competition in the highly volatile high-speed data communication and electrical power transmission industry. Upon the expiration of our existing contracts, we cannot assure you that we will be able to renew the contracts with our customes on favorable terms, or if at all, or that we will be able to attract new customers. If we fail to retain our existing customers or attract new customers due to our products not meeting market requirements, lack of competitiveness in pricing, or other factors, our business, financial condition, and results of operations will be adversely affected. Sustained customer attrition or an inability to expand our customer base may lead to reduced revenue, market share erosion, and hinder our long-term growth prospects.

Fluctuations in the prices of raw materials may materially and adversely affect our profitability and financial condition.

In 2022, 2023, 2024, and the nine months ended September 30, 2025 our cost of raw materials accounted for 74.6%, 72.9%, 72.6% and 72.1% of the total cost of sales, respectively. See "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss — Cost of Sales" in this prospectus for details. As such, raw material prices have a significant impact on our cost of sales. Our Key raw material include copper, Ethylene-Vinyl Acetate ("EVA"), rubber compound and silicone rubber. The current or expected prices of our key raw materials may fluctuate depending on a number of factors beyond our control, including but not limited to macroeconomic conditions, the availability of resources in the raw materials market, market demand, potential speculation, market disruptions, natural disasters, and other factors. We may not be able to obtain stable, high-quality raw materials at reasonable prices at all times.

We have strategically built a qualified suppliers pool for our supply chain to leverage the advantages of centralized bargaining and price and secure our procurement of critical raw materials. However, we cannot assure that we will not experience material fluctuation in prices for key raw materials in the future. If the prices of our key raw materials increase significantly in the future, we may need to adjust the prices of our products accordingly to pass down the increased costs to our customers or secure other sources of supply of raw materials. During the Track Record Period, we have included price adjustment mechanisms in certain long-term framework agreements with some of our major customers, which allowed us to adjust the selling prices of our products in response to fluctuations in the prices of major raw materials. However, not all agreements with our customers include such price adjustment clauses, and there is no guarantee that such mechanisms will always be effective in mitigating price fluctuations.

If we fail to respond appropriately to increases in the prices of raw materials needed for our products, our business, financial condition, and results of operations may be materially and adversely affected.

We are subject to environmental, hazardous substance handling, chemical manufacturing, health and safety laws and regulations, production standards and ESG requirements, and any inability to comply with such requirements may subject us to liabilities.

Our operations are subject to laws, regulations, administrative determinations, and court decisions, particularly those related to environmental protection, hazardous substance handling, chemical manufacturing, health and safety, and production standards in the countries and regions where we operate. With the global trend of low-carbon transition and the PRC's advancement towards carbon neutrality, some of these jurisdictions have increasingly stringent laws and regulations. In response to the above and given our awareness of environmental, social and governance ("**ESG**") matters, we will integrate risk factors pertaining to sustainability, including climate change, health and safety, business ethics and regulatory compliance, into our risk matrix to mitigate associated impacts and develop best practices in order to achieve long-term growth and sustainability of our business. For more information, see "Business — Risk Management and Internal Control" in this prospectus. We cannot assure you that we can effectively implement the ESG governance protocols, including identifying and mitigating our ESG-related risks effectively. If we fail to address ESG compliance promptly, our business, operating results and financial condition could be materially and adversely affected.

Meanwhile, to comply with extensive environmental laws and regulations in the PRC, including those related to air and water quality, sewage management, and public health and safety, we must obtain approval for environmental impact assessment reports and environmental acceptance of our facilities under construction. Additionally, we undergo annual inspections of our production facilities by relevant PRC authorities to ensure the safety of our equipment. Failure to obtain such environmental approvals or complete required inspections may result in the suspension of our facilities and potential fines imposed by authorities.

Furthermore, environmental and safety regulations in the PRC and other jurisdictions where we operate continue to evolve, often imposing stricter standards, heightened enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed facilities, and increased corporate and individual responsibility. Amendments to these laws and regulations may result in additional capital expenditures, costs that we may not be able to pass on to customers, or other compliance obligations that could impact our financial flexibility and expansion efforts.

We have incurred, and expect to continue incurring, material expenditures to comply with these laws and regulations. Compliance requirements impose substantial costs and burdens, potentially leading to delays in obtaining, failure to obtain or renew, or cancelation of government permits and approvals, all of which could adversely impact our operations. Non-compliance may result in significant penalties or fines, license revocations, termination of government contracts, or suspension of operations. Any of these outcomes could adversely impact our results of operations, financial condition, and reputation, limiting our ability to maintain profitability and attract new customers. There is no assurance that we will not be penalized for breaching these laws and regulations. Additionally, increased regulatory scrutiny on resource consumption, waste management, and environmental impact could further raise compliance and operational costs, negatively affecting our business performance and financial position.

We face certain risks associated with R&D.

Technological innovation is critical to our success, and we have been investing in products R&D since our inception. During the Track Record Period, our R&D expenses amounted to RMB305.8 million, RMB310.0 million, RMB348.7 million and RMB325.7 million in 2022, 2023, 2024, and the nine months ended September 30, 2025 respectively. See "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss — Research and Development Expenses" in this prospectus for details. To maintain and expand our competitive advantage in technology, we may devote additional resources to R&D in the future. In addition to our in-house R&D capabilities, we also engage in joint R&D collaboration with third parties to develop new technologies and products.

However, as R&D activities are inherently uncertain, we may not be able to keep up with rapid technological changes and evolving industry standards and derive the desired benefits from our R&D efforts,

which may negatively affect our competitiveness and profitability. We cannot assure you that our R&D projects will be successful, completed within the anticipated time and budget, or that our newly developed products will achieve wide market acceptance or the competitive advantages we expect. Our industry is characterized by rapid and innovative technological changes. Our future success will depend on our ability to respond to fast-changing technologies, adapt our products to evolving industry standards and our customers' newly developed products, and improve the performance, functionality, and reliability of our products. Failure to continue adapting to such changes could harm our business and cause a decline in our market share.

Even if we successfully launch new products or upgrade our existing products, there is no assurance that they will be accepted by customers or achieve anticipated sales targets and profitability. The success of our new products depends on factors beyond our control, such as market conditions, competitive landscape, regulatory environment, supply chain dynamics, customer demand, and the positioning of our products. Entering new markets may involve high barriers to entry, making it difficult for new entrants to gain market penetration. There can be no assurance that we will successfully meet customer demand in these markets or operate profitably in the long term. If we are unable to develop, produce, and introduce new products that meet customer demand at favorable margins, whether within or beyond our existing business scope, it could have a materially adverse impact on our business, financial condition, and results of operation. Additionally, our existing or potential competitors may develop products that are similar or superior to ours or offer more competitive pricing that may cause our loss of customers. If we fail to appropriately respond to these challenges, our significant R&D expenditures may not yield corresponding benefits, which may materially and adversely affect our business, prospects, financial condition, and results of operations.

We also face risks associated with sharing relevant R&D results and intellectual properties with our collaboration partners. We have collaborated with them to research and develop projects and have shared R&D results. There is no assurance that our collaboration partners will not inadvertently or deliberately misuse the R&D results that we have developed together or misappropriate the R&D results that are owned solely by us but shared during the course of collaboration. Any such misuse or misappropriation could have a negative impact on our business, financial condition, and results of operations.

We are exposed to operational, transportation-related, occupational and environmental related risks.

Our business and production are subject to various risks, including operational and transportation-related risks and occupational and environmental hazards. We must comply with the extensive environmental, hazardous substance handling, chemical manufacturing, health and safety laws and regulations and stringent standards in relation to the manufacturing and sale of radioisotope and ray devices which are promulgated by the government authorities in the PRC. According to these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. We may experience various types of difficulties in connection with the manufacturing of our products. Some of our raw materials and chemicals are hazardous and their storage and use in the manufacturing process involve inherent risks including the leakage of flammable substances, toxic gasses and liquids, equipment failures, industrial accidents, fires and explosions. Such accidents could materially affect our production and may give rise to personal injuries and fatalities, damages to or destruction of properties or production facilities, and pollution and other environmental damages. Any of these consequences may result in business interruption, legal liability and damages to our reputation and corporate image. While we conduct regular inspections of the facilities we operate and regular equipment maintenance to ensure that our operations comply with applicable laws and regulations, we cannot assure you that we will not experience any major accidents or work-related injuries in our future production processes. Additionally, in the course of operations and production, we implement and require our employees to comply with safety measures and procedures as stipulated in our internal policies. However, there is no assurance that our safety measures and procedures are strictly followed by our employees.

Our operations may also be subject to challenges related to the manufacturing such as capacity constraints, mechanical and systems failures, construction and upgrade delays and equipment delivery delays, any of which could cause suspension of production and reduced output. Scheduled and unscheduled maintenance programs may also affect our manufacturing output. Any significant production suspension or reduction could adversely affect our ability to produce and sell our products, which could have a material adverse effect on our business, financial condition and results of operations.

Our expenditure may not be fully recovered if the major capital expenditure projects under our expansion program are not completed within the expected time frame and budget, or at all, and may not achieve the intended economic results even if completed.

Our operations depend on the continuous maintenance, upgrades and expansion of production capacity to meet evolving customer demands and market trends, as a result of which, we require significant capital expenditure to ensure the quality, efficiency and competitiveness of our products. We intend to invest in projects at our existing operations to increase our production efficiency, as well as to expand and develop our production capacities. We may make significant capital expenditures in connection with the expansion of our operations. For more details, see "Future Plans and Use of Proceeds." We typically conduct feasibility studies to determine whether to undertake significant construction projects. Actual results may differ significantly from those anticipated by our feasibility studies.

During the Track Record Period, we primarily used cash from operating activities in the maintenance and upgrades of production facilities. During the Track Record Period, our capital expenditures were RMB451.3 million, RMB321.1 million, RMB519.1 million and RMB779.8 million. There can be no assurance that we will be able to generate sufficient cash from operations, or at all, to fund our planned capital expenditures. Any delays or failures in securing necessary funding and any unforeseen increases in costs or delays in the implementation of our capital expenditure plans could adversely affect our operations and financial results. Moreover, the development in industries where we operate may require us to make additional, unforeseen investments to remain competitive. If we fail to allocate sufficient resources toward adapting to these technological changes or if our investments do not yield the expected benefits, our market position and profitability may be adversely impacted.

Our capital expenditure projects may also be delayed or adversely affected by a variety of factors, including the failure to obtain the necessary regulatory approvals or sufficient funding, construction difficulties, technical difficulties and manpower or other resource constraints. In particular, any disruptions, uncertainty or volatility in the capital and credit markets may limit our ability to obtain financing to meet our funding requirements, and we may postpone certain construction projects if our Directors determine that doing so would be in the interest of our Group after taking into consideration the current market conditions, our financial performance and other relevant factors. Costs of these projects may also exceed our planned investment budget. Even if we are able to complete the projects without any delay and within our budget, as a consequence of changes in market circumstances or other factors, we may not achieve the intended economic benefits of these projects. As a consequence of any delay in completing our capital expenditure projects, cost overruns, changes in market circumstances or other factors, the intended economic benefits from these capital expenditure projects may not materialize, and our business, financial condition and results of operations may be materially and adversely affected.

Our international strategy and ability to conduct business in various jurisdictions is subject to uncertainties and risks.

We derive a portion of our revenues from our overseas operations. During the Track Record Period, we generated 12.1%, 12.7%, 11.7% and 12.3% of our revenue outside Chinese mainland in 2022, 2023, 2024, and the nine months ended September 30, 2025 respectively. We face certain risks inherent in our export operations and risks associated with our efforts to expand and maintain our export business.

Moreover, we have established a manufacturing base in Vietnam and plan to establish a new plant in Malaysia to enhance our overseas presence. As a result, we face numerous risks, including legal, regulatory, political, economic, and commercial risks associated with manufacturing and operating in various jurisdictions, any of which could negatively affect our financial performance. These risks include:

- lack of familiarity with local culture and operating and market conditions;
- difficulties and costs of staffing, recruiting competent employees locally, and managing overseas operations;
- potential failure to achieve the expected returns from investing in manufacturing bases;

- potential delay in construction plan from third-party service providers;
- trade customer, or local joint venture partner insolvency and the inability to collect accounts receivable;
- labor disputes and work stoppages at our operations and suppliers;
- increased costs associated with maintaining the ability to understand local markets and follow their trends, as well as develop and maintain an effective marketing presence;
- legal, regulatory, political, economic and commercial instability and uncertainty;
- changes in foreign trade policies and regulations by local authorities, including those in relation to sanctions, export controls, and import restrictions, as well in trade barriers such as unfavorable changes in tariffs or quotas, particularly, in light of navigating the changing relationships between major economies;
- difficulty in obtaining or enforcing intellectual property rights and agreements and collecting overdue receivables through local legal systems;
- foreign currency exchange rate fluctuations and strict foreign exchange controls; and
- other obstacles and risks related to overseas manufacturing and operations.

Furthermore, we are subject to various evolving laws and regulations in the PRC and other jurisdictions where we operate, requiring us to obtain and comply with multiple permits, licenses, and regulatory approvals. Failure to obtain necessary approvals or adapt to evolving regulatory requirements may adversely impact our operations. Government inspections and regulatory reviews could also lead to delays or additional compliance costs.

Moreover, in early 2025, the U.S. government issued multiple executive orders implementing additional tariffs on imports from various jurisdictions, including additional tariff on certain imports from China. The U.S. tariffs and trade policies are subject to constant changes, influenced by evolving geopolitical dynamics, economic priorities and regulatory agenda, and such policies may be amended, expanded, or replaced with little or no advance notice. In particular, In March 2025, the president of the United States imposed 20% tariffs on Chinese goods. On April 2, 2025, the president of the United States imposed a 10% across-the-board tariff on all imports from the U.S.' trading partners, along with additional country-specific tariffs for various countries (the so-called "**reciprocal tariffs**" as adjusted from time to time, and, together with the above-mentioned tariffs, the "**Additional US Tariffs**"). On April 9, 2025, it was announced that the reciprocal tariffs would be paused for 90 days for all countries but China. On April 10, 2025, the reciprocal tariffs on China were raised to 125%. The United States and China are engaging in trade discussions, and on May 12, 2025, the United States stated that they would lower the reciprocal tariffs on China to 10% for 90 days. We cannot predict the timing, scope, or severity of potential changes in tariffs and trade policies, which may continue to evolve in the future. During the Track Record Period, our direct sales to the U.S. customers amounted to RMB117.0 million, RMB114.4 million, RMB143.7 million and RMB169.5 million, which only accounted for 2.2%, 2.0%, 2.1% and 2.8% of our total revenue for the respective years. As such, our Directors do not expect the recently implemented tariff changes by the U.S. government would result in a material adverse effect on our business and financial conditions. However, we cannot assure you that our products will not be subject to higher tariffs or trade restrictions in the future. Any future negative changes in the U.S. tariff policies towards China may deter market demands of our products or the end market products in the U.S., and we may face a decrease in revenue or decreased profitability. Additionally, if any changes are implemented faster and/or more strictly than anticipated, we may not be able to respond and mitigate the risks associated effectively and timely. Any of the above could negatively affect our business, results of operations and financial condition.

There is no assurance that we will be able to fulfill pre-conditions for necessary approvals or comply with changes in laws and regulations in a timely manner. Delays in administrative processing or breaching of laws and regulations related to export and overseas operations could further disrupt our business and expansion plans, adversely affecting our financial condition and results of operations.

Failure to maintain an effective quality control system could have a material adverse effect on our business, financial condition and results of operations.

As the quality of our products is critical to the success of our business, we must maintain an effective quality control system for our production and other operational activities. We have established a quality management system that complies with relevant national and international standards, covering the raw material supply chain and product manufacturing. See "Business — Quality Control" in this prospectus for more information. However, the effectiveness of our quality control system depends significantly on a number of factors, including the design of the system and the related training programs, as well as our ability to ensure that our employees adhere to our quality control policies and guidelines.

Any failure or deterioration of our quality control system could result in defects in our products, which in turn may subject us to contractual, product liability and other claims. Any such claims, regardless of their merits, could cause us to incur significant costs, harm our business reputation and result in significant disruption to our operations. Furthermore, if any such claims were ultimately successful, we could be required to pay substantial monetary damages or penalties, which could have a material adverse effect on our businesses, financial condition, results of operations and reputation.

We engage third-party distributors for part of the sales of our products. Part of our revenue depends on our distributor partners, and any decrease in sales from or loss of one or more of these distributors could adversely affect our business.

We engage third-party distributors for part of the sales of our products, primarily include our electronic material products, electrical cable accessories products, and telecoms cable products. During the Track Record Period, a proportion of our revenue was derived from sales to our distributors. For the years ended December 31, 2022, 2023 2024 and the nine months ended September 30, 2025, our total sales to distributors amounted to RMB1,190.8 million, RMB1,215.5 million, RMB1,289.3 million and RMB931.6 million, respectively, accounting for 22.3%, 21.3% 18.6% and 15.3% of our total revenue for the corresponding years. The loss or decrease in sales from these distributors could adversely impact our business, operating results, and financial condition.

Our sales volumes to such distributors depend to an extent on the effectiveness of our distributors in selling and delivering our products to the end customers. If our distributors fail to effectively sell and distribute our products or prioritize promoting competing products, it could result in a significant reduction in our sales to such distributors, which would materially and adversely impact our business, financial condition, and results of operations. Furthermore, we may not be able to establish collaborative relationships with new distributors or maintain such relationships with existing ones on terms as favorable as those offered by our competitors, including more attractive discounts or extended credit periods. There is no guarantee that we can maintain collaborative relationships with our existing distributors and attract new distributors on terms that are as favorable as or better than our current ones. Any disruption in our relationships with our distributors could affect our ability to maintain or grow our sales to such distributors, which could materially and adversely impact our business and financial position. In addition, we do not restrict distributors from engaging sub-distributors as long as they comply with relevant laws and regulations and its management policies. There is no assurance that our distributor management measures can always ensure their strictly compliance with relevant requirements or effectively further manage their sub-distributors. We are also exposed to the risk that distributors may impose unfavorable terms on us in the future, such as longer credit periods. These credit arrangements could put pressure on our working capital and expose us to the risks of default and bad debts.

We are required to obtain and maintain requisite licenses for certain aspects of our production. Failure to obtain or renew permits, licenses, certificates and qualifications in relation to our business operation could adversely affect our business, financial condition and results of operations.

As advised by our PRC Legal Adviser and Vietnam Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we have possessed all material permits, licenses, certificates and qualifications from various governmental authorities necessary for our business operation, and these statutory permits, licenses,

certificates and qualifications may be subject to periodic review or renewal. Particularly, certain aspects of our production require us to obtain licenses, such as the radiation safety license, which we currently possess. However, we cannot assure you that we will be able to obtain or maintain all permits, licenses, certificates and qualifications that are necessary for our business. As the regulatory regimes for the industries in which we operate continue to evolve, new laws, regulations and regulatory requirements may be promulgated and implemented from time to time, and the interpretation and application of existing laws, regulations and regulatory requirements are subject to changes. We may be required to obtain additional approvals, licenses, permits and certifications that we do not currently have for our existing business or for a new scope of business that we may expand into in the future. The loss of or failure to obtain or renew any of these permits, licenses, certificates and qualifications could adversely affect our operation, business and financial condition.

Our business and reputation may be materially and adversely affected by product liability claims, litigation, administrative proceedings, customer complaints, quality control concerns or negative publicity in relation to our products or other similar products.

We rely on the strength of our reputation and brands in marketing and selling our products. Certain of our products are used as components in third-party end products, which are designed, assembled and sold by our customers or other downstream manufacturers. As we are not involved in the design, production or quality control of these end products, we cannot practically identify or eliminate all of the potential complexity or risk factors associated with the end-use environment. Therefore, even if our products meet the required specifications and pass all quality inspections at the time of delivery, we cannot assure that they will perform as expected under sophisticated, dynamic or unforeseen application scenarios. Any failure or malfunction of the end products in which our products are embedded, whether or not attributable to our products, may expose us to product liability claims or reputational damage. Our business, financial condition and results of operations could be adversely affected by the occurrence of quality issues, which may result in customer complaints, adverse publicity or media reports, product liability claims, investigations and imposition of penalties by the relevant government authorities, suspension or revocation of our licenses, permits, certificate or qualifications necessary for the operation of our business and interruptions or suspensions of production.

Furthermore, our distributors may engage in activities that violate applicable laws and regulations in connection with the sales or marketing of our products. If our distributors violate laws or otherwise engage in unlawful practices, we could be liable for damages or fines, which could negatively affect our financial condition and results of operations. We cannot guarantee that there will not be any improper or unauthorized use of our trade name by any of our distributors in the future. We have limited control over daily business activities of our distributors as they are generally Independent Third Parties. Non-compliance by any of our distributors with our distribution agreements or our sales policies may harm our brand reputation and image and disrupt our sales, adversely affecting our ability to meet our sales targets.

We may also be involved from time to time in disputes with various parties involved in our business operations, including but not limited to our customers, suppliers, employees, logistics service providers, insurers and banks. Adverse publicity about any regulatory or legal action against us could damage our reputation and brand image, undermine our customers' confidence in us and reduce demand for our products, even if the regulatory or legal action is unfounded or immaterial to our operations.

Any litigation, legal and contractual disputes, claims or administrative proceedings against us could be costly and time-consuming to defend or settle, and could result in negative publicity.

We may become a party to various litigation, legal disputes, claims, administrative proceedings or other administrative measures arising in the ordinary course of our business. Any litigation, legal disputes, claims, administrative proceedings or other administrative measures may divert our management's attention and consume their time and our other resources. We cannot assure you that the outcome of such legal proceedings will not adversely affect our business, financial condition and results of operations.

Furthermore, any litigation, legal disputes, claims, administrative proceedings or other administrative measures which are initially not of material importance may escalate and become important to us due to a variety

of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved. Negative publicity arising from litigation, legal disputes, claims, administrative proceedings or other administrative measures may damage our reputation and adversely affect the image of our brands and products. In addition, if any verdict or award is rendered against us, or we are imposed any fines or penalties, we could be required to pay significant monetary damages, assume other liabilities and even to suspend or terminate the related business ventures or projects. Consequently, our business, financial condition and results of operations may be materially and adversely affected.

We may encounter interruptions by pandemics, natural disasters, severe weather conditions and other incidents that may affect our production and operations.

Our production and operations depend on a continuous and sufficient supply of utilities, such as electricity, water and gas. If there are any shortages of electricity, water, gas or other utilities in regions where our production facilities are located, the local government may require our production facilities to be fully or partially shut down. Any disruption in the supply of electricity, water or gas at our production facilities would affect our production and could cause deterioration or loss of our production capacity. This could adversely affect our ability to fulfill our orders and consequently may have an adverse effect on our business and operations. In addition, explosions, fires, earthquakes, natural disasters or extreme weather, including droughts, floods, excessive cold or heat, typhoons or other storms could cause power outages, gas or water shortages, damage our production facilities and transportation channels, any of which could significantly affect our operations. We cannot assure you that any backup systems will be adequate to protect us from the effects of such events.

In addition, an outbreak of epidemic or pandemic could cause demands for specific products to decline and affect the transportation of our products. Any failure to take adequate measures to mitigate the potential impact of unforeseeable incidents, or to effectively respond to such incidents if they occur, could adversely affect our business, financial condition and results of operations.

The sizes of the markets for our products may be smaller than estimated, and new market opportunities may not develop as quickly as we expect, or at all, limiting our ability to successfully sell our products.

The markets for electronic materials, cable accessories, high-speed copper cable, and NEV charging connector are rapidly evolving, making it difficult to predict with accuracy the sizes of the markets for our current and future products. For example, we believe new emerging markets such as AI and NEVs, as well as the potential growth in relatively developed markets such as electronic materials and electric power transmission, will drive the demand for our products. However, our estimates of market for our current and future products are based on a number of internal and third-party estimates and assumptions. In addition, our growth strategy involves launching new products and expanding the sales of existing products into new markets in which we have limited or no experience. Sales of new or existing products in response to new market opportunities may take several years to develop and mature, and we cannot be certain that these market opportunities will develop as we expect.

We source raw materials from the market, and we may not be able to secure our supply of such materials in a stable and timely manner.

During the Track Record Period, we procure all of our raw materials from third parties. They may not fulfill their commitments and responsibilities in a timely manner and in accordance with the terms agreed upon or applicable laws. We also cannot assure you that we will be able to maintain stable business relationships with our existing suppliers or that disputes will not arise with our key suppliers. In addition, our current suppliers may be unable to satisfy our future requirements for quality and quantity of raw materials on a timely basis.

If any of our major suppliers fail to meet our requirements for quantity, quality, or timing, we could experience supply shortages, an increase in procurement costs or production disruptions. Our suppliers could be unable to fulfill our needs due to various reasons beyond our control, such as natural disasters, extreme weather, epidemics, strikes, manufacturing issues, transportation disruptions, or changes in government regulations.

Furthermore, if a supplier faces financial difficulties, such as bankruptcy, this could also disrupt our supply chain. Changing suppliers may involve a long lead time, and we may not be able to find alternative suppliers who can meet our quantity, quality, or pricing requirements in a timely manner, or at all. Prolonged disruptions in our supply chain could lead to increased costs, which we may not be able to pass on to our customers immediately, or at all. Such disruptions could negatively impact our business, overall profitability, and financial performance.

We depend on certain third parties for various services and products in connection with our business. Any failure on their part to fulfill obligations in contracts could materially and adversely affect our results of operations.

We rely on third-party suppliers for various products and services, including utilities, energy and logistics services, which are in line with industry practice. We endeavor to source goods and services from third-party providers whom we believe are able to meet our quality, delivery schedule and other requirements. However, the products and services provided by any of the third-party service providers may not be provided in a timely manner or of satisfactory quality. If the third-party providers do not perform satisfactorily, substantially reduce the amount and scope of goods and services provided to us, increase their prices or terminate their business relationship with us, we may need to replace the third-party providers or take other remedial measures, which could increase our costs of operations. As we do not have direct control over the third-party providers, if they become involved in unauthorized provision of products or services not complying with our requirements or those of our customers, our reputation may be adversely affected. Any non-compliance with applicable laws and regulations of our third-party providers could also have a negative impact on our reputation. These, in turn, may materially and adversely affect our business, reputation, financial condition and results of operations.

Malfunctions or security breaches of our information technology systems, networks and software could disrupt our operations and negatively impact our business.

We rely on our computer systems and network infrastructure to conduct and monitor the daily operations of our manufacturing bases, manufacturing facilities, and to collect accurate up-to-date financial, operating and other transaction data for business analysis. We also rely on such systems and infrastructure to collect, process and store transaction data concerning our customers, business partners and employees. See "Business — Data Privacy and Cybersecurity" in this prospectus for further information. Therefore, our business is dependent upon the continued maintenance and enhancement of our information technology systems and network infrastructure.

Our cybersecurity measures may not detect or prevent all attempts to compromise our systems that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of customer information, or a denial-of-service or other interruption to our business operations. In cases of ransomware attacks, we may be asked to make a large lump-sum payment in order to resume the operation of our system, which may materially and adversely impact our business and financial condition. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, we may be unable to anticipate, or implement adequate measures to protect against these attacks. There is no assurance that we will not be subject to any of those cyber security issues in the future. Any failure to adequately deal with such issues would result in a material and adverse effect on our business and results of operations.

Any failure or perceived failure to comply with data privacy and security laws could subject us to potential liabilities.

We collect and store business data and transaction data generated during or in connection with our business operations, including our business and transactions with our customers, suppliers and business partners. See "Business — Data Privacy and Cybersecurity" in this prospectus for further details. The secure maintenance of such data is critical. We process data in compliance with the applicable legal requirements to ensure data security. Our operations are subject to a variety of laws and regulations concerning data privacy and security. Failure to comply with the increasing number of data protection laws in the PRC, as well as the data security and privacy laws in other jurisdictions where we intend to operate, could result in significant reputation damage and

adversely affect our business performance. Should we expand our business globally, we will be subject to a broader array of international laws, regulations and standards, as well as contractual obligations related to data privacy and security in the jurisdictions where we operate.

To ensure compliance with these evolving data privacy laws, regulations and standards, it will be necessary to maintain robust internal control and risk management policies, which will require a substantial commitment of resources and efforts. The unauthorized access, loss, or misuse of data, whether by our company or our partners, could lead to increased security costs, damage to our reputation, regulatory proceedings, litigation, fines, investigations, remediation efforts, indemnification expenditures, and disruptions to our business activities. Such incidents may also result in additional costs associated with defending against legal claims. Concerns from our customers, employees, and third parties, even if unfounded, may also have a detrimental impact on our reputation and operations.

We may be unable to obtain financing on favorable terms, or at all, to fund our business operations, existing and future capital expenditure requirements, acquisition and investment plans and other funding requirements.

We operate in an industry that requires substantial capital and other long-term expenditures. To fund our continuing business operations, existing and future capital expenditure requirements, acquisition and investment plans and other funding requirements, we need sufficient internal sources of liquidity or access to additional financing from external sources. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including:

- obtaining the necessary regulatory approvals to raise financing in the domestic or international markets;
- our future financial condition, operating results and cash flow;
- the condition of the global and domestic financial markets; and
- changes in the monetary policy of the PRC government with respect to bank interest rates and lending practices and conditions.

If adequate funding is not available to us on favorable terms, or at all, it may materially and adversely affect our ability to fund our operations, or develop or expand our business. We cannot assure you that we will not experience any unforeseen circumstances that may adversely affect our working capital in the future. In addition, future capital raised through issue of our Shares or other securities may result in a substantial dilution of the interests of our Shareholders.

Our insurance coverage may be insufficient to cover the risks or losses related to our business and operations.

Our business is subject to a variety of operational risks, including but not limited to production disruptions due to operational errors, power outages, equipment failures and suspension due to other risks; operational restrictions imposed by environmental or other regulatory requirements; social, political and labor unrest, environmental or industrial accidents, and catastrophic incidents such as fires, earthquakes, explosions, floods or other natural disasters. In addition, as we may further expand our operations in overseas markets in the future, we may be exposed to risks related to geopolitical tensions, policy changes and intellectual property and technology protection. These aforementioned risks may result in, including but not limited to, damage to or destruction of production facilities, personal injury or casualties, environmental damage, monetary loss, and legal liability. The occurrence of any of these events may result in disruption of our operations and cause us to suffer substantial losses or incur significant liabilities.

We have purchased and maintained insurance policies that we believe are in line with the industry practice and as required by the relevant laws and regulations. We maintain all property-related risks insurance, cargo

transportation insurance and credit insurance for our business operations. We also purchase group accident insurance for our employees. See "Business — Insurance" in this prospectus for further information. However, there is no assurance that our insurance will be adequate to cover our exposure to the foregoing risks. Any uninsured business disruptions may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our business and results of operations.

Expansion and acquisitions of or investments in our businesses, products, technologies, production capacity or know-how could subject us to risks and uncertainties.

We continually evaluate and pursue strategic opportunities for acquisitions or investments in businesses, products, technologies, production capacity, or know-how that we believe will enhance our product development, R&D capabilities, technology, and distribution network. However, there can be no assurance that we will be able to successfully execute these expansion and acquisition plans or complete the relevant transactions as anticipated.

Our ability to grow through acquisitions and investments depends on our ability to identify suitable targets, integrate them into our operations, and secure necessary financing on reasonable terms. Acquisitions, in particular, carry significant risks and uncertainties, including, but not limited to: (i) challenges in integrating acquired companies, personnel, or products into our business, particularly with regard to quality management, customer service, and other operational functions; (ii) delays or failures in realizing the anticipated benefits of acquisitions and investments; (iii) diversion of our management's focus from other critical business areas; (iv) higher-than-expected integration costs; and (v) challenges in retaining key employees of acquired businesses.

Furthermore, we may uncover deficiencies in internal controls, data integrity, product quality, regulatory compliance, or other liabilities in acquired businesses that were not identified prior to the acquisition. As a result, we may face penalties, lawsuits, or other liabilities related to these deficiencies. Any difficulties in the integration of acquired businesses or products, or unexpected legal and regulatory issues, could materially and adversely impact our business, financial condition, and operational results.

We may be unable to manage our growth or execute our strategies, such as globalizing customer base or integrating industry value chain effectively.

Our business has continued to grow in recent years, along with our business network and employee base. In accordance with our business plans as set out in the section headed "Future Plans and Use of Proceeds" in this prospectus, we intend to advance core technologies and expand our production capacity. Our business plans are based on the assumptions of future events which are bound to entail certain risks and are inherently subject to uncertainties that are beyond our control. The successful implementation of our business plans may be affected by a number of factors, including the availability of sufficient funds, governmental policies and regulations relevant to our industry, the economic conditions, our ability to maintain our existing competitive advantages, our relationships with our customers, the threat of substitutes and new market entrants, as well as other risk factors disclosed elsewhere in this section. In addition, as we expand our business operations, we may encounter regulatory, cultural and other difficulties that may also increase our costs of operations. We need to enhance and upgrade our infrastructure, improve operational and financial controls, refine reporting systems, and expand and manage our workforce. These efforts require significant resources, and we cannot assure their success. As a result, there can be no assurance that we can effectively manage our growth or our business plan will be implemented successfully as scheduled in terms of, for instance, time and costs. As such, our financial condition, operating results, growth and prospects may be materially and adversely affected if our business plans fall short of our expectations.

Legal defects regarding our leased properties may adversely affect our business, financial condition and results of operations.

We lease properties primarily for use as our offices, production facilities, warehouses, workshops and employee dormitories. As of the Latest Practicable Date, among the properties leased by our Group in the PRC which have a gross floor area of 1,000sq.m. and above, there were two lease agreements which had not yet been registered with the relevant PRC authorities. See "Business — Properties — Leased Properties" in this prospectus for more information.

We cannot assure that we will not be subject to any penalties arising from the non-registration of lease agreements in the future. As advised by our PRC Legal Adviser, according to applicable PRC administrative regulations, the lessor and the lessee of a property lease agreement are required to file the property lease agreement with relevant governmental authorities within 30 days after the execution of the property lease agreement. Notwithstanding that failure to complete such lease registration would not affect the validity and enforceability of such lease agreements, the relevant government authorities may require that the filing be made within a stated period of time, failing which, they may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly filed.

Policies and regulations affecting, among other things, international trade and investment may adversely affect our business and results of operations.

We have operations in certain overseas jurisdictions. We have exported our products to a number of countries and regions and derive a small portion of sales from exporting to these countries and regions. Therefore, government policies restricting international trade and investment, such as capital controls, economic or trade sanctions, export controls, tariffs or foreign investment filings and approvals, may affect the demand for our products and services, impact the competitive position of our products, or prevent us from being able to sell products in certain countries or regions. Furthermore, we had a global network of suppliers to obtain components and raw materials for production. In the event that any of the countries or regions where we procure imposes export controls, tariffs, trade restrictions or other trade barriers on any of the raw materials or components supplied to us, we may not be able to obtain a steady supply of necessary raw materials at competitive prices, and our business and results of operations may be materially and adversely affected. If any new tariffs, legislation, or regulations are implemented (including those imposing economic or trade sanctions, export control restrictions or outbound investments restrictions), or if existing trade agreements are renegotiated, such changes could adversely affect our business, financial condition, and results of operations.

There have been changes in international trade policies and rising political tensions, which could reduce levels of trade, investments, technological exchanges and other economic activities between China and other countries, which would have an adverse effect on global economic conditions, the stability of global financial markets, and international trade policies. It could also adversely affect the financial and economic conditions in the jurisdictions in which we and our business partners operate, which in turn adversely affect our financial condition and results of operations.

Exports of our products must be made in compliance with various economic sanctions and export controls laws in different jurisdictions. For example, U.S. economic sanctions prohibit the provision of products and services to certain countries or regions, governments, and persons targeted by U.S. sanctions. European Union sanctions also have similar regime to prohibit the provision of products and services to countries or regions, governments and persons on their respective target list. We take precautions to prevent our products from being provided to any target of these sanctions. However, we cannot assure you that our products would not be provided to those targets through independent distributors despite such precautions. Any such provision could have negative consequences, including government investigations, penalties and reputational harm. We could be subject to future enforcement action with respect to compliance with governmental economic sanctions and export controls laws that result in penalties and costs that could have a material effect on our business and operating results.

Recent changes in U.S. trade policies have created significant uncertainty for global trade. In April 2025, the U.S. government announced substantial new tariffs affecting a wide range of products and jurisdictions and has indicated an intention to continue developing new trade policies. In response, certain other governments announced or implemented retaliatory tariffs and other protectionist measures. In May 2025, China and the U.S. made announcement on a joint statement to substantially move down the tariff levels, followed by further negotiation and plans to ease trade tensions in June 2025. As relevant policies are rapidly evolving, it may be difficult to evaluate their potential future impacts, and we will closely monitor relevant situation. Although we only derived minimal revenue from the U.S. during the Track Record Period, and the majority of our procurement has already been localized, these developments may still have a material adverse impact on global economic conditions, the stability of financial markets and demands in the end markets for our products, which could in turn significantly affect our business and results of operations.

Any unfavorable government policies on international trade or any restriction on Chinese companies may affect our ongoing business relationship with international enterprises, customer demand for our products, impact our competitive position, or prevent us from being able to conduct business in certain countries. We may not be able to adequately anticipate, manage or mitigate the risks and challenges posed by the geopolitical tension and instability in the regions where we operate or have significant interests, or to adapt to the changing political, legal and economic conditions and expectations. We may also face increased competition, pressure, scrutiny and liability from our stakeholders, regulators, customers, suppliers, investors and the public in relation to our involvement or exposure to the geopolitical tension and instability. In addition, our results of operations could be adversely affected if any such tensions or unfavorable government trade policies harm the Chinese economy or the global economy in general.

The U.S. government's new China-focused Outbound Investment Security Program or similar laws and regulations or changes to the interpretation or implementation of these laws and regulations, could negatively impact us, including in respect of our ability to raise capital or the value of our securities.

On August 9, 2023, the U.S. government issued an executive order and the U.S. Department of the Treasury ("**Treasury**") published an advanced notice of proposed rulemaking providing a conceptual framework for outbound investment controls focused on China, including Hong Kong and Macau (the "**Outbound Investment Security Program**" or the "**OISP**"). On June 21, 2024, Treasury issued a proposed rule for the OISP. On October 28, 2024, Treasury issued a final rule (the "Final Rule") setting forth the OISP regulations that implement the executive order of August 9, 2023, which targets transactions by U.S. persons that involve persons and entities associated with "countries of concern," currently China, including Hong Kong and Macau, with business in certain technology sectors. The Final Rule took effect on January 2, 2025. The OISP could apply to certain U.S. persons (including their controlled foreign entities, if applicable) outside the United States who may participate in the Offering through offshore transactions in accordance with Regulation S.

Future changes to the OISP could adversely affect us. Investors should consult their legal counsel regarding the applicability of the Publicly Traded Securities Exception to the Global Offering, notification obligations, if any, applicable to them under the OISP, and the procedures for filing such notifications. Failing to comply with the OISP notification requirements or failing to provide accurate and complete information in the filing under the OISP may subject the relevant U.S. persons to civil penalties including fines of up to the greater of two times the transaction value or US$377,700 (as such amount may be adjusted for inflation), and — for willful violations — criminal penalties of fines of up to US$1 million and imprisonment of up to 20 years. Because the OISP regulates U.S. persons and, in some cases, U.S. persons controlling or directing nonU.S. person-investors, and not the entities they are investing in, none of the Company, the Controlling Shareholders, Directors and senior management will be required to file notifications pursuant to the Final Rule.

The OISP may be changed by executive actions of the U.S. government, including changes to the scope of activities and technologies applicable to notifiable or prohibited transactions or the scope and the availability of exceptions to the OISP's prohibitions or notification requirements. Specifically, on January 20, 2025, the U.S. government issued a national security presidential memorandum, entitled "America First Trade Policy," which, among other things, directs the Secretary of the Treasury and several other executive departments and offices of the U.S. government to review the OISP to determine if it includes "sufficient controls to address national security threats" and to determine whether the executive order implementing the OISP "should be modified or rescinded and replaced." In addition, on February 21, 2025, the U.S. government issued a national security presidential memorandum entitled "America First Investment Policy" which, among other things, states that the U.S. government will consider possible application of the OISP to a wider range of technology sectors and application of restrictions to a wider range of investments, including publicly traded securities. On April 3, 2025, the White House reported that Treasury and the National Security Council were evaluating options relating to the OISP and that the Trump Administration plans to evaluate whether the scope of outbound investment restrictions should be expanded. On December 18, 2025, the U.S. Comprehensive Outbound Investment National Security Act of 2025 (the "**COINS Act**"), which will supersede the OISP, became law. The COINS Act is subject to a rulemaking process, which is required to be completed by March 2027, and there is substantial uncertainty regarding how the new law will be implemented. Possible changes to the OISP, the COINS Act, or similar laws and regulations could limit or, in the worst-case scenario, eliminate our ability to raise capital or contingent

equity capital (such as convertible bonds) from U.S. investors in the future, or our ability to raise such capital may be significantly and negatively affected, which could be detrimental to our capital-raising capacity and our business, financial condition and prospects. In addition, changes to the Publicly Traded Securities Exception or other aspects of the OISP could prohibit the purchase or trading of our listed securities by U.S. persons, impose new notification or other regulatory requirements, or make our listed securities less attractive to such investors. In such cases, the value of our listed securities could significantly decline, and our liquidity may be materially and adversely affected.

We are advised by our U.S. outbound investment legal adviser, Hogan Lovells, that we are unlikely to be viewed as a "Covered Foreign Person" as defined in the Outbound Investment Rule, therefore the Outbound Investment Rule does not have a material impact on our Group's operation. However, if we were to be deemed a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations, our ability to raise capital and our stock price may be negatively affected.

Any failure to make adequate contributions to various employee benefit plans as required by PRC regulations can result in penalties.

Pursuant to the PRC laws and regulations, we are required to participate in the employee social welfare plan administered by local governments, and contribute for each of our employees under such plan should be calculated based on a specified percentage of the employee's salary level. Due to the different levels of economic development in different regions, there are no uniform requirements for the implementation of employee benefit plans by local governments. As such, there can be no assurance that any new laws and regulations or changes in the enforcement of existing laws and regulations will not cause us to retroactively make up any historical shortfall in social insurance and housing provident fund contributions. If the relevant authorities order us to pay the outstanding social insurance and/or housing provident funds in accordance with applicable laws and regulations, we will make such payments promptly within the specified period to avoid administrative penalties for overdue payment. In such case, we may incur additional costs to comply with the laws and regulations and even be subject to fines or penalties arising from above non-compliance.

According to the Emergency Notice of the General Office of the Ministry of Human Resources and Social Security on Upholding the Spirit of the Executive Meeting of the State Council and Effectively Stabilizing the Collection of Social Security Fees (《人力資源社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》), governmental authorities are strictly prohibited to organize collective settlement of enterprises' historical shortfall in social insurance. Furthermore, as advised by our PRC Legal Adviser, pursuant to the Social Insurance Law and the Regulations on the Administration of the Housing Provident Fund in the PRC, we may incur administrative penalties, including fines, or court enforcement, only if the competent authorities require us to rectify any shortfall in social insurance contributions or housing provident fund payments within a specified time frame, and we subsequently fail to comply with the established deadline. As advised by our PRC Legal Adviser, considering that (i) during the Track Record Period and up to the Latest Practicable Date, we were not aware of any material complaint, litigation or arbitration brought by any of our employees regarding our social insurance and housing provident fund policy; and (ii) none of the Company nor its PRC Subsidiaries had been subject to any material administrative penalties in relation to social insurance and housing provident fund contributions during the Track Record Period, the risk of administrative penalties against us for violation of any laws, regulations or rules in relation to social insurance and housing provident fund, or relevant PRC authorities requiring us to fully pay for our historical shortfall in social insurance and housing provident fund contributions is remote.

The Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) was enacted by the Supreme People' Court on 31 July 2025 and implemented on 1 September 2025. In light of (i) the absence of prior agreements excluding social insurance payment; and (ii) the PRC Legal Advisor' opinion that the interpretation does not expand penalty exposure or repeal existing laws, our Directors believe the aforementioned juridical interpretation would not have a material adverse effect on our business or financial results.

We have a certain number of dispatched workers. Any labor shortages, labor disputes or occurrence of accidents and/or product quality issues arising in the process of labor outsourcing and labor dispatching could result in a material and adverse effect on our business, financial condition and results of operations.

We have a certain number of dispatched workers. We may experience operational difficulties with our labor dispatching agencies such as their ability to provide experienced and quality workers that meet our needs. Moreover, such labor dispatching agencies may also experience disruption in their own operation due to labor strikes or shortages, natural disasters, cost increases or other issues outside of their control. Any failure of our labor dispatching agencies to perform their responsibilities or to operate in compliance with all applicable laws and regulations may have a negative impact on our workforce or result in disruptions to our operations. Any removal or termination of unsatisfactory labor dispatching agencies would require us to seek new providers, which would create delays and adversely affect our operations as we may not be able to identify suitable substitutes on a timely basis. In the event of fraud or misconduct by labor dispatching agencies, we could also be exposed to material liability and be held responsible for damages, fines, or penalties which in turn may adversely affect our business, results of operations, financial condition, and reputation.

Fluctuation in the industry may impact our business, financial condition, and results of operations.

Our operations in the telecoms cable and electrical power transmission industry are subject to fluctuations, characterized by periods of growth and contraction. These fluctuations are influenced by various factors, including technological advancements, shifts in customer demand, and broader macroeconomic conditions. During periods of industry downturn, there may be reduced demand for our products and services, which could lead to declines in revenue. Conversely, during periods of rapid growth, we may face challenges in scaling our operations to meet increased demand, potentially affecting our financial performance.

Changes in the industry cycle may require us to adjust our business strategies and operational plans. For example, during downturns, we may need to implement cost-control measures or adjust production capacities, which could impact our profitability. Additionally, fluctuations in demand may affect our ability to maintain stable pricing, which could lead to increased competition and pressure on our margins. The fluctuation in the industry may also influence our investment decisions, requiring us to balance the need for innovation and expansion with the risks associated with uncertain market conditions. If we fail to effectively manage industry fluctuation, our business, financial condition, and results of operations could be materially and adversely affected.

The volatile nature of the global or regional economic, political, trade or other factors may adversely affect our business.

Our business operation is influenced by global and regional macroeconomic and political conditions, fluctuations in the levels of international and regional trade, changes in maritime and other transportation patterns, and other factors. Any severe or prolonged downturn globally or regionally could materially and adversely affect our business, financial condition and results of operations. Political and trade disputes and trade protectionism may result in imposition of trade barriers or restrictions, sanctions, boycotts, or embargoes, new or increased tariffs and other factors such as acts of war, hostilities, epidemics or terrorism, could also adversely affect the international or regional trade volume and customers demand, which could also adversely affect our business and financial performance.

Additionally, the uncertainty in global economic conditions varies by geographic segment and can result in substantial volatility in global credit markets. Credit volatility could impact our working capital for manufacturing, or result in cost changes or supply interruptions to suppliers whose components we rely upon if we are unable to access the needed credit for our operations. These conditions affect our business by reducing prices that our customers may be able or willing to pay for our products or by reducing the demand for our products, which could in turn negatively impact our sales and result in a material adverse effect on our business, cash flow, results of operations and financial condition.

RISKS RELATING TO FINANCIAL POSITION

Our historical financial and operating results during the Track Record Period are not indicative of future performance, and we may not be able to achieve and sustain the historical level of revenue and profitability.

You should not rely on our historical results to predict our future financial performance. Our revenue amounted to RMB5,336.6 million, RMB5,718.8 million, RMB6,920.1 million and RMB6,076.7 million in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. Our gross profit amounted to RMB1,612.0 million, RMB1,788.6 million, RMB2,110.4 million and RMB1,877.7 million in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. However, our historical revenue and gross profit may not be indicative of our future growth. There is inherent risk in using such historical financial information of us to project or estimate our financial performance in the future, as they only reflect our past performance. There is no assurance that we will be able to maintain our historical growth in the future.

Furthermore, as the market and our business evolve, we may modify our operations, data and technology, sales and marketing, solutions and services. These changes may not achieve the expected results and may have a material and adverse impact on our results of operations and financial condition. Our expenses may grow faster than our revenue, and our expenses may increase or may be greater than we expected. We cannot assure you that we will be able to achieve similar results or grow at the same speed as we did in the past or at all. Rather than relying on our historical operating and financial results to evaluate us, you should consider our business prospects in light of the risks and difficulties we may encounter as a company operating in emerging markets and dynamic industries, including, among other factors, (i) macroeconomic and other factors that affect the markets in the countries and regions where we operate, (ii) our ability to expand our customer base, and to retain and expand the wallet share of our existing customers, (iii) our ability to maintain and expand our business infrastructure and networks, (iv) our ability to manage and further improve operational efficiency, and (v) our ability to execute acquisitions and investments, as well as successful integration. We may not be able to successfully address these or other challenges, which could adversely impact our business, results of operations and financial condition.

Any failure to manage our inventory effectively would increase operating costs and materially and adversely affect our results of operations, financial condition and cash flows.

To operate our business effectively and meet customer demands, we must maintain a certain level of inventory to support production and ensure timely delivery of our products. As of December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, we had inventories of RMB701.3 million, RMB710.3 million, RMB865.3 million and RMB1,139.1 million, respectively. Our inventories turnover days were 63.6 days, 65.5 days, 59.9 days and 65.2 days in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. Our inventories comprise finished goods, raw materials and work in progress. We determine our inventory levels based on our experience, customer orders, assessment of demand, and raw material price fluctuations. However, such assessments are inherently uncertain, and demand for our products may change significantly between the order date and the projected delivery date.

There is no assurance that we will always maintain optimal inventory levels. If we fail to accurately assess demand, we may experience inventory obsolescence or shortages. Excess inventory or a substantial decrease in the expected market price of our products may result in inventory write-downs or write-offs, forcing us to sell excess inventory at discounted prices, which could adversely affect our profitability. We recorded impairment losses on inventories of RMB13.8 million, RMB17.5 million, RMB25.4 million and RMB28.9 million in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively, as provisions were made for inventory value decline based on the excess of carrying value over net realizable value. Conversely, underestimating demand may result in insufficient production, leading to delays in product delivery and negatively affecting our relationships with customers and reputation. Any of these challenges could materially and adversely affect our business, results of operations, and financial condition.

The preferential tax treatment and government grants that we currently enjoy may be altered or terminated, which could have a material adverse effect on our business, financial condition and results of operations.

We enjoy preferential tax treatments. According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) ("**EIT Law**") and the related implementation rules, several of our subsidiaries of our Company, qualified as high-tech enterprises, are entitled to a preferential tax rate of 15%. For more details, see "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss — Income Tax Expenses" in this prospectus. There is no assurance that PRC policies on preferential tax treatments will remain unchanged or that we will continue to qualify for such preferential rates in the future. If these tax benefits are canceled or discontinued, relevant subsidiaries may be subject to the standard enterprise income tax rate of 25%, which could materially and adversely impact our financial condition and results of operations.

Additionally, we enjoy a number of government grants in China, including non-recurring grants such as industry transformation and upgrading support funds, technological innovation funds, funds for high quality development of manufacturing industry, scientific and technological innovation funds, and electricity cost subsidies. For 2022, 2023, 2024 and the nine months ended September 30, 2025, the total government grants we received amounted to RMB57.6 million, RMB41.0 million, RMB30.8 million and RMB18.6 million, respectively. All of the government grants received during the Track Record Period were non-recurring in nature. Government grants we received are uncertain and are subject to certain criteria and procedures stipulated by the national and local government. There can be no assurance that the government grants that we enjoy will not be altered or terminated. Any alteration or termination of our current preferential tax treatments or government grants could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may fail to recover our trade and other receivables in a timely manner, which may affect our financial condition and results of operations.

As of December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, our trade and other receivables amounted to approximately RMB2,603.8 million, RMB2,966.5 million, RMB3,578.7 million and RMB4,034.3 million, respectively. See "Financial Information — Discussion of Selected Items From Consolidated Statements of Financial Position — Trade and Other Receivables" in this prospectus for details. If the creditworthiness of our customers deteriorates, or a significant number of our customers fail to settle their trade and bills receivables in full for any reason, we may incur more impairment losses in the future. There is no assurance that we will be able to fully recover our trade and bills receivables from customers or that they will settle their payments in a timely manner. In the event that settlements from customers are delayed or not made at all, our financial condition and results of operations may be materially and adversely affected.

We may incur impairment losses on our intangible assets and goodwill, which could negatively affect our results of operations and financial condition.

Our intangible assets primarily consisted of trademarks, patents and software during the Track Record Period. Our goodwill primarily arose from acquisitions through business combinations allocated to CYG Electronics and Shenzhen Orbit. As of December 31, 2022, 2023, 2024, and September 30, 2025, we had intangible assets of RMB17.7 million, RMB36.1 million, RMB25.9 million and RMB21.5 million, respectively, and goodwill of RMB760.0 million, RMB731.3 million, RMB694.8 million and RMB694.8 million respectively. During the Track Record Period, impairment loss on our goodwill amounted to nil, RMB28.7 million, RMB36.5 million and nil in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. We may conduct strategic acquisitions in the future to expand our market share and solidify our position in the high-speed data communication and electrical power transmission market. See "Future Plans and Use of Proceeds" in this prospectus for further details. Such strategic acquisition may result in acquisition of intangible assets and goodwill. Change in business prospects of investments may result in impairment on our intangible assets and goodwill, which could negatively affect our results of operations. There is no assurance that we will not incur impairment loss on our intangible assets and goodwill in the future. Any significant impairment of our intangible assets and goodwill could have a material adverse effect on our business, financial condition and results of operations.

We face the risk of failing to collect our trade receivables due from our customers, and our liquidity position may be affected by mismatch in trade receivables turnover days and trade payables turnover days.

Our trade receivables turnover days were 120.5 days, 125.8 days, 123.0 days and 117.8 days in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. As of December 31, 2022, 2023 and 2024 and September 30, 2025, our trade and other receivables amounted to RMB2,603.8 million, RMB2,966.5 million, RMB3,578.7 million, and RMB4,034.3 million, respectively. Our trade payables turnover days were 53.9 days, 61.5 days, 64.1 days and 65.8 days in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. Prolonged turnover days may increase the risk of bad debts, particularly if customers face financial difficulties or economic conditions deteriorate. With the increase trade receivables and trade payables turnover days stay at a high level, our liquidity risk is increased due to strained cash flows. Inadequate liquidity may in turn limit our ability to meet short-term obligations, such as paying suppliers or funding operational expenses. We cannot assure you that all such amounts due to us will be settled promptly or within the anticipated timelines as agreed with our customers. Our operating results, liquidity and profitability could be adversely affected.

Besides, there is a mismatch in our trade receivables turnover days and trade payables turnover days. We typically offer our customers credit terms that up to over 120 days, which are generally longer than the credit periods offered to us by our suppliers that up to around 60 days. As such, there is a mismatch in our cash inflow and outflow periods which could materially affect our liquidity position. Any default or delay in payment by our customers may broaden such cashflow mismatch, which may result in significant cash flow shortfalls in the future and adversely affect our cash position and operating results.

We recorded negative cash flows from investing activities and financing activities during the Track Record Period, which may have an adverse effect on our business, financial condition, results of operations and prospects.

We recorded net cash used in investing activities of RMB388.3 million, RMB390.6 million, RMB591.1 million and RMB621.1 million for the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively, primarily attributable to purchases of property, plant and equipment and other assets. We recorded net cash used in financing activities of RMB517.7 million, RMB391.5 million, RMB349.5 million and RMB209.2 million for the for the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. For further details, see "Financial Information — Liquidity and Capital Resources — Cash Flows" in this prospectus.

Net investing and financing cash outflows could impair our ability to make necessary capital expenditures and constrain our flexibility as well as adversely affect our ability to meet our liquidity requirements. We may also experience net cash outflows from our operating activities in the future. If we are unable to maintain adequate working capital, we may default in our payment obligations and may not be able to meet our capital expenditure requirements or pursue our growth strategies, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Share-based payments may lead to shareholding dilution for our existing Shareholders and adversely affect our financial performance.

We adopted share incentive schemes for the benefit of our Directors, senior management, key technicians, and key employees who, in the opinion of the Board, contribute directly to the overall business performance and sustainable development of our Company. In 2022, 2023, 2024 and the nine months ended September 30, 2025, we incurred share-based payment expenses of RMB0.9 million, RMB1.7 million, RMB2.1 million and RMB9.4 million, respectively.

To further incentivize our Directors, senior management, key technicians, and key employees, we may grant additional share-based payments in the future. The issuance of shares related to such share-based payments may dilute the shareholding percentage of our existing Shareholders. Additionally, such share-based payments may increase our expenses, which could have a material and adverse effect on our financial performance.

We are exposed to foreign exchange risk.

A substantial portion of our revenues and cost of sales is denominated in Renminbi. However, as we operate part of our business in Vietnam and other international jurisdictions, we may continue to make equity and other investments outside of China. During the Track Record period, our revenue from outside Chinese mainland amounted to RMB648.4 million, RMB728.6 million, RMB812.1 million and RMB749.8 million, accounting for 12.1%, 12.7%, 11.7% and 12.3% of the total revenue in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. Meanwhile, certain equipment or materials required for our operation were partly sourced from imports, and U.S. dollars, euros, HKD and RMB were paid to foreign countries. We are therefore subject to risks associated with foreign currency exchange fluctuations.

Changes in the value of foreign currencies could increase our Renminbi costs for, or reduce our Renminbi revenues from, our foreign operations, or affect the prices of our exported products and the prices of our imported equipment and materials. The fluctuation of foreign exchange rates also affects the value of our monetary and other assets and liabilities denominated in foreign currencies. We recorded net foreign exchange differences gains of RMB14.7 million, RMB4.3 million, RMB8.5 million in 2022, 2023, 2024 and loss of RMB0.8 million in the nine months ended September 30, 2025, respectively. There is no assurance that future fluctuations in exchange rates would not have a material adverse impact on our financial condition and results of operations. If we face significant volatility in these foreign exchange rates and we cannot procure any specific foreign exchange control measures to mitigate such risks, our results of operations and financial performance may be adversely affected.

Fluctuations in interest rates may adversely affect our results of operations.

Like many other participants in the high-speed data communication and electrical power transmission industries, we may rely on bank borrowings to finance our capital needs for operations and investments. An increase in the interest rates of our loans may result in a significant increase in our interest expense, adversely affecting our finance costs, which in turn may affect our business and profitability. If structured improperly, certain derivative financial instruments may increase our exposure to interest rate fluctuations.

We are exposed to risks associated with the potential spin-off of one or more of our businesses.

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements in Paragraph 3(b) of Practice Note 15 to the Listing Rules. As of the date of this Prospectus, we have issued announcements on the Shenzhen Stock Exchange that we have commenced the preliminary preparatory work of the spin-off Shanghai Keter and Huizhou LTK previously. Further, we wish to retain the possibility to spin-off Woer New Energy (together with Shanghai Keter and Huizhou LTK, collectively, the "**Spin-off Businesses**") within three years from the Listing.

The waiver granted by the Stock Exchange is conditional upon (among others) us confirming to the Stock Exchange in advance of any spin-off that it would not render our Company, excluding the subsidiary to be spun off, incapable of meeting the eligibility or suitability requirements under Rule 8.05 of the Listing Rules based on the financial information of the subsidiary to be spun off at the time of the Listing, and where more than one subsidiary is to be spun off, the assessment will be made on a cumulative basis. As of the Latest Practicable Date, we did not have any detailed plan in relation to the potential spin-offs, including the timetables for the spinoffs of Huizhou LTK and Woer New Energy. We cannot assure you that any spin-off will ultimately be consummated, whether within the three-year period after the Listing or otherwise, and any such spin-off will be subject to, among other things, market conditions and Shareholders' approval at the time. For additional information, see "Waivers from Strict Compliance with Listing Rules and Exemption from Compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance — Waiver in Respect of Strict Compliance with Practice Note 15 and the Three-year Restriction on Spin-offs" in this prospectus.

RISKS RELATING TO CONDUCTING BUSINESS IN COUNTRIES AND REGIONS WHERE WE OPERATE

Changes in economic, regulatory, political and social conditions could materially and adversely affect our business and operations.

Our business, financial condition and results of operations may be influenced by the general political, economic and social conditions in the countries and regions where we operate. Governments worldwide have implemented, and may continue to introduce, among others, various policies and measures to encourage the economic growth and guide the allocation of resources. Our industry in general is affected by macro-economic factors, including international, national, regional and local economic conditions, trade relationships, employment levels, customer demand and discretionary spending. During the Track Record Period, revenue from our overseas sales comprised approximately 12.1%, 12.7% , 11.7% and 12.3% of our total revenue respectively. In the event that any of these countries or regions which we export to impose additional economic sanctions or enforces import restrictions or tariffs in relation to our products, our business and operations may be adversely affected. Any changes in these factors, including the frequent changes in US tariff policies recently, may have material and adverse effects on our business, financial condition and results of operations.

Historically, tariffs have led to increased trade and political tensions, between not only the U.S. and China, but also between the U.S. and other countries in the international community. There is significant uncertainty as to whether countries will be able to successfully reach any trade deals with the U.S. Rising political tensions as a result of trade policies could reduce trade volume, investment, and other economic activities between major international economies. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, which in turn can significantly impact our business and results of operations. Consequently, such developments necessitate our increased investments in monitoring policy developments and exploring strategies to mitigate the impact on our operations. Economic sanctions and trade restriction measures (including tariffs) taken by government authorities or other trade tensions or unfavorable trade policies may affect the costs and/or marketability of our products, as, without the impact of additional tariffs, the peers in other countries and regions which are not subject to such tariffs, could potentially gain market share and improve their price competitiveness. The current international trade tensions and political tensions, and any escalation of such tensions, may have a material negative impact on our ability to continue to sell to global customers and further grow our customer base. In addition, as our business is closely interrelated with the performance of our customers' end-use products in the marketplace, if our customers are impacted by restrictive measures of trade protection or export control, our performance and income will be adversely affected.

Geopolitical conditions may also lead to heightened restrictions on foreign investments, introducing increased compliance requirements and uncertainty for investors. Furthermore, in recent years, there have been heightened complexities in international relations. Such tensions could reduce levels of international trade, investment, technological exchange and other economic activities, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on our and our customers' business, prospects, financial condition and results of operations.

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

We are incorporated under the laws of the PRC and majority of our assets are located in the PRC. In addition, most of our Directors and officers reside in the PRC and their assets are substantially located in the PRC. As a result, it may be difficult, complicated and time-consuming for you to effect service of process upon those persons residing in China. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in the PRC only if the jurisdiction has a treaty with the PRC or if the jurisdiction has been otherwise deemed by the courts of the PRC to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of certain other jurisdictions.

On July 14, 2006, the Supreme People's Court of China and Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) ("**2006 Arrangement**") which came into effect on August 1, 2008. Pursuant to the 2006 Arrangement, a party with an enforceable final court judgment rendered by any designated People's Court of Chinese mainland or any designated Hong Kong Court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant People's Court of Chinese mainland or Hong Kong Court. A written choice of court agreement is defined as any agreement in writing entered into between parties after the effective date of the 2006 Arrangement in which a court of Chinese mainland or a Hong Kong court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in Chinese mainland if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for you to effect service of process against us in order to seek recognition and enforcement of foreign judgments in Chinese mainland.

On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) ("**2019 Arrangement**"). The 2019 Arrangement broadens the scope of judgments that may be enforced between Chinese mainland and Hong Kong under the 2006 Arrangement. Whereas a choice of jurisdiction needs to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the 2006 Arrangement, the 2019 Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules without the parties' agreement. The 2019 Arrangement became effective on January 29, 2024, both in Chinese mainland and in Hong Kong and replaced the 2006 Arrangement. Under the 2019 Arrangement, any party concerned may apply to the relevant court of Chinese mainland or Hong Kong for recognition and enforcement of the effective judgments in civil and commercial cases subject to the conditions set forth in the 2019 Arrangement. Although the 2019 Arrangement has become effective for a period of time, the outcome and effectiveness of any action brought under it may still be uncertain. We cannot assure you that an effective judgment that complies with the 2019 Arrangement can be recognized and enforced in a Chinese mainland court.

Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the Listing, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

The legal system for certain geographic markets is developing with uncertainties in interpretation and enforcement. The legal protections available to you and us may be limited.

Our operations span across various geographic markets, each with its unique legal system. These legal systems can be broadly categorized into civil law systems based on written statutes, and common law systems. It is noteworthy that in civil law jurisdictions, prior court decisions, while used as references, carry limited precedential value, unlike in common law systems.

We acknowledge the inherent uncertainties within the legal frameworks of some of the markets we operate. Newly enacted laws and regulations may not comprehensively address all facets of economic activities in these markets. The interpretation and enforcement of such laws and regulations are often subject to future implementations, and their applicability to our business operations remains unsettled. Given that local administrative and court authorities are empowered to interpret and implement statutory provisions and contractual terms, it can be challenging to predict the outcomes of administrative and court proceedings, and to ascertain the extent of legal protection we possess in these markets. It is also worth noting that local courts may exercise discretion in refusing to enforce foreign or arbitration awards. These uncertainties could potentially impact our understanding of legal requirements and our capacity to enforce our contractual rights or claims.

Moreover, these regulatory uncertainties may be leveraged through unmerited or frivolous legal actions, claims concerning third-party conduct, or threats aimed at extracting payments or benefits from us.

Additionally, many of the legal systems in our operational markets are influenced by their respective government policies and internal rules. Some of these policies and rules may not be published promptly or at all, and could have retroactive effects. There are instances where key regulatory definitions are ambiguous, imprecise, or absent, or where regulatory interpretations diverge from court interpretations in analogous cases. Furthermore, administrative and court proceedings in some of our markets may be prolonged, leading to significant costs and diversion of resources and management attention.

We recognize the possibility of new laws and regulations being adopted or interpreted as applicable to us in our geographic markets and elsewhere, which could impact our businesses and operations. The industries in which we operate may face increased scrutiny and regulation, necessitating the allocation of additional legal and other resources to comply with these regulations. Changes in existing laws or regulations, or the introduction of new laws and regulations in our markets, could potentially impede the growth of the whole industry and affect our business, financial condition, and results of operations.

We are a PRC enterprise and we are subject to PRC tax on our global income, and any gains on the sales of our H Shares. Investors of our H Shares may become subject to PRC taxation on dividends received from us and gains from the disposition of our H Shares.

We are subject to periodic examinations on fulfillment of our tax obligations under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our business, results of operations, financial condition and prospects, as well as our reputation.

Individual holders of H Shares who are not residents of Chinese mainland and whose names appear on the register of members of H Shares ("**non-Chinese mainland resident individual holders**") are subject to PRC individual income tax on dividends received from us. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993] 045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011] 348號), dated June 28, 2011, issued by the SAT, dividends paid to non-Chinese mainland resident individual holder of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10.0%, dependent on whether there is any applicable tax treaty between Chinese mainland and the jurisdiction in which the non-Chinese mainland resident individual holder of H Shares resides as well as the tax arrangement between Chinese mainland and Hong Kong. Non-Chinese mainland resident individual holders who reside in jurisdictions that have not entered into tax treaties with Chinese mainland are subject to a 20.0% withholding tax on dividends received from us. In addition, under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation regulations, non-Chinese mainland resident individual holders of H Shares are subject to individual income tax at a rate of 20.0% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares in enterprises may be exempt from individual income tax. As of the Latest Practicable Date, no aforesaid provisions have expressly provided that whether individual income tax shall be levied from non-Chinese mainland resident individual holders on the transfer of shares in Chinese mainland resident enterprises listed on overseas stock exchanges, and to our knowledge, in practice the Chinese mainland tax authorities had not collected individual income tax on such gains. If such tax is collected in the future, the value of such individual holders' investments in H Shares may be materially and adversely affected.

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) ("**EIT Law**") and its implementation regulations, a non-Chinese mainland resident enterprise is generally subject to enterprise income tax at a rate of 10.0% with respect to its Chinese mainland-sourced income, including dividends received from a

Chinese mainland company and gains derived from the disposal of equity interests in a Chinese mainland company, subject to reductions under any special arrangement or applicable treaty between Chinese mainland and the jurisdiction in which the non-Chinese mainland resident enterprise resides. The interpretation and implementation of the EIT Law and its implementation regulations by Chinese mainland tax authorities, including whether and how enterprise income tax on gains derived upon the sale or other disposal of H Shares will be collected from non-Chinese mainland resident enterprise holders of H Shares, are to be determined in accordance with the relevant laws and regulations in effect at the time. If such tax is collected in the future, the value of such non-Chinese mainland resident enterprise holders' investments in H Shares may be materially and adversely affected.

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

We receive a majority of payments from our operations in the PRC in RMB and may need to convert certain Renminbi into other currencies for payment of dividends, if any, to holders of our Shares, and to fund our business activities outside of the PRC, among other things. The convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC are subject to related regulatory requirements. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise fulfill our foreign currency denominated obligations.

Under current foreign exchange regulations of the PRC, payment of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE or its local branches, through licensed banks for foreign exchange business, by complying with certain procedural requirements. If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. However, prior registration and other procedures with competent government authorities are required where Renminbi is to be converted into foreign currency and remitted out of Chinese mainland to pay capital expenses. Further, there is no assurance that new regulations will not be promulgated in the future that would have further requirements on the remittance of Renminbi into or out of the PRC. Any existing and future requirements on currency exchange may limit our ability to purchase raw materials and components outside of the PRC or otherwise fund any future business activities that are conducted in foreign currencies.

RISKS RELATING TO THE GLOBAL OFFERING

We will be concurrently subject to listing and regulatory requirements of the PRC and Hong Kong.

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

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

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

There has been no prior public market for the H Shares and an active trading market for the H Shares may not develop or be sustained.

Prior to the Global Offering, no public market for the H Shares existed. We cannot assure you that an active trading market for the H Shares will develop or be sustained after the Global Offering. The Offer Price for the Shares is expected to be fixed by the Price Determination Agreement, and may not be indicative of the market price of the H Shares following the completion of the Global Offering. If an active trading market for the H Shares does not develop or is not sustained after the Global Offering, the market price and liquidity of Shares could be materially and adversely affected.

The trading volume and selling price of our H Shares may be volatile, which could result in substantial losses for investors who purchase our H Shares in the Global Offering.

The trading volume and price of our H Shares may be highly volatile and could fluctuate widely in response to factors beyond our control. Factors impacting the price and trading volume of our H Shares include, but are not limited to, actual or anticipated fluctuations in our revenue, earnings and cash flow, changes in our pricing policy as a result of competition, potential strategic alliances or acquisitions, the addition or departure of key personnel, changes in ratings by financial analysts and credit rating agencies, fluctuations in the selling prices and demand for our products, public perception or negative news about our products, unexpected business disruptions resulting from natural disasters or power shortages, our inability to obtain or maintain regulatory approval for our operations, litigation, government investigation or other legal or regulatory proceeding, or political, economic, financial and social developments in China, Hong Kong and elsewhere in the world. In addition, the Stock Exchange and other securities markets have, from time to time, experienced significant price and volume fluctuations that are not related to the operating performance of any particular company. These fluctuations may also materially adversely affect the selling price of our H Shares. Moreover, shares of other companies listed on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

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

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

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

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

to the financial and operational information contained in this prospectus. As a result, prospective investors in the H Shares should be reminded that, in making their investment decisions as to whether to purchase the H Shares, they should rely only on the financial, operating and other information included in this document. By applying to purchase the H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the Global Offering.

Certain facts, forecasts and statistics obtained from official government sources in this document may not be fully reliable.

Certain facts, forecasts and statistics in this document in and outside China are obtained from official government publications that have not been independently verified by us, the Joint Sponsors, the Overall Coordinators, any of their respective directors, employees, agents or advisors, or any other person or party involved in the Global Offering, and no representation is given as to its accuracy. However, we cannot guarantee the quality or reliability of these sources. Neither we, the Joint Sponsors, the Overall Coordinators, nor our or their respective affiliates or advisors have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from these sources. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

We may need additional capital, and the sale or issue of additional Shares or other equity securities could result in additional dilution to our Shareholders.

Notwithstanding our current cash and cash equivalents and the net proceeds from the Global Offering, we may require additional cash resources to finance our continued growth or other future developments, including any investments or acquisitions we may decide to pursue. The amount and timing of such additional financing needs will vary depending on the timing of investments in and/or acquisitions of new businesses from third parties, and the amount of cash flow from our operations. If our resources are insufficient to satisfy our cash requirements, we may seek additional financing through selling additional equity or debt securities or obtaining a credit facility. The sale of additional equity securities could result in additional dilution to our Shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may, among other things, restrict our operations or our ability to pay dividends. Servicing such debt obligations could also be burdensome to our operations. If we fail to service the debt obligations or are unable to comply with such debt covenants, we could be in default under the relevant debt obligations and our liquidity and financial conditions may be materially and adversely affected.

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

This prospectus contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters.

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

You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media in making investment decisions with respect to our H Shares.

Prior to the publication of this prospectus, there may have been press and media coverage regarding us and the Global Offering, which may include certain information not contained in this prospectus. We have not authorized the disclosure of any such information in the press or other media. We make no representation as to the appropriateness, accuracy, completeness or reliability of such information, and disclaim responsibility for such information. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it. Accordingly, prospective investors are cautioned to make their investment decisions with respect to our H Shares on the basis of the information contained in this prospectus only and should not rely on any other information. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus.

WAIVERS FROM STRICT COMPLIANCE WITH LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

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

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

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

Our headquarters and most of our business operations are based, managed and conducted in the PRC. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

(a) we have appointed Mr. Liu Zhanli, our executive Director, and Mr. Tam Ka Lung, our joint company secretary, as our authorized representatives (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company's principal channel of communication with the Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile and email to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange;

(b) when the Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly as and when required, including means to communicate with our Directors when they are traveling. Our Company will also inform the Stock Exchange as soon as practicable in respect of any change in the Authorized Representatives in accordance with the Listing Rules. We have provided the contact details of each Director (such as mobile phone numbers, office phone numbers (if any), email addresses and fax numbers (if any)) to each of the Authorized Representatives and the Stock Exchange;

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

(d) we have appointed Gram Capital Limited as our compliance adviser upon Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. Our compliance adviser, who will serve as the additional channel of communication with the Stock Exchange when the Authorized Representatives are not available and will have access at all times to the Authorized Representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules; and

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

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

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

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

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

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

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

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

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

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

(d) professional qualifications in other jurisdictions.

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

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

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and

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

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

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

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

Our Company has appointed Ms. Qiu Wei (邱微) ("**Ms. Qiu**"), our Board secretary, as one of our joint company secretaries. She has considerable experience in administrative management but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely

fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Tam Ka Lung (譚家龍) (''**Mr. Tam**''), a fellow member of the Association of Chartered Certified Accountants, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Qiu for an initial period of three years from the Listing Date to enable Ms. Qiu to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

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

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

Before the end of the three-year period, we must demonstrate and seek the Stock Exchange's confirmation that Ms. Qiu (i.e. the proposed company secretary not fulfilling the requirement under Listing Rule 3.28 and 8.17), having had the benefits of Mr. Tam's (i.e. the qualified person) assistance during the three-year period, has attained the relevant experience under Note 2 to Listing Rule 3.28 and is capable of discharging the functions of the company secretary so that a further waiver would not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE 2025 SHARE OPTION SCHEME

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

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

(b) Paragraph 27 of the Appendix D1A of the Listing Rules requires our Company to set out in the prospectus particulars of any capital of any member of our Group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee;

(c) Under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the prospectus must state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and

(d) Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to set out in the prospectus, among other things, details of the

number, description and amount of any shares in or debentures of our Company which any person has, or is entitled to be given, an option to subscribe for, together with the certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares or debentures subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given.

As of the Latest Practicable Date, our Company granted outstanding options under the 2025 Share Option Scheme to 466 grantees, including directors, supervisors or chief executive of our subsidiaries and other employees of our Group, to subscribe for an aggregate of 8,089,700 A Shares, representing approximately 0.58% of the total issued share capital immediately upon completion of the Global Offering (including treasury A Shares, and assuming the options granted under the 2025 Share Option Scheme are not exercised), on the terms set out in the paragraph headed "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 5. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in the Appendix IV to this prospectus. As of the Latest Practicable Date, none of the Directors and senior management of the Company was granted any options to subscribe A Shares.

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

(a) given that 466 grantees are involved, strict compliance with the Share Option Disclosure Requirements in setting out full details of all the grantees under the 2025 Share Option Scheme in this prospectus would be costly and unduly burdensome for our Company in light of a significant increase in cost and time for information compilation and prospectus preparation;

(b) as of the Latest Practicable Date, save for 26 grantees who are directors (including those who served as directors in the past 12 months), supervisors or chief executive of our subsidiaries with outstanding options to subscribe for an aggregate of 1,536,000 A Shares, representing approximately 0.11% of the total issued share capital immediately upon completion of the Global Offering (including treasury A Shares, and assuming the options granted under the 2025 Share Option Scheme are not exercised), the remaining 440 grantees are employees of our Group who were not our Directors, senior management members or other connected persons of our Company, with outstanding options to subscribe for an aggregate of 6,553,700 A Shares, representing approximately 0.47% of the total issued share capital immediately upon completion of the Global Offering (including treasury A Shares, and assuming the options granted under the 2025 Share Option Scheme are not exercised). Strict compliance with the applicable Share Option Disclosure Requirements to disclose names, addresses and entitlements on an individual basis in this prospectus will require number of additional pages of disclosure that does not provide any material information to the investing public;

(c) the grant and exercise in full of the options under the 2025 Share Option Scheme will not cause any material adverse impact on the financial position of our Company;

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

(e) material information relating to the options under the 2025 Share Option Scheme will be disclosed in this prospectus, including the total number of A Shares subject to the 2025 Share Option Scheme, the exercise price per A Share, the potential dilution effect on shareholding, and impact on earnings per A Share upon full

exercise of the options granted under the 2025 Share Option Scheme. Our Directors consider that the information that is reasonably necessary for the potential investors to make an informed assessment of our Company in their investment decision making process has been included in this prospectus.

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

(a) full details of the options under the 2025 Share Option Scheme granted to each of the directors, supervisors or chief executive of our subsidiaries will be disclosed in the paragraph headed "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 5. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in Appendix IV to this prospectus on an individual basis as required under the applicable Share Option Disclosure Requirements;

(b) for the remaining grantees, disclosure will be made, on an aggregate basis, of (i) the aggregate number of grantees and the number of A Shares underlying the options granted to them under the 2025 Share Option Scheme, (ii) the consideration (if any) paid for the grant of the options under the 2025 Share Option Scheme, and (iii) the exercise period and the exercise price for the options granted under the 2025 Share Option Scheme;

(c) there will be disclosure in the paragraph head "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 5. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in Appendix IV to this prospectus for the aggregate number of A Shares underlying the options under the 2025 Share Option Scheme and the percentage of our Company's total issued share capital represented by such number of A Shares;

(d) the dilutive effect and impact on earnings per Share upon full exercise of the options under the 2025 Share Option Scheme will be disclosed in the paragraph headed "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 5. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in Appendix IV to this prospectus;

(e) a summary of the principal terms of the 2025 Share Option Scheme will be disclosed in the paragraph headed "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 5. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in Appendix IV to this prospectus;

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

(g) a full list of all the grantees (including those persons whose details have already been disclosed in this prospectus) under the 2025 Share Option Scheme, containing all the particulars as required under the applicable Share Option Disclosure Requirements be made available for public inspection in accordance with Appendix V to this prospectus;

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

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

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

On an individual basis, (a) full details of the options granted by the Company under the 2025 Share Option Scheme to each of directors, supervisors or senior management, and other connected persons of our Company

and its subsidiaries and other grantees who have been granted options to subscribe for 200,000 A Shares or more are disclosed in "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 5. Employee Incentive Schemes — (a) 2025 Share Option Scheme — (vii) Outstanding options granted under the 2025 Share Option Scheme" in Appendix IV to this prospectus, such details to include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted by the Company under the 2025 Share Option Scheme to grantees other than those set out in (a) above, disclosure is made, on an aggregate basis, categorized into lots based on the number of A Shares underlying the options granted to each individual grantee, being: 1 to 5,000 A Shares, 5,001 to 10,000 A Shares, 10,001 to 50,000 A Shares, and 50,001 to 90,000 A Shares. For each lot of A Shares under the 2025 Share Option Scheme, the following details are disclosed in the prospectus: (1) aggregate number of grantees and number of A Shares subject to the options, (2) the consideration paid for the grant of the options and (3) the exercise period and the exercise price for the options;

(c) a full list of all the grantees (including the persons referred to in (a) above) who have been granted options to subscribe for A Shares under the 2025 Share Option Scheme, containing all the details as required in paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection in accordance with the section headed "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix V to this prospectus; and

(d) the particulars of the exemption will be disclosed in this prospectus and that this prospectus will be issued on or before February 5, 2026.

Further details of the 2025 Share Option Scheme are set forth in the paragraph headed "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — 5. Employee Incentive Schemes — (a) 2025 Share Option Scheme" in Appendix IV to this prospectus.

WAIVER IN RESPECT OF STRICT COMPLIANCE WITH PRACTICE NOTE 15 AND THE THREE-YEAR RESTRICTION ON SPIN-OFFS

Paragraph 3(b) of Practice Note 15 ("**PN15**") provides that the Listing Committee would not normally consider a spin-off application within three years of the date of listing of the issuer with regard to proposals submitted by issuers to effect the separate listing on the Stock Exchange or elsewhere of assets or business wholly or partly within their existing groups (the "**spin-offs**"), given the original listing of the issuer will have been approved on the basis of the issuer's portfolio of businesses at the time of listing, and that the expectation of investors at that time would have been that the issuer would continue to develop those businesses.

Given our significant scale of overall business operation, we assess different opportunities for financing and business operation from time to time with an aim to create value to our shareholders, including spinning off certain subsidiaries or business, subject to, amongst others, the market conditions, financing needs and development of the subsidiaries and business. We have issued announcements on the Shenzhen Stock Exchange that we have commenced the preliminary preparatory work of the spin-off Shanghai Keter and Huizhou LTK previously. Further, we wish to retain the possibility to spin-off Woer New Energy (together with Shanghai Keter and Huizhou LTK, collectively, the "**Spin-off Businesses**") within three years from the Listing.

(A) Shanghai Keter

Shanghai Keter is principally engaged in the R&D, manufacturing and sales of power battery safety protection products for NEVs. The product and business line of power battery safety protection products under NEV power transmission products of our Group is wholly carried out by Shanghai Keter.

Shanghai Keter has commenced its preliminary preparatory work of the spin-off.

According to the management accounts for the year ended December 31, 2024, the total assets, revenue and net profits of Shanghai Keter represented less than 10% of the total assets, revenue and net profits of our Company for the year ended and as of December 31, 2024. It is expected that Shanghai Keter will remain as a subsidiary of our Company and will be consolidated to the accounts of our Group after the spin-off. The spin-off of Shanghai Keter will not have a material impact on the overall financial performance of our Company.

(B) Huizhou LTK

Huizhou LTK is principally engaged in the R&D, manufacturing and sales of telecoms cable products. The product and business line of telecoms cable products of our Group is wholly carried out by Huizhou LTK, and these products are widely applied to many areas especially in high-speed communication equipment.

We issued announcement on the Shenzhen Stock Exchange that we had authorized our management to commence with the preliminary preparatory work of the spin-off of Huizhou LTK in early 2023. The preparatory work of spin-off was suspended in March 2024 in light of the market conditions, Huizhou LTK's operation performance and the Group's overall development strategies. The Company wishes to retain the possibility to spin-off Huizhou LTK within three years after the Listing, which will depend on various factors, including, amongst others, the prevailing market conditions and the strategic development of the Group. Our Company does not currently have any detailed plan in relation to the potential spin-off, including the timetable for spin-off of Huizhou LTK.

According to the management accounts for the year ended December 31, 2024, the total assets, revenue and net profits of Huizhou LTK represented less than 25% of the total assets, revenue and net profits of our Company for the year ended and as of December 31, 2024. It is expected that Huizhou LTK will remain as a subsidiary of our Company and will be consolidated to the accounts of our Group after the spin-off. The spin-off of Huizhou LTK will not have a material impact on the overall financial performance of our Company.

(C) Woer New Energy

Woer New Energy is principally engaged in the research and development, manufacturing, and sales of DC charging guns for NEVs, high-voltage cables, high-voltage connectors and AC and DC charging sockets. The product and business line of NEV charging products under NEV power transmission products of our Group is wholly carried out by Woer New Energy.

Our Company wishes to retain the possibility to spin-off the Woer New Energy within three years after the Listing, and does not currently have any detailed plan in relation to such potential spin-off, including the timetable for spin-off.

According to the management accounts for the year ended December 31, 2024, the total assets, revenue and net profits of Woer New Energy represented less than 15% of the total assets, revenue and net profits of our Company for the year ended and as of December 31, 2024. It is expected that Woer New Energy will remain as a subsidiary of our Company and will be consolidated to the accounts of our Group after the spin-off. The spin-off of Woer New Energy will not have a material impact on the overall financial performance of our Company.

The products and business line of electronic material products, electrical cable accessories products, and others business, including wind power business and the MOM and MES platforms are carried out by the Remaining Group, thus, the businesses of each of the potential spin-off entities is distinct from the remaining businesses of our Group. The potential spin-off of each of the above entities bring clear commercial benefits for them, our Company and our respective shareholders. After the spin-off and separate listing, the spin-off entities can formulate their respective strategies and decisions and allocate their own resources in a more flexible manner which can further improve their respective overall operating results; utilize the capital market platform to optimize financing arrangements to fund future expansion plans and better grasp growth opportunities and expand business scale. The potential spin-off will enhance their own core competitiveness and increase their

respective brand awareness and market penetration in the relevant industry. Further, the potential spin-off of these entities can also provide additional means to attract talents and incentivize its senior management and employees and enable its senior management and employees to share the results from the development of its business through participating in its share incentive schemes.

For the avoidance of doubt, there is no assurance as to the timing or the sequence of the potential spin-offs. As of the Latest Practicable Date, our Company confirms that there is no material omission of any information relating to any potential spin-offs in this prospectus.

Safeguards to protect the interests of the Shareholders

Despite the potential spin-offs within three years of Listing, our Company believes that there are sufficient safeguards to protect the interests of the Shareholders for the following reasons:

(i) Pursuant to Provisions on the Spin-offs of Listed Companies (Trial) (《上市公司分拆規則(試行)》) (the "**Spin-off Rules**"), any potential spin-offs, regardless of size, must be approved by two-thirds of the votes casted by all shareholders (including both A Shares and, if applicable, H Shares shareholders) entitled to vote at the general meeting, as well as two-thirds of votes casted by the minority shareholders, who are not directors, supervisors or senior management of our Company and who individually or collectively hold less than 5% of the total number of shares in our Company (the "**Minority Shareholders**"), entitled to vote at the general meeting. Before any potential spin-off is submitted to the shareholders for voting, our Company will disclose the detailed spin-off plan to its shareholders. Hence, the shareholders of our Company (including the Minority Shareholders) can make an informed decision as to whether to vote for or against such spin-off plan. As such, our Company believes the interest of the shareholders and its rights will not be prejudiced.

(ii) Pursuant to the Spin-off Rules, (i) the net profit of the subsidiary to be spun off, to which the listed company is entitled under the equity in the consolidated financial statements of the listed company for the latest financial year, shall not exceed 50% of the net profit attributable to shareholders of the listed company, and (ii) the net assets of the subsidiary to be spun off, to which the listed company is entitled under the equity in the consolidated financial statements of the listed company for the latest financial year, shall not exceed 30% of the net assets attributable to shareholders of the listed company. The above regulatory restrictions on the size of spin-off provides additional safeguard to protect the interests of the shareholders of our Company.

(iii) Our Directors owe fiduciary duties to our Company, including the duty to act in good faith and in the best interest of our Company. As such, our Directors will only pursue a potential spin-off if there are clear commercial benefits for both our Company and the potential spin-off entities. In addition, our Directors will not direct our Company to conduct any spin-off if they believe that it will have an adverse impact on the interests of our Company and the shareholders of our Company.

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements in paragraph 3(b) of PN15 in relation to the potential spin-offs of Spin-off Businesses within three years after the Listing on the following conditions:

(i) each of the businesses of the potential spin-off entities is distinct from the remaining businesses of our Group, and the completion of any spin-off is not expected to have any material impact on the operations of the Remaining Group. The Group operates five major product and business lines: (1) telecoms cable products, wholly carried out by Huizhou LTK; (2) NEV power transmission products, wholly carried out by Shanghai Keter and Woer New Energy, and the product line that Shanghai Keter and Woer New Energy primarily engaged is NEV power battery safety protection products and NEV charging products, respectively, which are distinct from each other; (3) electronic material products; (4) electrical cable accessories products; and (5) other business, including wind power business and the MOM and MES platforms. Product and business lines from (3) to (5) above are carried out by the Remaining Group;

(ii) (a) each of the potential spin-off entities will remain a subsidiary of the Company and their financial performance will continue to be consolidated into the Company's accounts after the spin-offs, and (b) the potential spin-offs will not occur concurrently, the size of the potential spin-off entities individually will be immaterial to our Company as detailed above;

(iii) each of the potential spin-off entities will remain as a subsidiary of the Company and that their financial performance will be consolidated into the accounts of the Company after the spin-offs;

(iv) the potential spin-offs will not take place concurrently;

(v) our Company will disclose in this prospectus details of its intention to spin-off Shanghai Keter and the possibility of spinning off Huizhou LTK and Woer New Energy, including their principal business, the relevant financial contribution to our Company during the Track Record Period, the relevant reasons and benefits to our Company and its shareholders, the basis that the potential spin-offs will not affect our Company's core business and the progress or possibility of the spin-offs;

(vi) the potential spin-offs will not lead to a material change in our Company's principal business, and will not result in our Company failing to meet applicable listing eligibility requirements under the Listing Rules; and

(vii) such potential spin-offs by our Company will be subject to the requirements of PN15 unless otherwise waived by the Stock Exchange, and the applicable requirements under Chapter 14 and/or Chapter 14A of the Listing Rules.

Notwithstanding the above waiver, whether or when to proceed with the potential spin-offs, as well as the sequence of the potential spin-offs, depends on various factors such as market conditions, the regulatory approval procedure, financial performance and valuation of business segments. The potential spin-offs remain highly uncertain and could be subject to material changes in the future.

WAIVER FROM STRICT COMPLIANCE WITH RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Rule 4.04(1) of the Listing Rules ("**Rule 4.04**") requires that the accountant's report to be included in this prospectus must include the consolidated results of our Group in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Stock Exchange.

Section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires, subject to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, all prospectuses to state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and set out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Ordinance ("**Paragraph 27**"), our Company is required to include in this prospectus a statement as to the gross trading income or sales turnover (as may be appropriate) of our Group during each of the three financial years immediately preceding the issue of this prospectus, including an explanation of the method used for the computation of such income or turnover, and a reasonable break-down between the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Ordinance ("**Paragraph 31**"), our Company is required to include in this prospectus a report by our auditor with respect to the profits and losses and assets and liabilities of our Group in respect of each of the three financial years immediately preceding the issue of this prospectus.

According to section 342A(l) of the Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from strict compliance with the relevant requirements under the Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

The accountant's report of our Group for each of the three years ended December 31, 2024 and the nine months ended September 30, 2025 has been prepared and is set out in Appendix I to this prospectus.

Pursuant to the relevant requirements set forth above, our Company is required to produce three full years of audited accounts for the years ended December 31, 2023, 2024 and 2025. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with the requirements under Rule 4.04(1) of the Listing Rules, subject to the following conditions:

(a) this prospectus will be issued on or before February 5, 2026 and our Company's H Shares will be listed on or before March 31, 2026, i.e. three months after the latest financial year-end;

(b) our Company has obtained a certificate of exemption from the SFC on strict compliance with the requirements of Section 342(1) of the Ordinance in relation to Paragraph 27 and Paragraph 31;

(c) a profit estimate for the year ended December 31, 2025 (which complies with Rules 11.17 to 11.19 of the Listing Rules) is included in this prospectus;

(d) a statement of our Directors is included in this Prospectus that after performing all due diligence work which they consider appropriate, there is no material adverse change to our Company's financial and trading positions or prospect with specific reference to the trading results from the end of the stub period to the latest financial year end; and

(e) our Company will publish its preliminary results announcement and annual report after Listing for the last financial year prior to Listing, as required under Rules 13.49 and 13.46.

An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under Paragraph 27 and Paragraph 31 and a certificate of exemption has been granted by the SFC under section 342A of the Ordinance subject to the following conditions:

(a) this prospectus will be issued on or before February 5, 2026;

(b) our Company's H Shares will be listed on the Stock Exchange on or before March 31, 2026, i.e. three months after the latest financial year-end; and

(c) the particulars of the exemption are set out in this prospectus.

The applications to Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under Paragraph 27 and Paragraph 31 were made on the grounds, among others, that strict compliance with the above requirements would be unduly burdensome and the exemption would not prejudice the interests of the investing public as:

(a) there would not be sufficient time for our Company and our reporting accountant to finalize the audited financial statements for the full year ended December 31, 2025 for inclusion in this prospectus, which shall be issued on or before the date of this prospectus. If the financial information for the year ended December 31, 2025 is required to be audited, our Company and our reporting accountant would have to undertake a considerable amount of work, costs and expenses to prepare, update and finalize the accountant's report and the relevant sections of this prospectus will also need to be updated to cover such additional period within a short period of time;

(b) our Directors are of the view that the benefits of such additional work to be done by the reporting accountant to the potential investors would not justify the additional amount of work, costs and expenses as (i) the accountant's report of our Group covering the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, together with the unaudited

supplementary financial information and the profit estimate for the year ended December 31, 2025 (in compliance with Rules 11.17 to 11.19 of the Listing Rules) included in this prospectus have already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record and earnings trend of our Company; and (ii) all information which is necessary for the investing public to make an informed assessment of our business, assets and liabilities, financial position, trading position, management and prospects has been included in this prospectus;

(c) our Directors and the Joint Sponsors confirmed that after performing all due diligence work which they consider appropriate, up to the date of this prospectus, there has been no material adverse change to our financial and trading positions or prospects since October 1, 2025 (immediately following the date of the latest audited statement of financial position in the accountant's report set out in Appendix I to this prospectus) to the date of this prospectus and there has been no event which would materially affect the information shown in the accountant's report as set out in Appendix I to this prospectus, the profit estimate for the year ended December 31, 2025 and the section headed "Financial Information" in this prospectus and other parts of this prospectus; and

(d) our Company will publish its annual results and annual report within the time prescribed under the Rules 13.46(2) and 13.49(1) of the Listing Rules, respectively.

DISCLOSURE OF OFFER PRICE

Paragraph 15(2)(c) of Appendix D1A to the Listing Rules provides that the issue price or offer price of each security must be disclosed in the prospectus. Pursuant to Paragraph 12 of Chapter 4.14 of the Guide for New Listing Applicants issued by the Stock Exchange, the Stock Exchange also allows an indicative offer price range to be included in the prospectus, as an alternative to the disclosure of a fixed offer price.

We have applied to the Stock Exchange a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules on the following grounds:

a) The Offer Price will be determined by reference to our A Share price. Our A Shares are listed and traded on the Shenzhen Stock Exchange. With a view to aligning the interest of the A Shareholders and H Shareholders, the final Offer Price will be determined with reference to, among other factors, the closing price of our A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date, which is likely to be viewed by potential investors as a key benchmark in assessing the price of the Offer Shares. The market price of our A Shares traded on the Shenzhen Stock Exchange is subject to various factors beyond our control;

b) Potential negative impact on the market price of our A Shares and Offer Shares. Setting a fixed price or a price range with a low-end offer price per Offer Share may be regarded by the investors and our Shareholders as an indication of the current market value of our Shares. If the fixed price or low-end offer price is set below market expectations, it may signal a lack of confidence in the Company's valuation, potentially leading to downward pressure on the price of the A Shares. Such potential adverse reaction could also spill over to the Offer Shares, as investors often use the price of the A Shares as a key benchmark for valuation. This could result in diminished investor confidence in the price performance of both the A Shares and the Offer Shares, creating unnecessary market volatility and impairing our ability to raise optimal proceeds from the proposed Listing;

c) Pursuant to paragraphs 9 and 10(b) of the Third Schedule to the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the amount payable on application and allotment on each Share, and the price to be paid for the Shares subscribed for, shall be specified in the prospectus, respectively. Disclosure of a maximum Offer Price complies with the requirements prescribed under paragraphs 9 and 10(b) of Part A the Third Schedule to the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance by providing a clear indication of the maximum subscription consideration a potential investor shall pay for the Offer Shares; and

(d) a maximum Offer Price will be disclosed in this document. This alternative disclosure approach would not prejudice the interests of the investing public in Hong Kong.

The Stock Exchange has granted to us a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules on the conditions that the prospectus will disclose:

a) the maximum Offer Price;

b) the time for the determination of the Offer Price and the form of its publication;

c) the historical prices of our A Shares and trading volume on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date;

d) the determinants of the final Offer Price; and

e) the source for investors to access the latest market price of our A Shares.

See "Structure of the Global Offering — Pricing" in this prospectus for the historical prices of our A Shares and trading volume on the Shenzhen Stock Exchange.

ALLOCATION OF H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of a listing applicant may only subscribe for or purchase any securities for which listing is sought that are being marketed by or on behalf of a listing applicant either in his/her/its own name or through nominees if the conditions in Rule 10.03 of the Listing Rules are fulfilled, namely that (i) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) (as amended and replaced by Rule 19A.13A(2) when applied to PRC issuers with other listed shares) of the Listing Rules is achieved. Paragraph 1C(2) of Appendix F1 to the Listing Rules states that, without the prior written consent of the Stock Exchange, no allocations will be permitted to be made to directors or existing shareholders of a listing applicant or their close associates, unless the conditions set out in Rules 10.03 and 10.04 are fulfilled.

Chapter 4.15 of the Guide provides that the Stock Exchange will consider granting a waiver from Rule 10.04 of the Listing Rules and a consent, pursuant to paragraph 1C(2) of Appendix F1 to the Listing Rules, to allow a listing applicant's existing shareholders or their close associates to participate in its initial public offering if any actual or perceived preferential treatment arising from their ability to influence the listing applicant during the allocation process can be addressed.

Prior to the Listing, our share capital comprises entirely A Shares listed on the Shenzhen Stock Exchange ("**SZSE**"). As a company listed on the SZSE with its A Shares publicly traded thereon and with a large public A Shares shareholder base, it would be unduly burdensome for us to seek the prior consent of the Stock Exchange for each of our minority existing Shareholders or their close associates who subscribe for the H Shares in the Global Offering.

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 10.04 of, and a consent under paragraph 1C(2) of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders who (i) hold less than 5% of the voting rights in our Company prior to the completion of the Global Offering and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons of our Company or the close associates of any such core connected person (together, the "**existing minority shareholder(s)**"), on the following conditions:

(a) each of the existing minority shareholders to whom our Company may allocate the H Shares under the International Offering has less than 5% of the voting rights in our Company prior to the completion of the Global Offering;

(b) each of the existing minority shareholders is not, and will not be, a core connected person of our Company or any close associate of any such core connected person immediately prior to or following the Global Offering;

(c) each of the existing minority shareholders does not have the power to appoint Directors or have any other special rights in our Company;

(d) allocation to the existing minority shareholders and their close associates will not affect our Company's ability to satisfy the public float requirement as prescribed by the Stock Exchange under the waiver in respect of the strict compliance with the requirements of Rule 8.08 (as amended and replaced by Rule 19A.13A(2) when applied to PRC issuers with other listed shares) of the Listing Rules;

(e) based on discussions between our Company and the Sponsor-overall Coordinators and confirmations required to be submitted to the Stock Exchange by the Joint Sponsors, we will confirm to the Stock Exchange that:

   a. in case of participation as cornerstone investors, no preferential treatment has been, nor will be, given to the existing minority shareholders and/or their close associates by virtue of their relationship with our Company, other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide, and the existing minority shareholders' or their close associate's cornerstone investment agreements do not contain any material terms which are more favorable to the existing minority shareholders or their close associate those in other cornerstone investment agreements; or

   b. in case of participation as placees, no preferential treatment will be given to the existing minority shareholders and/or their close associates by virtue of their relationship with our Company in any allocation in the placing tranche;

(f) in the case of participation as placees, the Overall Coordinators will confirm to the Stock Exchange that no preferential treatment has been, nor will be, given to any of the existing minority shareholders or their close associates by virtue of their relationship with our Company in any allocation in the International Offering; and

(g) the Joint Sponsors will confirm to the Stock Exchange that the confirmations provided to the Stock Exchange by our Company and the Sponsor-overall Coordinators and to the best of their knowledge and belief, they have no reason to believe that the existing minority shareholders and/or their close associates received any preferential treatment in any allocation in the placing tranche either as cornerstone investors or as placees by virtue of their relationship with our Company, other than, in the case of participation as cornerstone investors, the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide, and details of allocation to the existing minority shareholders and/or their close associates will be disclosed in this prospectus (for cornerstone investors) and allotment results announcement (for both cornerstone investors and placees) of our Company.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF H SHARES BY A CORNERSTONE INVESTOR WHO IS A CONNECTED CLIENT

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

Paragraph 1B(7) of the Appendix F1 to the Listing Rules states that "connected client" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

Guotai Junan Investments (Hong Kong) Limited ("**GTINV**") has entered into a cornerstone investment agreement with, among others, the Company, China Securities (International) Corporate Finance Company Limited and China Merchants Securities (HK) Co., Limited. GTINV and Guotai Haitong Securities Co. Ltd. ("**GTHT**") will enter into a series of cross border delta-one OTC swap transactions (the "**JCC OTC Swaps**") with each other and with the ultimate client (the "**GTHT Ultimate Client (JCC)**"), pursuant to which GTINV will hold the Offer Shares on a non-discretionary basis to hedge the JCC OTC Swaps, while the economic risks and returns of the underlying Offer Shares are passed to the GTHT Ultimate Client (JCC).

Further, GTINV has entered into another cornerstone investment agreement with, among others, the Company, China Securities (International) Corporate Finance Company Limited and China Merchants Securities (HK) Co., Limited. GTINV and GTHT will enter into a series of cross border delta-one OTC swap transactions (the "**Pu Xin OTC Swaps**") with each other and with the ultimate client (the "**GTHT Ultimate Client (Pu Xin)**"), pursuant to which GTINV will hold the Offer Shares on a non-discretionary basis to hedge the Pu Xin OTC Swaps, while the economic risks and returns of the underlying Offer Shares are passed to the GTHT Ultimate Client (Pu Xin).

GTINV, GTHT and Guotai Junan Securities (Hong Kong) Limited ("**Guotai Junan Securities**"), a non-syndicate broker of the Global Offering, are members of the same group of companies. Accordingly, GTINV is a connected client of Guotai Junan Securities.

We have applied for, and the Stock Exchange has granted, a consent under paragraph 1C of Appendix F1 to the Listing Rules to permit GTINV (in connection with JCC OTC Swaps and Pu Xin OTC Swaps) (the "**Connected Client Cornerstone Investor**") to participate in the Global Offering as cornerstone investors on the following basis and conditions as set out in Paragraph 5 of Chapter 4.15 of the Guide for New Listing Applicants:

(a) any Offer Shares to be allocated to the Connected Client Cornerstone Investor will be held on behalf of independent third parties;

(b) the cornerstone investment agreements of the Connected Client Cornerstone Investor do not contain any material terms which are more favorable to them (as the case may be) than those in other cornerstone investment agreements;

(c) no preferential treatment has been, nor will be, given to GTINV by virtue of its relationship with Guotai Junan Securities in any allocation of Offer Shares in the International Offering other than the assured entitlement under the relevant cornerstone investment agreements;

(d) GTINV confirms that to the best of its knowledge and belief, it has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering as a cornerstone investor by virtue of its relationship with Guotai Junan Securities, other than the assured entitlement under the relevant cornerstone investment agreements;

(e) each of the Company, the Sponsor-overall Coordinators, GTINV has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide for New Listing Applicants; and

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

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

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

CSRC FILING

According to the Overseas Listing Trial Measures, we are required to complete the filing procedures with the CSRC in connection with the proposed Listing and the Global Offering. We submitted a filing to the CSRC for application for the Listing and the Global Offering on June 17, 2025. The CSRC confirmed completion of such filing on December 8, 2025. No other approvals from the CSRC are required to be obtained for the Listing or the Global Offering.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus sets out the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of initially 13,999,000 Offer Shares and the International Offering of initially 125,989,800 Offer Shares (subject to, in each case, reallocation on the basis referred to under the section headed "Structure of the Global Offering" in this prospectus).

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Sponsor-overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, agents, employees or advisers or any other party involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

See "Structure of the Global Offering" in this prospectus for details of the structure of the Global Offering.

UNDERWRITING

The Listing is sponsored by the Joint Sponsors. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to us and the Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) agreeing on the Offer Price. The International Underwriting Agreement relating to the International Offering is expected to be entered into on or around the Price Determination Date, subject to the determination of the pricing of the Offer Shares. The Global Offering is managed by the Sponsor-overall Coordinators.

If, for any reason, the Offer Price is not agreed among us and the Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters), the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, see "Underwriting" in this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering (including its conditions) are set out in the sections headed "Structure of the Global Offering" and "Underwriting" in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

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

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

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

We have applied to the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering.

Except as otherwise disclosed in this prospectus and the A Shares that have been listed on the Shenzhen Stock Exchange, no part of our share or debt securities is listed on or deal in on the Hong Kong Stock Exchange or any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

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

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

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

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

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

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

H SHARE REGISTER AND STAMP DUTY

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

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

PROFESSIONAL TAX ADVICE RECOMMENDED

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

COMMENCEMENT OF DEALINGS IN THE H SHARES

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Friday, February 13, 2026. The H Shares will be traded in board lots of 200 Shares each. The stock code of the Shares will be 9981.

EXCHANGE RATE CONVERSION

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

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB6.98580 to US$1.00, (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.89592 to HK$1.00; and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK$7.79735 to US$1.00.

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

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, this prospectus shall prevail. However, for ease of reference, the names of the PRC laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both Chinese and English languages. In the event of any inconsistency, the Chinese versions shall prevail.

ROUNDING

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

OTHER

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the Global Offering assume that the options granted under the 2025 Share Option Scheme are not exercised.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Zhou Heping (周和平)	Room 1704, Block B, Building 1 Zhongsen Twin Towers Residence Shayuan Road, Longgang District, Shenzhen PRC	Chinese
Ms. Yi Huarong (易華蓉)	Room 1704, Block B, Building 1 Zhongsen Twin Towers Residence Shayuan Road, Longgang District, Shenzhen PRC	Chinese
Mr. Liu Zhanli (劉占理)	Room 8A, Block B, Building 7 Phase 1, Evergrande City Pingshan District, Shenzhen PRC	Chinese
Mr. Xia Chunliang (夏春亮)	Room 37D, Block B, Building 4, Phase 2 Evergrande City, Pingshan Street Pingshan District, Shenzhen PRC	Chinese
Ms. Deng Yan （鄧艷）	Room 404, Block E3 Yuling Mountain Villa, Mid Jixiang Road Longgang District, Shenzhen PRC	Chinese
Non-executive Director		
Dr. Li Wenyou (李文友)	Room 501, Entrance 3, Building 4 Longxingli, Xuefu Street Nankai District, Tianjin PRC	Chinese
Independent Non-executive Directors		
Mr. Zeng Fanyue (曾凡躍)	Room A401, Building 18 Cuiwei Garden, Shekou Nanshan District, Shenzhen PRC	Chinese
Ms. Dai Bingjie (代冰潔)	Room 2104, Unit 9, No. 52, Zhongnan Road Hujiachong Community, Baotahe Street Wujiagang District, Yichang City, PRC	Chinese
Mr. Wang Dong (王棟)	Flat B1, 22/F, Tower B The Holborn Shaukeiwan Road Hong Kong	Chinese (Hong Kong)

For details with respect to our Directors, see "Directors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors and Sponsors-overall Coordinators	**China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong **China Merchants Securities (HK) Co., Limited** 48/F, One Exchange Square 8 Connaught Place Central, Hong Kong
Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers	**China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong **China Merchants Securities (HK) Co., Limited** 48/F, One Exchange Square 8 Connaught Place Central, Hong Kong **Shanxi Securities International Limited** Unit A, 29/F, Admiralty Center Tower 1 18 Harcourt Road Admiralty, Hong Kong
Joint Bookrunners and Joint Lead Managers	**DBS Asia Capital Limited** 73/F, The Center 99 Queen's Road Central Hong Kong **Futu Securities International (Hong Kong) Limited** 34/F, United Centre No. 95 Queensway Admiralty, Hong Kong **Tiger Brokers (HK) Global Limited** 23/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Capital Market Intermediaries	**China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong

China Merchants Securities (HK) Co., Limited
48/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

Shanxi Securities International Limited
Unit A, 29/F, Admiralty Center Tower 1
18 Harcourt Road
Admiralty, Hong Kong

DBS Asia Capital Limited
73/F, The Center
99 Queen's Road Central
Hong Kong

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

Tiger Brokers (HK) Global Limited
23/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Legal Advisers to our Company

As to Hong Kong and U.S. laws:
O'Melveny & Myers
31/F, AIA Central
1 Connaught Road Central
Hong Kong

As to PRC laws:
Sundial Law Firm
11-12/F, Taiping Finance Tower
6001 Yitian Road
Futian District
Shenzhen
PRC

As to Vietnamese laws:
Everone Law Firm
23 Nun Huynh Lien
Ward 10, Tan Binh
Ho Chi Minh 72508
Vietnam

As to U.S. outbound investment laws:
Hogan Lovells
11/F, One Pacific Place
88 Queensway
Hong Kong

Legal Advisers to the Joint Sponsors and Underwriters	*As to Hong Kong laws:* **Tian Yuan Law Firm LLP** Suites 3304-3309, 33/F, Jardine House One Connaught Place Central Hong Kong *As to PRC laws:* **Beijing Jincheng Tongda & Neal (Shenzhen) Law Firm** 42nd Floor, Media Finance Center No.9 Pengcheng 1st Road Futian District, Shenzhen PRC
Reporting Accountants	**Moore CPA Limited** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 1001-1010, North Tower World Finance Centre Harbour City, 19 Canton Road Tsim Sha Tsui, Kowloon Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Suite 2504, Wheelock Square 1717 Nanjing West Road Shanghai 200040 PRC
Compliance Adviser	**Gram Capital Limited** Room 1209 12/F, Nan Fung Tower 88 Connaught Road Central/ 173 Des Voeux Road Central Central Hong Kong
Receiving Banks	**CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong **China CITIC Bank International Limited** 80 Floor, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong

Registered Office, Headquarters and Principal Place of Business in the PRC	No. 53, Qingsong Road Pingshan District Shenzhen Guangdong PRC
Principal Place of Business in Hong Kong	Room 504, 5/F, Cheong Tai Commercial Building 60–66 Wing Lok Street Sheung Wan Hong Kong
Company's Website	**http://www.woer.com** *(Information contained on this website does not form part of this prospectus)*
Joint Company Secretaries	**Ms. Qiu Wei (邱微)** No. 53, Qingsong Road Pingshan District, Shenzhen PRC **Mr. Tam Ka Lung (譚家龍)** *(Fellow member of the Association of Chartered Certified Accountants and member of the Hong Kong Institute of Certified Public Accountants)* Room 504, 5/F Cheong Tai Commercial Building 60-66 Wing Lok Street Sheung Wan Hong Kong
Authorized Representatives	**Mr. Liu Zhanli (劉占理)** Room 8A, Block B, Building 7 Phase 1, Evergrande City Pingshan District, Shenzhen PRC **Mr. Tam Ka Lung (譚家龍)** *(Fellow member of the Association of Chartered Certified Accountants and member of the Hong Kong Institute of Certified Public Accountants)* Room 504, 5/F Cheong Tai Commercial Building 60-66 Wing Lok Street Sheung Wan Hong Kong
Audit Committee	Mr. Zeng Fanyue (*Chairperson)* Mr. Wang Dong Dr. Li Wenyou
Remuneration and Appraisal Committee	Ms. Dai Bingjie (*Chairperson)* Ms. Yi Huarong Mr. Zeng Fanyue

Nomination Committee	Mr. Wang Dong (*Chairperson*) Mr. Zhou Heping Ms. Dai Bingjie
Strategy and Investment Decision Committee	Mr. Zhou Heping (*Chairperson)* Ms. Yi Huarong Mr. Zeng Fanyue
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East, Wan Chai Hong Kong
Principal Bankers	**Bank of China Limited, Shenzhen Xili Sub-branch** Rooms 101-103, 207-213, 215-223, 229-233, 235-243, 245-253, 255-263, 265-273, 275-277, 302, 303 East Tower, Dingxin Building Shahe West Road, Nanshan District Shenzhen, PRC
	Industrial and Commercial Bank of China, Shenzhen Shajing Sub-branch Units 1056-1059 (1F) & Unit 2060 (2F) Building 4,Vanke Philia (Residence) Shajing Subdistrict, Bao'an District Shenzhen, PRC
	China Everbright Bank Company Limited, Shenzhen Longgang Sub-branch Unit 102, Zone 101C, Duplex Level Xie Li Garden Phase 3 Shopping Center Longhe Road, Pingnan Community, Longgang Subdistrict, Longgang District Shenzhen, PRC

The information and statistics set out in this section and other sections of this prospectus were extracted from the Frost & Sullivan ("F&S") Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged F&S to prepare the F&S Report, an independent industry report, in connection with the Global Offering. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Joint Sponsors or any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

SOURCE OF INFORMATION

We commissioned F&S to conduct market research on global and China high-speed data communication and electrical power transmission industry and prepare the F&S Report. F&S is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB450,000 to F&S for compiling the F&S Report.

In preparing the F&S Report, F&S conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. F&S also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. F&S obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the above-mentioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

The F&S Report is compiled based on the following assumptions: (i) the social, economic and political environment of the globe and Chinese mainland is likely to remain stable in the forecast period; and (ii) related industry key drivers are likely to drive the market in the forecast period.

Our principal business activities comprise the electronic communication business, the electrical power transmission product business, and other business, structured as follows: (i) electronic communication business involves the manufacturing and sale of telecoms cable products (which includes high-speed copper cables and consumer and industrial electronic cables products) (please refer to the "Overview of Global and China Communication Cable Industry" in this section) and electronic material products (please refer to the "Overview of Global and China Electronic Materials Industry" in this section). In particular, during the Track Record Period, revenue from the sales of our heat-shrinkable materials accounted for more than 96% of the revenue from our electronic materials. (ii) electrical power transmission product business involves the manufacturing and sale of NEV power transmission products (which includes NEV charging products and power battery safety protection products) (please refer to the "Overview of NEV Power Transmission Products Sector: Global and China NEV Core Power Charging Products Industry and Power Battery Safety Protection Products Industry" in this section) and electrical cable accessories products (please refer to the "Overview of Global and China Electrical Cable Accessories Industry" in this section); and (iii) other business including wind power business (please refer to the "Overview of China Wind Power Industry " in this section) and others.

OVERVIEW OF GLOBAL AND CHINA COMMUNICATION CABLE INDUSTRY

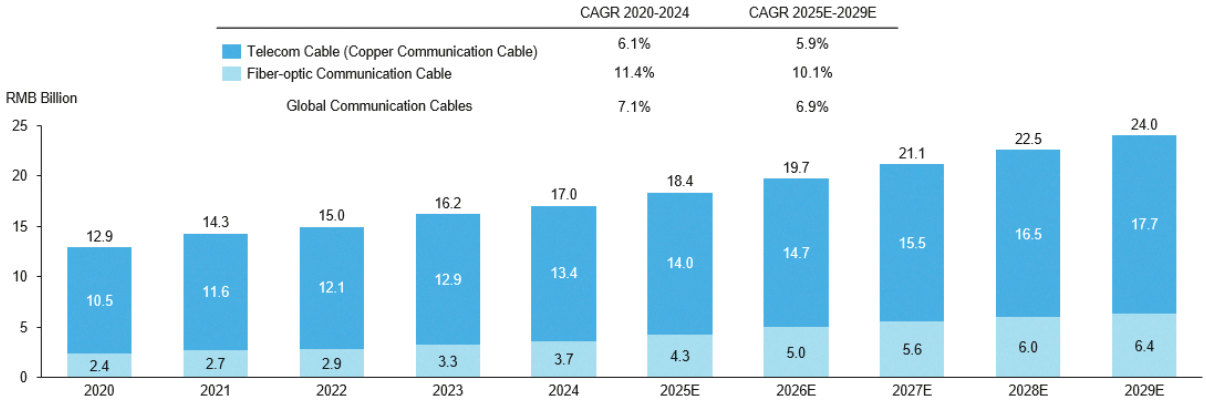
Market Size of Communication Cable Industry

Communication cables are mainly used in computing centers, automotive systems, industrial applications, and consumer electronics, supporting reliable internal communication within these specialized domains. Driven by the expansion of data traffic, digital transition, and diversified application scenarios, the industry has shown

steady growth in recent years. From 2020 to 2024, market size of global communication cables by revenue increased from RMB12.9 billion to RMB17.0 billion, representing a CAGR of 7.1%, and is projected to reach RMB24.0 billion by 2029, with a CAGR of 6.9% from 2025.

Classified by product types, copper and fiber-optic communication cables serve distinct roles due to their different transmission media and performance characteristics. Telecoms cables (also known as copper communication cables), transmitting electrical signals, are cost effective and efficient for short-distance connections, typically within several meters to a few tens of meters, such as interconnections within and between racks in computing centers, intelligent vehicles, industrial manufacturing systems, and consumer electronics. Fiber-optic communication cables, which transmit light signals and offer high bandwidth, low signal loss, and strong immunity to electromagnetic interference, typically over hundreds of meters to many kilometers, such as inter-building connections within computing centers.

Market Size of Global Communication Cable Industry by Revenue, 2020-2029E

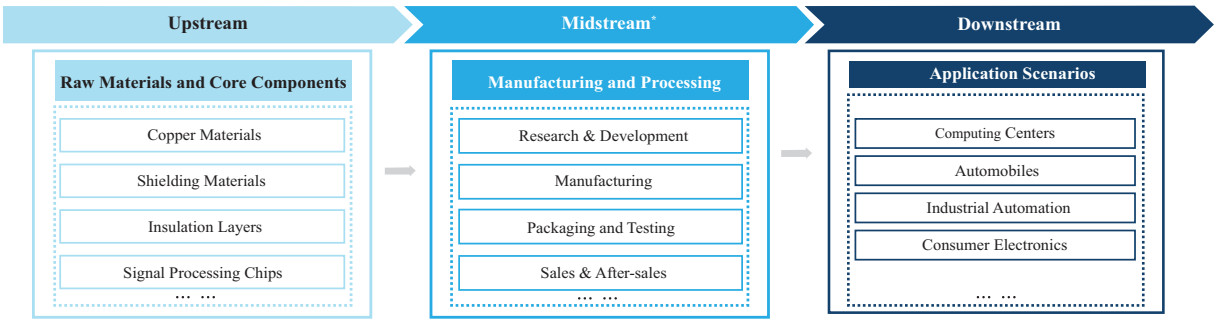


Sources: Interviews with Industry Experts, F&S
Note: The above market size excludes cables for communication networks (e.g., backbone networks, metropolitan area networks, and access networks).

Definition and Overview of Telecoms Cable

Telecoms cables (copper communication cables), refer to data transmission cables used across diverse specialized scenarios such as computing centers, industrial automation, intelligent vehicles, and consumer electronics. Designed to ensure reliable, efficient, and high-speed communication in short-distance interconnections, these cables are witnessing expanding adoption in emerging applications.

Value Chain Analysis of Telecoms Cable Industry



Note: the Company's position in the value chain*

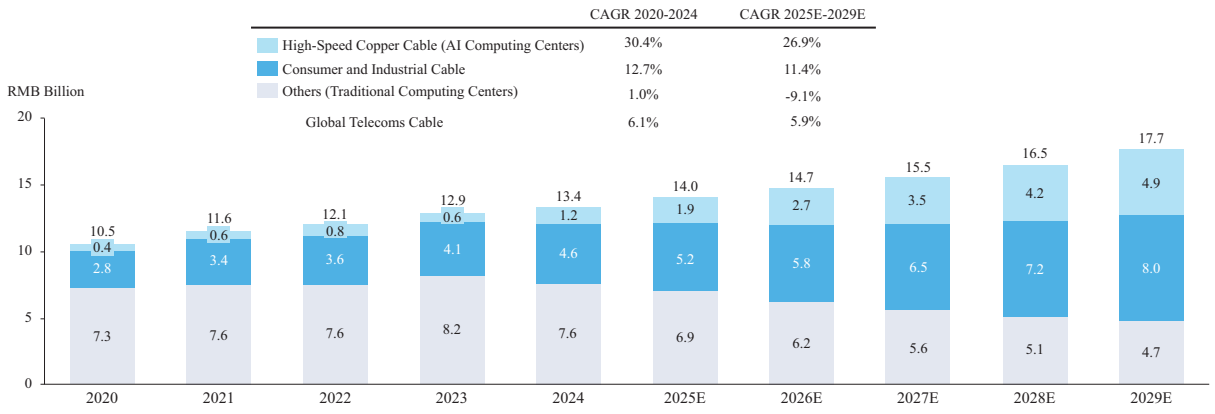
The upstream segment of the telecoms cable industry primarily involves the supply of raw materials and core components. The midstream segment, where the Company stays in, focuses on R&D, manufacturing, and

testing, with an emphasis on precision processes to ensure electrical performance, signal integrity, and long-term durability across different types of telecoms cables. In the downstream segment, telecoms cables are deployed in diverse application scenarios, including computing centers, automotive, industrial automation, and consumer electronics, supporting reliable data transmission in short-distance and high-density interconnection environments.

Market Size of Telecoms Cable Industry

From 2020 to 2024, the market size of global telecoms cable industry by revenue increased from RMB10.5 billion to RMB13.4 billion, representing a CAGR of 6.1%, and is projected to reach RMB17.7 billion by 2029, with a CAGR of 5.9% from 2025. High-speed copper cables refer to copper cables used for AI server interconnections within and between racks in AI computing centers, reflecting strong market growth potential. Meanwhile, driven by the accelerating development of industrial automation and rising demand from consumer electronics, cables for consumer and industrial applications are expected to continue growing steadily. Other telecoms cable applications, primarily copper cables used in traditional computing centers with relatively lower transmission speeds, are expected to experience a gradual decline. This trend is driven by the shrinking demand for such computing centers in the future, as market dynamics increasingly shift toward facilities with higher performance and more advanced interconnection requirements.

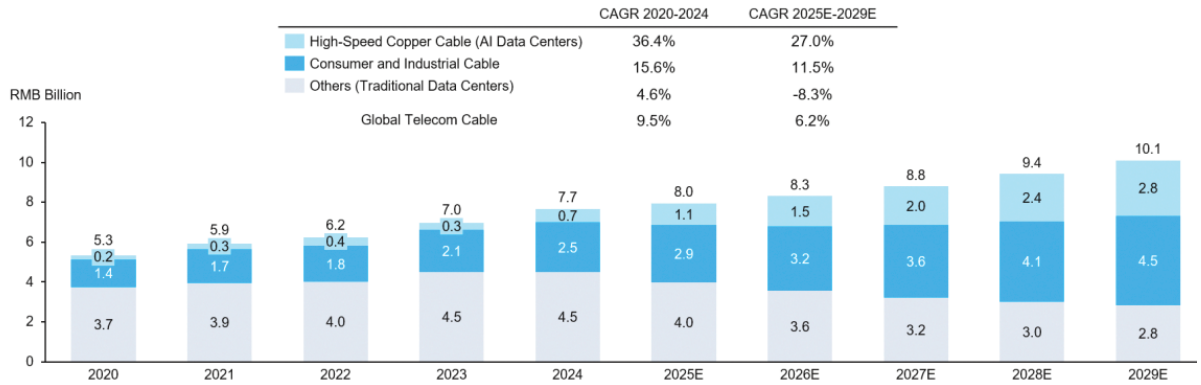
Market Size of Global Telecoms Cable Industry by Revenue by Application Scenario, 2020-2029E



Sources: LightCounting, Interviews with Industry Experts, F&S

China holds a leading position in the global telecoms cable industry, supported by its comprehensive industrial value chain and extensive coverage across major downstream application sectors. From 2020 to 2024, the market size of telecoms cable industry in China by revenue increased from RMB5.3 billion to RMB7.7 billion, representing a CAGR of 9.5%, and is projected to reach RMB10.1 billion by 2029, with a CAGR of 6.2% from 2025.

Market Size of China Telecoms Cable Industry by Revenue by Application Scenario, 2020-2029E



Source: LightCounting, Interviews with Industry Experts, Frost & Sullivan

Market Drivers and Trends of Telecoms Cable Industry

Surge in Demand for AI and Computing Centers

With the rapid advancement of AI, computing centers are scaling up quickly, placing increasingly higher requirements on internal data transmission performance. The growing computational power of single AI nodes and the rising server density within individual cabinets are significantly boosting the demand for high-speed copper cable connections. Given the dominance of short-distance interconnection scenarios between servers and switches inside computing centers, copper cables offer distinct advantages in terms of transmission rate, heat dissipation, signal integrity, and cost-effectiveness. As a result, high-speed copper cables are well-suited for these environments, helping to ensure stable and efficient data transmission. Driven by the accelerated deployment of large-scale computing centers, the demand for copper cable interconnections is expected to continue rising.

High-Speed Copper Cable Becoming Ideal Product for AI Server Interconnection

High-speed, low-latency transmission is essential for AI servers, but traditional copper cables and standard optical fibers often struggle to meet the demands of edge computing and cloud edge collaboration. Earlier generations of AI servers used optical transceivers for GPU interconnection, but newer platforms released by the global largest GPU manufacturer are shifting toward high-speed copper interconnects. Copper performs better for short, in-rack links by eliminating optical electrical conversion, reducing power consumption and latency, and simplifying system design. It also lowers costs by avoiding expensive optical components. This shift is driving the broader industry to speed up the development of next-gen copper interconnect technologies.

Advancing Toward Higher-end and More Specialized Scenarios

Telecoms cable application is advancing toward higher-end and more specialized scenarios. In industrial automation, the acceleration of smart manufacturing and intelligent factories is driving demand for cables with higher transmission stability, electromagnetic compatibility, and durability under harsh environments. In the automotive sector, the shift toward intelligent and connected vehicles has created growing requirements for high-performance in-vehicle communication cables that can support real-time data exchange and intelligent driving. In addition, emerging high-end industries such as healthcare are increasingly adopting advanced copper communication cables to ensure reliable transmission for medical imaging, monitoring, and precision equipment, underscoring the expanding role of telecoms cables in supporting data transmission of diverse applications.

Rising Demand for Customization

As application scenarios across computing centers, automotive, industrial automation, and consumer electronics become increasingly sophisticated, telecoms cables are required to meet more stringent demands in performance, interface specifications, transmission distance, and power efficiency. High-end customers are showing a growing preference for customized telecoms cable products to optimize network architecture, lower deployment costs and enhance transmission efficiency. For instance, some leading companies have developed copper cable products tailored for customer demand. In high-density wiring scenarios, modular and pluggable high-speed copper cables are also expected to gain traction due to the ease of installation and scalability.

Threats and Challenges of Telecoms Cable Industry

Rapid Technological Evolution

As data transmission rates move from 400G to 800G and beyond, cables must provide higher bandwidth, lower latency, and stronger signal integrity within increasingly complex system environments. Meeting these requirements demands continuous investment in advanced materials, precision manufacturing, and innovative design. At the same time, customer expectations and industry standards evolve quickly, leaving companies under pressure to accelerate their R&D and technological upgrades in order to keep pace.

Supply Chain Pressures

The stability of the supply chain for key raw materials has become a core bottleneck restricting the development of the industry. The industry relies on raw materials such as high-purity copper and specialty polymers, all of which are subject to fluctuations in raw material prices and global trade uncertainties. In addition, the increasing complexity of cable design requires highly specialized production equipment and tight coordination across suppliers. Disruptions in logistics or shortages of key materials can delay delivery schedules and increase costs, creating additional challenges for companies seeking to maintain competitiveness in this rapidly evolving market.

Competitive Landscape of Telecoms Cable Industry

The competitive landscape of the global telecoms cable industry in 2024 is relatively fragmented, with over 100 market participants globally. In 2024, the top 5 telecoms cable manufacturers generated approximately RMB9.3 billion in global revenue, accounting for a combined market share of 69.8%. The Company was the fifth largest telecoms cable manufacturer by global revenue in 2024, with a market share of 12.7%. The Company was also the largest China-based telecom cable manufacturer in the world in 2024.

Top 5 Telecoms Cable Manufacturers by Revenue (Global), 2024

Ranking	Company	Revenue (Billion RMB)	Market Share (%)	China-based Company
1	Company A	2.1	16.0%	
2	Company B	2.0	15.0%	
3	Company N	1.8	13.1%	
4	Company W	1.7	13.0%	
5	**The Company**	**1.7**	**12.7%**	✓
	TOP 5	**9.3**	**69.8%**	

Source: Interviews with Industry Experts, Annual Report of Listed Companies, F&S

In 2024, the top 5 telecoms cable manufacturers with high-speed copper cable coverage generated approximately RMB7.6 billion in global revenue, accounting for a combined market share of 57.2%. The Company was the third largest telecoms cable manufacturer with high-speed copper cable coverage by global revenue in 2024, with a market share of 12.7%. The Company was also the largest China-based telecoms cable manufacturer with high-speed copper cable coverage in the world in 2024.

Top 5 Telecoms Cable Manufacturers with High-speed Copper Cable Coverage by Revenue (Global), 2024

Ranking	Company	Revenue (Billion RMB)	Market Share (%)	China-based Company
1	Company A	2.1	16.0%	
2	Company B	2.0	15.0%	
3	**The Company**	**1.7**	**12.7%**	✓
4	Company C	1.2	9.0%	✓
5	Company D	0.6	4.5%	✓
	TOP 5	**7.6**	**57.2%**	

Source: Interviews with Industry Experts, Annual Report of Listed Companies, F&S

The competitive landscape of the China telecoms cable industry in 2024 is relatively fragmented. In 2024, the top 5 telecoms cable manufacturers with high-speed copper cable coverage in China generated approximately RMB2.5 billion in global revenue, accounting for a combined market share of 44.0%. The Company was the largest telecoms cable manufacturer with high-speed copper cable coverage by revenue in China in 2024, with a market share of 18.8%.

Top 5 Telecoms Cable Manufacturers with High-speed Copper Cable Coverage by Revenue (China), 2024

Ranking	Company	Revenue (Billion RMB)	Market Share (%)
1	**The Company**	**1.4**	**18.8%**
2	Company D	0.6	7.7%
3	Company C	0.5	6.0%
4	Company A	0.5	5.9%
5	Company B	0.4	5.7%
	TOP 5	**2.5**	**44.0%**

Source: Interviews with Industry Experts, Annual Report of Listed Companies, Frost & Sullivan

Notes:

- *Established in 1932 and headquartered in the U.S., Company A is a listed company on the New York Stock Exchange, which is a globally leading designer, manufacturer, and seller of coaxial and high-speed specialty cables, interconnect systems, antennas, sensors and sensor products. Its high-speed copper cables in computing centers can support high-bandwidth, low-latency data transmission.*

- *Established in 1941 and headquartered in the U.S., Company B is a listed company on the New York Stock Exchange. The company designs and manufactures a wide range of highly engineered sensor and connectivity solutions, including connectors, sensors, antennas, and wire and cable products, including high-speed copper cable, heat-shrinkable materials and electrical cable accessories.*

- *Established in 2003 and headquartered in China, Company C is a listed company on the Shenzhen Stock Exchange, which is primarily engaged in the businesses of high-speed communication cable, coaxial cable and other cable products, mainly applied in computing centers, consumer electronics and other scenarios. Its high-speed copper cable products are used for internal data transmission in AI servers.*

- *Established in 1995 and headquartered in China, Company D is a listed company on the Shenzhen Stock Exchange, primarily engaged in the R&D and manufacturing of communication cable systems applied in computing centers and other specialized fields.*

- *Established in 1976 and headquartered in the U.S., Company W is a listed company on the NASDAQ Stock Exchange. The company designs and manufactures a comprehensive portfolio of network infrastructure solutions, including optic fibers and copper cables, connectors, etc.*

The global high-speed copper cable industry is relatively concentrated. Key players include companies from the US, China, and Europe. In 2024, the top five high-speed copper cable manufacturers generated approximately RMB1.07 billion in global revenue, accounting for a combined market share of 86.2%. The Company was the second largest high-speed copper cable manufacturer by global revenue in 2024, with a market share of 24.2%. The Company was also the largest China-based high-speed copper cable manufacturer in the world in 2024.

Top 5 High-Speed Copper Cable Manufacturers by Revenue (Global), 2024

Ranking	Company	Revenue (Billion RMB)	Market Share (%)	China-based Company
1	Company A	0.40	32.2%	
2	**The Company**	**0.30**	**24.2%**	✓
3	Company D	0.15	12.1%	✓
4	Company C	0.12	9.7%	✓
5	Company B	0.10	8.0%	
	TOP 5	**1.07**	**86.2%**	

Source: Interviews with Industry Experts, Annual Report of Listed Companies, F&S

OVERVIEW OF GLOBAL AND CHINA ELECTRONIC MATERIALS INDUSTRY

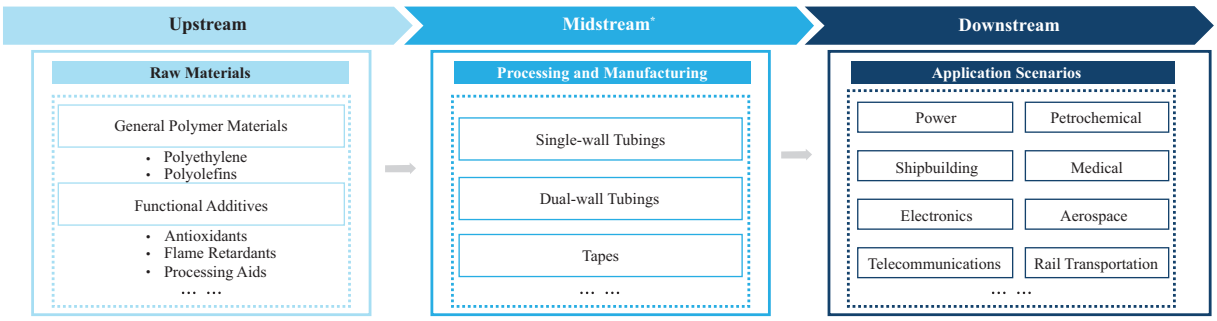
Definition and Overview of Electronic Materials

Electronic materials refer broadly to a wide range of functional materials that are essential for the fabrication and performance of electronic devices and systems. This category encompasses semiconductor materials, conductive and insulating materials, dielectric materials, magnetic materials, optoelectronic materials, substrates, and specialty polymers and composites. Electronic materials are applied across numerous fields, such as consumer electronics, transportation, industrial equipment, telecommunications, energy systems, and medical devices, making them a fundamental pillar of modern technology.

Definition and Overview of Heat-Shrinkable Materials

Among these diverse categories, heat shrink materials represent one specific type of electronic material. Heat-shrinkable materials are polymeric functional materials that return to a preset shape when heated, enabling insulation, sealing, wear resistance, and mechanical protection. This thermal shrinkage, based on a shape memory effect, allows them to tightly wrap and protect components. Widely used in power, electronics, telecommunications, healthcare, and aerospace industries, these materials provide insulation, corrosion resistance, and mechanical reinforcement. With the growth of sectors such as renewable energy, transportation, and smart manufacturing, demand for heat-shrinkable materials continues to rise, underscoring their essential role in enhancing system reliability and supporting industrial advancement.

Value Chain Analysis of Heat-Shrinkable Materials Industry



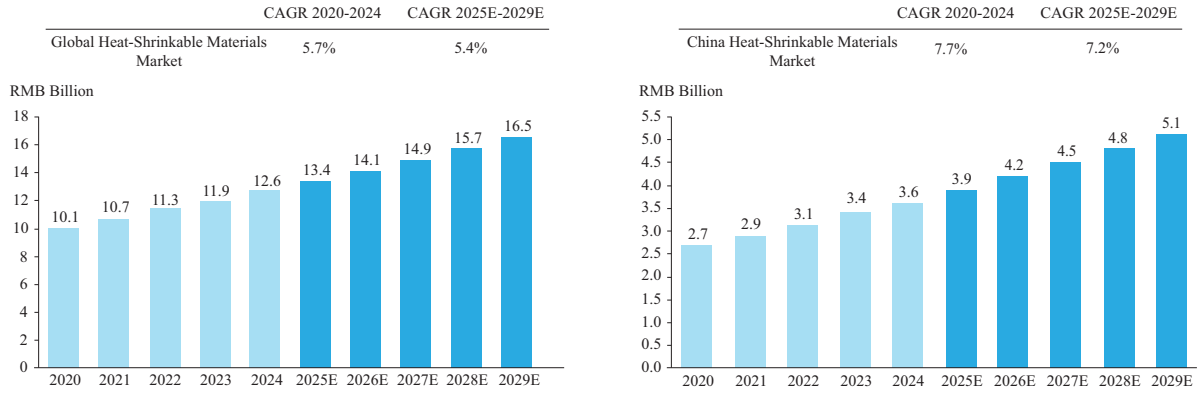
Note: the Company's position in the value chain*

The heat-shrinkable materials industry encompasses upstream raw materials supply, midstream processing and manufacturing, and downstream applications. Upstream, key inputs include general polymer materials and functional additives, which directly affect product performance. The midstream segment comprises manufacturers of heat shrink materials, where the Company is positioned. These players focus on producing heat-shrinkable tubes and related products through extrusion, irradiation crosslinking, and thermal shaping, with irradiation crosslinking enhancing heat resistance and mechanical strength. Leveraging strong R&D and process expertise, leading players are gaining ground in high-end markets. Heat-shrinkable materials are widely used across various downstream industries, including power, aerospace, electronics, telecommunications, petrochemical, medical, shipbuilding, rail transportation, etc.

Market Size of Heat-Shrinkable Materials Industry

The global heat-shrinkable materials market size has demonstrated steady growth, increasing from RMB10.1 billion in 2020 to RMB12.6 billion in 2024, with a CAGR of 5.7%, and is expected to continue to increase from RMB13.4 billion in 2025 to RMB16.5 billion in 2029, with a CAGR of 5.4%. In China, the heat-shrinkable materials market size has increased from RMB2.7 billion in 2020 to RMB3.6 billion in 2024, reflecting a CAGR of 7.7%. This momentum is expected to sustain, with China's market projected to grow from RMB3.9 billion in 2025 to RMB5.1 billion in 2029, representing a CAGR of 7.2%.

Market Size of Global and China's Heat-Shrinkable Materials by Revenue, 2020-2029E



Source: Interviews with Industry Experts, F&S

Market Drivers and Trends of Heat-Shrinkable Materials Industry

Development of Industrial Automation and Rail Transportation

The growth of smart manufacturing, industrial automation, and rail transportation is elevating safety requirements for electrical equipment. High-performance heat-shrinkable materials are increasingly used for insulation and protection in applications such as industrial robot wiring, control systems in intelligent factories, and cables and connectors in rail transportation. As these sectors continue to advance, they are creating new growth opportunities for the heat-shrinkable materials market.

Government Policy Support

China's the "Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035" identifies new materials as a strategic emerging industry, encouraging breakthroughs and innovation in core technologies. Meanwhile, the "Industrial Structure Adjustment Guidance Catalog (2024 Edition)" promotes the development of high-end, strategic, and green new materials across power, communication, transportation, and industrial sectors. In addition, the document encourages the development and application of irradiation technology. Together, these policies create a strong top-down impetus for innovation and industrial upgrading, directly benefiting the heat-shrinkable materials sector. Policy emphasis on high-performance and environmentally sustainable materials accelerates the

industry's transition toward higher temperature resistance, enhanced insulation and improved corrosion protection. As a result, enterprises in the sector are guided to strengthen innovation in polymer formulation, molecular design, and precision processing, in line with the country's objectives for new material upgrading and industrial modernization.

Development of High-Performance Materials

The market is evolving toward higher-performance materials with enhanced temperature resistance, flame retardancy and environmental sustainability. Demand for high-end materials such as polyvinylidene fluoride ("**PVDF**") and polyimide ("**PI**") is growing, particularly from sectors such as rail transportation and aerospace. These advancements are crucial for meeting the rigorous demands of extreme operating environments.

Threats and Challenges of Heat Shrink Materials Industry

Escalating Industry Requirements

In high-tech sectors such as aerospace and medical care, the performance expectations for heat shrink materials are advancing toward greater extremes and specialization. In aerospace applications, materials must tolerate wide temperature fluctuations while demonstrating resistance to radiation and corrosive aviation fuels. In the medical field, they are required to undergo rigorous biosafety testing and satisfy demanding conditions such as sterilizability and compatibility with sensitive medical devices. These diverse, stringent, and often customized requirements compel enterprises to establish highly adaptable R&D and manufacturing platforms, capable of swiftly modifying formulations, ensuring strict compliance with sector-specific standards, and delivering tailored production at scale.

Pressure from Environmental Compliance

The tightening of global circular economy and environmental protection policies has created new challenges for heat shrink material manufacturers. Enterprises are required to develop more environment friendly formulations and adjust their production processes accordingly. In addition, meeting environmental certification requirements across different countries involves strict testing and auditing procedures. While environmental transformation may open opportunities in higher-end markets, the growing scope and complexity of compliance obligations continue to reshape the industry landscape and place higher demands on innovation and adaptability

Competitive Landscape of Heat-Shrinkable Materials Industry

The global and China's heat shrink material industry is relatively competitive, with over 800 and 300 companies, respectively. In 2024, the top five manufacturers in the global heat-shrinkable materials industry by revenue accounted for 51.5% of the total market. The Company ranked the first globally with a market share of approximately 20.6%. Also in 2024, the top five manufacturers in China's heat-shrinkable materials industry by revenue accounted for 77.9% of the total market. The Company ranked the first domestically with a market share of approximately 58.5%.

Top 5 Heat-Shrinkable Materials Manufacturers by Revenue (Global and China), 2024

Ranking	Company	Global Revenue (RMB Billion)	Market Share
1	The Company	2.60	20.6%
2	Company B	2.00	15.9%
3	Company E	1.50	11.9%
4	Company F	0.21	1.7%
5	Company G	0.18	1.4%
	Top 5	**6.5**	**51.5%**

Ranking	Company	China's Revenue (RMB Billion)	Market Share
1	The Company	2.11	58.5%
2	Company B	0.40	11.1%
3	Company G	0.15	4.2%
4	Company E	0.10	2.8%
5	Company F	0.05	1.3%
	Top 5	**2.8**	**77.9%**

Source: Interviews with Industry Experts, Annual Report of Listed Companies, F&S

Notes:

- *Established in 1897 and headquartered in Japan, Company E is a listed company on the Tokyo Stock Exchange. The company manufactures electric wires, cables, and their related products, including heat-shrinkable materials and electrical cable accessories.*

- *Established in 1994 and headquartered in China, Company F is a listed company on the National Equities Exchange and Quotations ("**NEEQ**"), which specializes in the research, development, production and sales of heat-shrinkable materials. About 70% of the company's products are sold abroad and are used in many industries such as wire and cable, communications, automobile manufacturing, shipbuilding, clean energy, power grid, aviation, nuclear power, etc.*

- *Established in 1994 and headquartered in China, Company G is a private company, which is primarily involved in the research, development, production, and sales of polymer heat-shrinkable material products, special wires and cables and electronic products.*

OVERVIEW OF NEV POWER TRANSMISSION PRODUCTS SECTOR: GLOBAL AND CHINA NEV CORE POWER CHARGING PRODUCTS INDUSTRY AND POWER BATTERY SAFETY PROTECTION PRODUCTS INDUSTRY

NEV power transmission products sector include two distinct markets, i.e. NEV core power charing products industry and power battery safety protection products industry.

Definition and Overview of NEV Core Power Charging Products Industry and Power Battery Safety Protection Products Industry

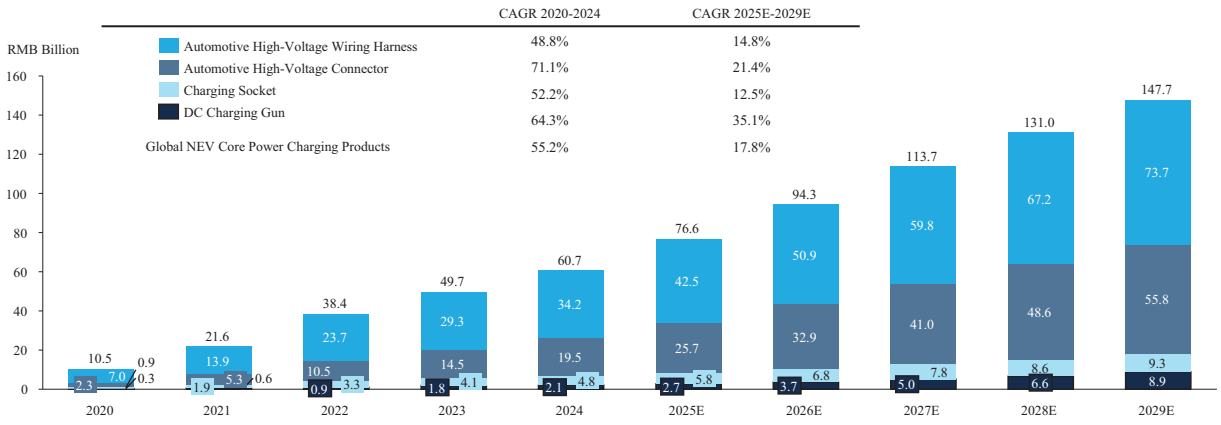
NEV core power charging products, which primarily include DC charging guns, automotive high-voltage wiring harness, high-voltage connectors and charging sockets, refer to the essential electrical components in NEVs that ensure the efficient, stable, and safe transfer of power within the vehicle's energy system.

Power battery safety protection products are specialized components designed to enhance the safety and reliability of NEV batteries. They play a critical role in safeguarding the battery system and ensuring stable, continuous power transmission in NEV battery systems. They are primarily installed in battery boxes, between cells, on end plates, and across modules, where they provide buffering, fire resistance, and thermal insulation. In the event of thermal runaway, they help slow heat transfer, insulate surrounding components, and mitigate stress propagation, effectively buying crucial escape time for passengers. As NEV adoption accelerates, the development of these products has increasingly focused on advanced materials, precision design, and integration with battery pack structures to meet higher safety standards.

Market Size of Global NEV Core Power Charging Products Industry

The market size of global NEV core power charging products is on a steady growth trajectory, supported by the global transition toward electrification and the increasing maturity of the NEV supply chain. From 2020 to 2024, the market size has increased from RMB10.5 billion to RMB60.7 billion, with a CAGR of 55.2%. Driven by the expansion of NEV production and rising consumer demand for faster and more reliable charging products, the market is expected to expand and reach RMB147.7 billion in 2029, with a CAGR of 17.8% from 2025.

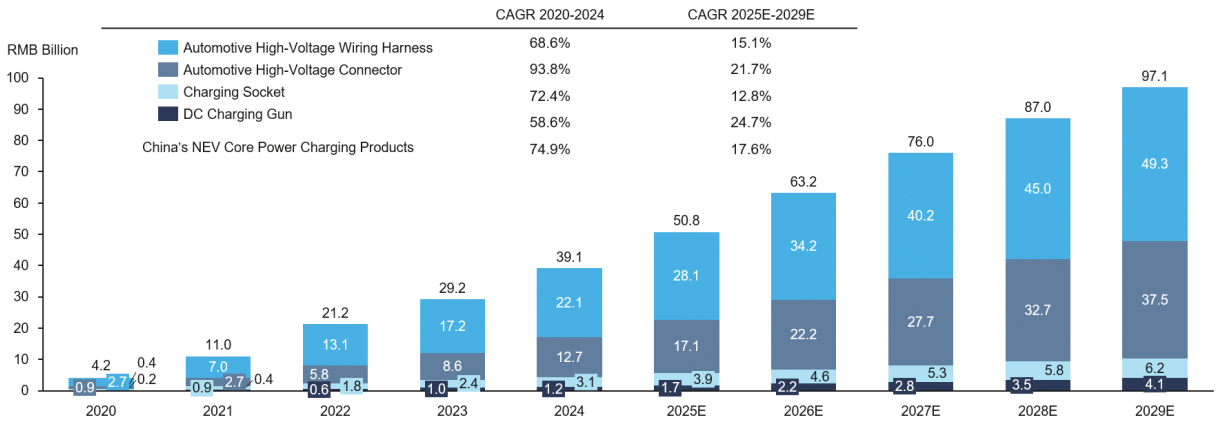
Market Size of Global NEV Core Power Charging Products Industry by Revenue by Product, 2020-2029E



Source: Interviews with Industry Experts, F&S

Driven by the increasing sales volume of NEVs, the market size of NEV core power charging products in China by revenue has increased from RMB4.2 billion in 2020 to RMB39.1 billion in 2024, reflecting a CAGR of 74.9%. Looking ahead, with the continued penetration of NEVs and the scaling of high-voltage platforms, the market is projected to reach RMB97.1 billion by 2029, representing a CAGR of 17.6% from 2025.

Market Size of China's NEV Core Power Charging Products Industry by Revenue by Product, 2020-2029E



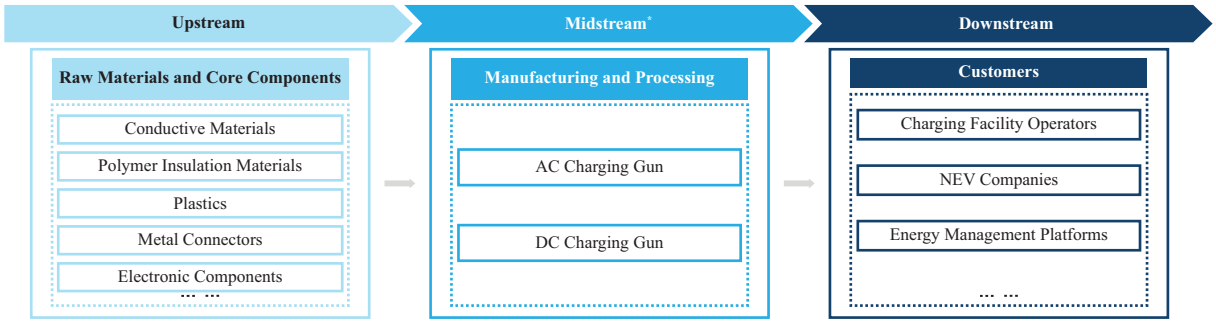
Source: Interviews with Industry Experts, F&S

Definition and Overview of NEV Charging Gun

The NEV charging gun, as a core component of energy replenishment for NEVs, directly impacts charging efficiency, safety, and user experience. With the rapid increase in the number of NEVs, the construction and technological advancement of charging infrastructure have become particularly critical. High-efficiency, reliable, safe, and environmentally friendly charging guns not only shorten charging time and improve grid utilization but also enhance user acceptance of NEVs, thereby promoting industry development.

The NEV charging gun refers to the device that connects the charger to the NEVs, ensuring stable and safe energy transmission between the vehicle and the grid. Acting as an intermediary between the charging pile and the NEV, the gun primarily facilitates the delivery of electrical power during charging, enabling key functions such as AC (Alternating Current) / DC (Direct Current) charging, current regulation, and data transmission. These functions ensure the reliability and compatibility of NEV charging. NEV charging guns can be further categorized into AC charging guns and DC charging guns.

Value Chain Analysis of NEV Charging Gun Industry



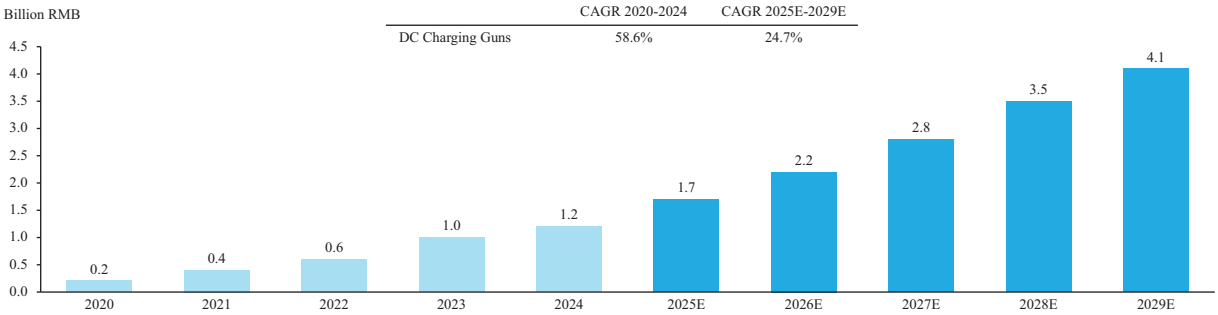
Note: the Company's position in the value chain*

The upstream segment of the NEV charging gun supply chain primarily involves raw materials such as conductive metals (e.g., copper, aluminum), polymer insulation materials (e.g., silicone rubber, polyethylene), plastics, metal connectors (e.g., silver-plated copper terminals), and electronic components (e.g., control chips, relays, sensors). The midstream segment comprises manufacturers of NEV charging guns. Key players include specialized charging device manufacturers, NEV component suppliers (including the Company), and some automakers with in-house production capabilities. The downstream segment mainly includes charging facility operators, NEV manufacturers and energy management platforms.

Market Size of the NEV DC Charging Gun Industry

Driven by the increasing adoption of NEVs and the expansion of charging infrastructure, the charging gun market in China is experiencing rapid growth. By the end of 2024, China had over 1.6 million units of DC chargers installed. Looking ahead, the DC charging infrastructure in China is expected to further expand. By 2029, the number of public DC chargers in China is projected to reach 5.0 million units, representing a CAGR of 23.3% from 2025. As the demand for NEVs continues to rise, the need for more efficient, safe, and intelligent charging connectors is growing. The market is expected to see innovations in smart charging technologies, such as vehicle-to-grid ("**V2G**") integration, and the development of more standardized connectors that support faster charging and greater compatibility with various vehicle models. In addition, advanced technologies such as liquid-cooled charging, which allows for faster charging, will further drive the market growth. The market size of China's DC charging gun industry increased from RMB0.2 billion in 2020 to RMB1.2 billion in 2024 at a CAGR of 58.6%, and is expected to reach RMB4.1 billion in 2029 at a CAGR of 24.7% from 2025.

Market Size of China's NEV DC Charging Gun Industry by Revenue, 2020-2029E



Source: Interviews with Industry Experts, F&S

Market Drivers and Trends of NEV Charging Gun Industry

Expansion of Charging Infrastructure

The rapid growth of the NEV market, driven by increasing vehicle production and rising consumer demand for fast and ultra-fast charging products, has significantly boosted the demand for charging guns. Governments

worldwide are supporting this growth by implementing NEV development goals and subsidy policies, such as China's "dual credit" policy and the EU's carbon emission regulations, which are all accelerating NEV adoption. At the same time, the expansion of charging infrastructure plays a crucial role in this process. Governments and businesses globally are increasing investments in charging stations and related facilities. For instance, China's ambitious plans to expand charging pile construction during the 14th Five-Year Plan are directly driving the demand for charging guns, further supporting the growing NEV market.

Increasingly Smart and Digital Charging Guns

Technological advancements in fields such as vehicle networking, the Internet of Things ("**IoT**"), and big data are driving the evolution of NEV charging guns toward greater intelligence. Charging guns are increasingly integrated with smart features, such as temperature detection, overcurrent protection and remote monitoring. This shift towards smart technologies enhances the safety and convenience of charging, while also fostering the development of new energy management models such as V2G. As a result, NEV charging guns are becoming a key component of smart energy networks.

High-Voltage and High-Power Fast Charging

With the widespread adoption of 800V and higher-voltage platforms, NEV charging guns are required to support greater voltage resistance and lower contact resistance to accommodate charging power of 350 kW and above. This trend is driving the development of charging guns with enhanced voltage and power capabilities. Manufacturers must strengthen core technologies, including materials, thermal management and pressure resistance, to meet the rising demand for ultra-fast charging. In particular, liquid-cooled high-power charging guns are gaining traction, as they effectively manage heat generated during high-current charging and enable safer, more efficient delivery of ultra-fast charging services.

Threats and Challenges of Core Power Charging Products Industry

Rapid Technological Iteration

Emerging innovations such as ultra-high-voltage wiring architectures and advanced battery technologies are continuously reshaping the performance and safety requirements of relevant NEV power charging products. To remain competitive, suppliers must pursue parallel R&D across multiple technological pathways while ensuring compatibility with evolving system designs. Close collaboration with OEMs is increasingly critical for companies in the industry to anticipate and adapt to upcoming standardization trends.

Increasing Competition

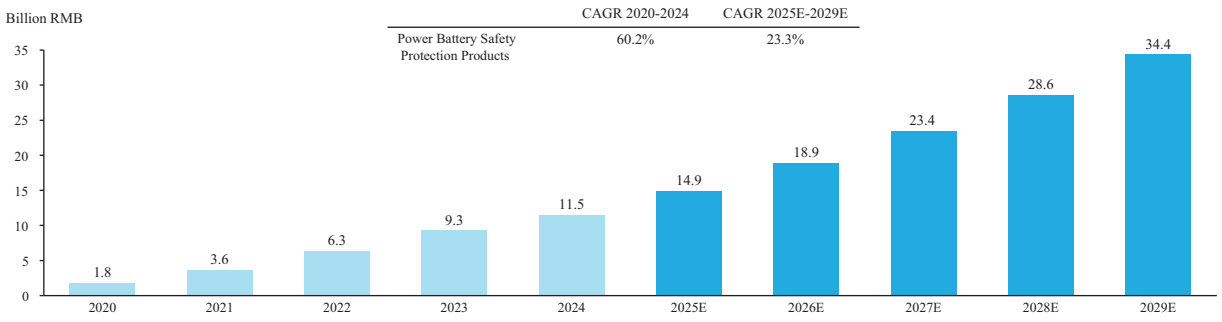
Manufacturers of NEV power charging products are facing intensifying competitive pressure as NEV adoption accelerates. Domestic newcomers and international players alike are expanding production capabilities and investing in advanced technologies to capture market share. For these suppliers, competition extends beyond price, emphasizing product reliability, safety compliance, and seamless integration with vehicle electrical systems. Maintaining a strong market position requires continuous innovation in materials, precision manufacturing, and system-level compatibility, as automakers increasingly favor suppliers that can deliver comprehensive, high-performance products rather than individual components.

Market Size of Global Power Battery Safety Protection Products Industry

The market for power battery safety protection products has been expanding rapidly alongside the growth of the NEV sector. From 2020 to 2024, the global market size has increase rapidly from nearly RMB2 billion to over RMB10 billion. This growth is driven by rising safety regulations, increasing vehicle energy density, and heightened consumer awareness of battery safety. Manufacturers are responding with innovations in material performance, multi-layer protective designs, and modular products that can adapt to diverse battery architectures, positioning the industry for continued expansion in both mature and emerging NEV markets. Looking forward, it is expected that the market size of power battery safety protection products industry will increase from nearly

RMB15 billion in 2025 to over RMB30 billion in 2029. The power battery safety protection products industry is relatively fragmented, with more than 200 companies globally. The Company held a global market share of approximately 4.2% in 2024.

Market Size of Global Power Battery Safety Protection Products Industry by Revenue, 2020-2029E



Source: Interviews with Industry Experts, F&S

Competitive Landscape of the NEV Power Transmission Products Industry

The NEV power transmission products market is highly fragmented, with numerous players offering a wide range of products and varying levels of expertise. Globally, the industry comprises over 500 active participants, contributing to a highly diverse and competitive landscape across different regions and product categories. In China, there are over 300 players operate in the market, each specializing in different segments, such as DC charging guns, high-voltage wiring harnesses, high-voltage connectors, charging sockets, and power battery safety protection products. These products are manufactured by diverse companies, including automotive component suppliers, cable manufacturers, and specialized charging equipment manufacturers. This variety of participants, coupled with differing degrees of specialization and an extensive product portfolio, underscores the complexity of the market.

In 2024, the top ten manufacturers in the global NEV power transmission products industry collectively generated approximately RMB40.0 billion in revenue, representing a combined market share of 55.5%. The Company ranked as the ninth-largest manufacturer globally, with a market share of 1.9% in the same year.

Top 10 NEV Power Transmission Products Manufacturers by Revenue (Global), 2024

Ranking	Company	Revenue (Billion RMB)	Market Share(%)
1	Company X	10.0	13.9%
2	Company B	7.0	9.7%
3	Company E	6.0	8.3%
4	Company A	5.0	6.9%
5	Company Y	4.0	5.5%
6	Company H	2.1	2.9%
7	Company I	1.8	2.5%
8	Company Z	1.5	2.0%
9	**The Company**	1.4	**1.9%**
10	Company J	1.3	1.9%
	TOP 10	**40.1**	**55.5%**

Source: Interviews with Industry Experts, Annual Report of Listed Companies, F&S

In 2024, the top 5 China-based manufacturers in China's NEV core power charging products industry together generated approximately RMB7.1 billion in revenue in China, accounting for a combined market share of 18.1%. The Company was the fifth largest China-based NEV core power charging components manufacturer by revenue in 2024 in China, with a market share of 2.3%.

Top 5 China-based NEV Core Power Charging Products Manufacturers by Revenue (China), 2024

Ranking	Company	Revenue (Billion RMB)	Market Share (%)
1	Company H	**2.0**	**5.1%**
2	Company I	1.7	4.3%
3	Company J	1.3	3.3%
4	Company K	1.2	3.1%
5	The Company	**0.9**	**2.3%**
	TOP 5	**7.1**	**18.1%**

Source: Interviews with Industry Experts, Annual Report of Listed Companies, F&S

Notes:

- *Established in 1997 and headquartered in China, Company H is a listed company on the Shanghai Stock Exchange, specializing in the development and production of high and low voltage wire harness assembly.*
- *Established in 2002 and headquartered in China, Company I is a listed company on the Shenzhen Stock Exchange, specializing in the research and development of optical, electrical and fluid connection technologies and equipment, including NEV high-voltage wiring harnesses.*
- *Established in 2006 and headquartered in China, Company J is a private company with its main business focused on automotive connectors, high and low voltage wiring harnesses, and automotive electronics.*
- *Established in 2006 and headquartered in China, Company K is a listed company on the Shanghai Stock Exchange, primarily engaged in the design and manufacture of connection systems, microwave components and other products, including NEV charging guns and high-voltage connectors.*
- *Established in 1941 and headquartered in Japan, Company X is a private company with a focus on wire harnesses, instruments and components of automobiles.*
- *Established in 1994 and headquartered in Ireland, Company Y is a listed company on the New York Stock Exchange. The company is a global supplier of automotive components, including automotive wiring harnesses and high-voltage connection systems.*
- *Established in 1988 and headquartered in Switzerland, Company Z is a listed company on the New York Stock Exchange. The company is a global provider of electrification and automation technologies, including NEV charging products.*

China's NEV DC charging gun industry is highly concentrated. In 2024, the top three manufacturers in the industry together generated approximately RMB1.0 billion in revenue in China, accounting for a combined market share of 82.2%. The Company was the largest NEV DC charging gun manufacturer by revenue in 2024 in China, with a market share of 41.7%.

Top 3 NEV DC Charging Gun Manufacturers by Revenue (China), 2024

Ranking	Company	Revenue (Billion RMB)	Market Share (%)
1	**The Company**	**0.51**	**41.7%**
2	Company L	0.30	24.3%
3	Company K	0.20	16.2%
	TOP 3	**1.0**	**82.2%**

Source: Interviews with Industry Experts, Annual Report of Listed Companies, F&S

Notes:

- *Established in 1990 and headquartered in China, Company L is a listed company on the Shenzhen Stock Exchange. The company primarily engages in the research, development, manufacturing, sales, and technical support of NEV power charging products, including high-voltage connectors, wiring harness assemblies, and charging guns, offering comprehensive solutions for NEV high-voltage, high-current interconnection systems.*

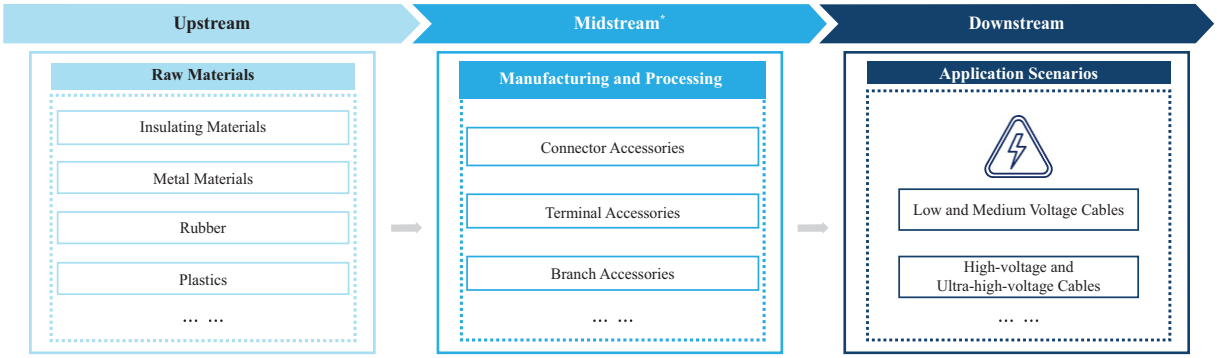
OVERVIEW OF GLOBAL AND CHINA ELECTRICAL CABLE ACCESSORIES INDUSTRY

Definition and Overview of Electrical Cable Accessories

Electrical cable accessories refer to the components and materials used in conjunction with electrical cables to ensure proper installation, insulation, protection and connection. They are essential for maintaining the reliable operation of electrical systems by providing mechanical support, electrical insulation, environmental protection and seamless connectivity between cables or with other equipment.

Electrical cable accessories play a critical role in power transmission systems, particularly within high-voltage (66-220 kV) and ultra-high-voltage (≥220 kV) power networks. High-quality accessories help prevent failures, extend cable service life and enhance overall safety and reliability. In the construction and operation of electrical infrastructure, the performance of electrical cable accessories directly influences the efficiency and stability of the entire power network.

Value Chain Analysis of Electrical Cable Accessories Industry



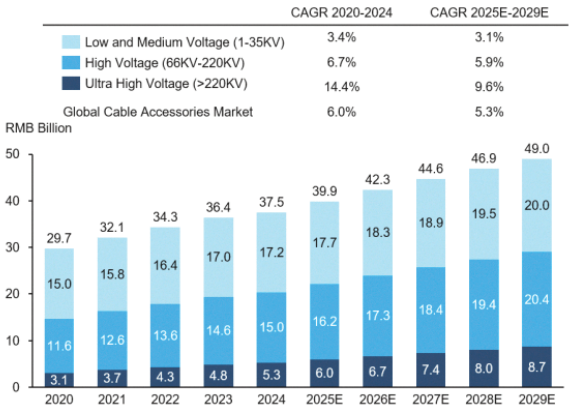
Note: the Company's position in the value chain*

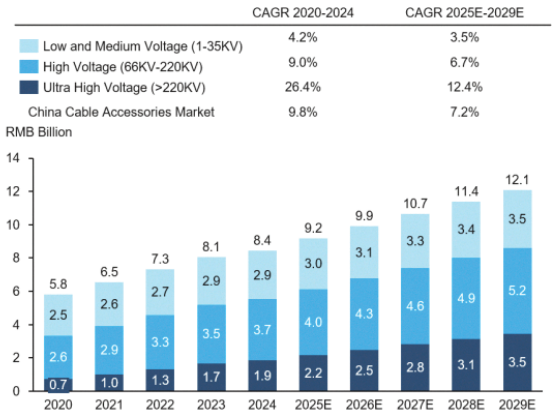
The upstream of the electrical cable accessories industry primarily involves various raw materials such as insulating materials, metal materials, rubber and plastics. The midstream segment comprises manufacturers of electrical cable accessories, including the Company. These players focus on manufacturing and design innovation to meet diverse environmental and application requirements. Leveraging advanced materials and process technologies, leasing companies develop high-performance products for high-voltage and ultra-high-voltage power transmission, addressing stringent environmental and electrical standards. Downstream, electrical cable accessories are primarily used with cables of various voltages in the power and transportation sectors, especially in high-voltage and ultra-high-voltage systems to ensure stable and safe power transmission.

Market Size of Electrical Cable Accessories Industry

The global electrical cable accessories market grew from RMB29.7 billion in 2020 to RMB37.5 billion in 2024 in terms of revenue, representing a CAGR of 6.0%. Driven by rising global electricity demand and the accelerating clean energy transition, the market is projected to reach RMB49.0 billion by 2029, with a CAGR of 5.3% from 2025. The electrical cable accessories market size of China increased from RMB5.8 billion in 2020 to RMB8.4 billion in 2024 in terms of revenue, with a CAGR of 9.8%. Supported by favorable policies and the continued growth of the new energy sector, China's electrical cable accessories market size by revenue is expected to reach RMB12.1 billion by 2029 with a projected CAGR of 7.2% between 2025 and 2029. In the future, ultra high voltage cable accessories will lead the development of the global and Chinese electrical cable accessories industry.

Market Size of Global and China's Electrical Cable Accessories by Revenue by Product, 2020-2029E





Source: Interviews with Industry Experts, F&S

Market Drivers and Trends of Electrical Cable Accessories Industry

Growth in Power Demand

China's electricity consumption grew from 7,511.0 TWh in 2020 to 9,852.1 TWh in 2024 at a CAGR of 7.0%, and is projected to reach 14,104.4 TWh by 2029 with a CAGR of 7.5% from 2025. This sustained growth is accelerating the expansion of power grids. As essential components of the power systems, electrical cable accessories provide reliable insulation, pressure resistance and environmental protection. The "new infrastructure" initiative and ongoing smart grid development will continue to amplify the demand for advanced electrical cable accessories to support the safe and efficient operation of China's power system.

Development of New Energy and Smart Grids

As renewable energy is deployed on a large scale, power transmission networks are becoming increasingly digital and intelligent, requiring cable systems with greater adaptability and higher performance. In smart grids, electrical cable accessories are expected to meet more precise application needs, with enhanced capabilities for sensors and control devices to enable renewable energy integration, remote operation, and intelligent management. This growing demand is directly driving innovation in high-performance, high-standard electrical cable accessories.

Continuous Infrastructure Construction

From 2020 to 2024, completed investments in power grid construction in China rose from RMB469.9 billion to RMB608.3 billion, and are expected to exceed RMB800.0 billion by 2029. Alongside power grid development, urbanization has increased demand for power systems. Electrical cable accessories are widely used in emerging projects such as urban rail transit, power transmission, communication networks and industrial parks. These applications require electrical cable accessories to exhibit high pressure resistance, corrosion resistance and anti-aging properties to suit complex environments. This creates market opportunities for the electrical cable accessories industry.

Threats and Challenges of Electrical Cable Accessories Industry

Smart Grid Integration Imperative

The global push to modernize energy infrastructure is driving a fundamental transformation in electrical cable accessory requirements. Next-generation power networks increasingly demand accessories with embedded sensing and communication capabilities for real-time monitoring, condition assessment, and predictive maintenance. Traditional passive products will evolve through technological upgrades, incorporating intelligent

features that enable system-level integration. This transition positions suppliers to move beyond component provision toward becoming solution providers capable of supporting grid resilience, operational optimization, and proactive fault management.

Total Lifecycle Value Competition

Competition in the electrical cable accessories market is shifting from upfront cost to total lifecycle value. Customers now evaluate products based on installation efficiency, operational reliability, maintenance requirements, and overall system performance throughout the asset's life. To remain competitive, manufacturers must optimize designs for ease of deployment, durability, and integration with broader network systems. Bundling accessories with value-added services, such as predictive diagnostics, monitoring platforms, and maintenance support, creates differentiated offerings that extend beyond traditional commoditized pricing and enhance long-term customer value.

Competitive Landscape of Electrical Cable Accessories Industry in China

The global electrical cable accessories market is very fragmented, with over 500 companies around the world. The top ten manufacturers together generated approximately RMB13.7 billion in revenue globally, accounting for a combined market share of 36.6%. The Company ranked seventh in the global electrical cable accessories market with sales revenue of RMB0.93 billion and a market share of 2.5% in 2024.

Top 10 Electrical Cable Accessories Manufacturers by Revenue (Global), 2024

Ranking	Company	Revenue (Billion RMB)	Market Share
1	Company M	3.50	9.3%
2	Company N	1.80	4.8%
3	Company O	1.55	4.1%
4	Company E	1.35	3.6%
5	Company B	1.10	2.9%
6	Company P	1.05	2.8%
7	**The Company**	**0.93**	**2.5%**
8	Company Q	0.89	2.4%
9	Company R	0.84	2.2%
10	Company S	0.70	1.9%
	TOP 10	**13.71**	**36.6%**

Source: Interviews with Industry Experts, Annual Report of Listed Companies, F&S

Notes:

- *Established in 1902 and headquartered in the U.S., Company M is listed on the New York Stock Exchange. The company provides a broad range of electrical cable accessories, designed to enhance reliability and performance in power and communication networks.*
- *Established in 1879 and headquartered in Italy, Company N is listed on the Milan Stock Exchange. The company provides cable-related products for power transmission of grids, as well as optical fibers and copper cables for data transmission.*
- *Established in 1879 and headquartered in France, Company O is listed on the Paris Stock Exchange, which is a global cable products and solutions company focused on an electrification value chain that covers energy generation, transmission, distribution and usage.*
- *Established in 1962 and headquartered in South Korea, Company P is listed on the Korea Exchange, with its main business focused on cable-related products, specializing in cable systems for both power grids and communication networks.*

- *Established in 1958 and headquartered in China, Company Q is listed on the Shenzhen Stock Exchange, with its main business focused on electrical cable accessories, such as cable joints, terminals, and grounding systems for power transmission and distribution networks.*

- *Established in 1891 and headquartered in Denmark, Company R is listed on the Copenhagen Stock Exchange, which designs, manufactures and installs low, medium and high voltage power cable solutions enabling power transmission. It also develops and provides electrical cable accessories and cable services.*

- *Established in 1941 and headquartered in South Korea, Company S is listed on the Korea Exchange, which primarily engages in the production of power cables and provides related electrical cable accessories such as terminals and joints for power transmission and distribution networks.*

In 2024, China's electrical cable accessories market remained relatively fragmented, with over 150 companies. The top five manufacturers together generated approximately RMB3.0 billion in revenue in China, accounting for a market share of 35.6%. The Company ranked the first in China's electrical cable accessories market with a market share of 10.6% in 2024.

Top 5 Electrical Cable Accessories Manufacturers by Revenue (China), 2024

Ranking	Company	Revenue (Billion RMB)	Market Share
1	**the Company**	**0.90**	**10.6%**
2	Company Q	0.88	10.4%
3	Company T	0.60	7.1%
4	Company U	0.32	3.8%
5	Company V	0.30	3.6%
	TOP 5	**3.0**	**35.6%**

Source: Interviews with Industry Experts, Annual Report of Listed Companies, F&S

Notes:

- *Established in 2006 and headquartered in China, Company T, a subsidiary of a company listed on the Shanghai Stock Exchange, is primarily engaged in delivering integrated solutions for the power sector. Its business covers electrical cable accessories, cable materials, and other electrical components across ultra-high-voltage, high-voltage, and medium- to low-voltage cable applications.*

- *Established in 2004 and headquartered in China, Company U is a listed company on the Shenzhen Stock Exchange, primarily engaging in businesses of high-voltage and extra-high voltage electrical cable accessories, power transmission and distribution equipment, and providing overall solutions for underground power transmission systems.*

- *Established in 1996 and headquartered in China, Company V is a listed company on the Shanghai Stock Exchange, primarily engaging in businesses of cables and electrical cable accessories. Its products are exported to more than 160 countries and regions worldwide.*

ENTRY BARRIER ANALYSIS

The major entry barriers for the four industries above are presented as follows:

Technology Barrier

The high-speed data communication and electrical power transmission industry involves complex technologies with significant barriers. High-performance heat-shrinkable materials require precise molecular and crosslinking control, demanding long-term R&D. Electrical cable accessories integrate materials science and electrical engineering, while high-speed copper cables must meet strict requirements for transmission rate, latency, bandwidth, and electromagnetic compatibility. NEV charging guns require advanced power transmission and thermal management technologies, making strong R&D and production capabilities essential.

Customer and Brand Barrier

Customers in this industry demand long-term reliability, strict safety compliance, and stable performance, forming high brand and customer barriers. Heat-shrink materials and electrical cable accessories undergo lengthy qualification cycles, making supplier replacement difficult. High-speed communication cables often involve customer participation from early development, while NEV charging guns require customized design and proven reliability. Customers prefer established brands with strong technical support and delivery assurance, limiting new entrants' access to core customers.

Supply Chain Barrier

The supply chain in the industry must ensure the stability, precision, and consistency of raw materials and components. Heat-shrink materials and electrical cable accessories rely on advanced polymers and specialized additives, which require tightly controlled formulations and processing parameters. High-speed communication cables require strict control of conductor purity, dielectric uniformity, and shielding effectiveness to maintain signal integrity at high frequencies. For NEV charging guns, the selection of high-conductivity, heat-resistant, and lightweight materials is critical, especially under high-voltage and high-current operating conditions. Establishing a stable, high-quality supply chain with long-term partnerships and technical collaboration is difficult and costly for new entrants.

Regulatory and Certification Barrier

Products in the industry are commonly used in critical scenarios such as power grids, computing centers, NEVs, and industrial control systems, which are subject to strict certification standards across electrical performance, fire safety, environmental durability, and electromagnetic compatibility. Heat-shrinkable materials and electrical cable accessories are subject to multi-parameter tests on insulation, flame retardancy, aging resistance, and mechanical stress. High-speed communication cables need to comply with signal transmission and electromagnetic compatibility standards. NEV charging guns must pass region-specific NEV standards. Certification processes are complex, time-consuming, and expensive, creating significant entry barriers.

Capital Barrier

The industry demands continuous investment in R&D, precision equipment, and certification. Developing reliable products such as heat-shrinkable materials or high-speed communication cables requires costly tooling and test systems. To meet diverse customer needs, companies must build flexible production and inventory systems. Without strong capital support, new entrants struggle to scale, certify products, and ensure delivery competitiveness.

RAW MATERIAL ANALYSIS

The price analysis of the major raw materials used in the four industries above is presented as follows:

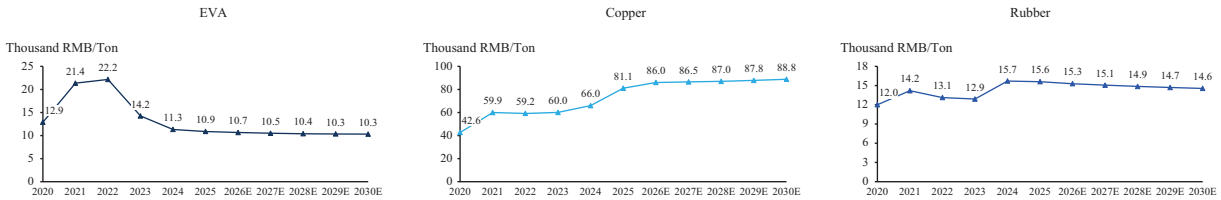
EVA (ethylene-vinyl acetate) is a key polymer used in the production of heat-shrinkable materials, typically accounting for approximately 50–60% of their raw material cost, and is valued for its excellent flexibility, low-temperature resistance, and electrical insulation properties. In recent years, the price of EVA has shown a fluctuating trend, from RMB12.9 thousand per ton in 2020 to RMB11.3 thousand per ton in 2024. This decrease has helped manufacturers control production costs and supported the broader adoption of heat-shrinkable materials across a range of industries. In 2025, EVA prices have generally remained within a narrow fluctuation range, reflecting balanced supply conditions and relatively stable downstream demand. Looking forward, driven by a more stable supply chain and steady downstream demand, EVA prices are expected to maintain a steady downward trend and gradually stabilize. It is expected that EVA price will reach approximately RMB10.3 thousand per ton in 2030.

Copper is a core raw material for electrical cable accessories, telecoms cables, and NEV core power charing products, and generally represents approximately 60–70%, 50–60%, and 40–50% of the respective raw material

costs of electrical cable accessories, telecoms cables, and NEV core power charing products. In the post-pandemic period, driven by the increasing downstream demand from sectors such as NEVs, home appliances and construction, the global average price of copper has shown an upward trend, rising from RMB42.6 thousand per ton in 2020 to RMB66.0 thousand per ton in 2024. Copper prices have remained at relatively high levels throughout 2025, supported by structural supply tightness and continued growth in key downstream sectors. Looking ahead, while new mining projects are under development, global supply growth is likely to be constrained by relatively long project lead times. As demand from electrification, new energy infrastructure and computing centers continues to grow, an upward trend in copper prices are expected to remain and exhibit an overall upward trend over the medium to long term. It is expected that copper price will reach approximately RMB88.8 thousand per ton in 2030.

Rubber is another essential material used in electrical cable accessories, generally accounting for approximately 20-30% of their raw material cost. With its superior insulating performance, waterproof sealing, and mechanical elasticity, rubber effectively isolates electrical currents, protects against environmental corrosion, and cushions external impacts. Due to growing demand, the price of rubber has increased from RMB12.0 thousand per ton in 2020 to RMB15.7 thousand per ton in 2024. In 2025, rubber prices have shown a mild correction from earlier highs, mainly due to improved supply conditions and more balanced demand. Going forward, with supply and demand fundamentals largely stabilizing and no major structural imbalances observed, rubber prices are expected to fluctuate within a reasonable range and gradually recover in the near term and gradually stabilize over time. It is expected that rubber price will reach approximately RMB14.6 thousand per ton in 2030.

Average Prices of EVA, Copper and Rubber, 2020-2030E



Source: China-SAE, LME (London Metal Exchange), F&S

OVERVIEW OF CHINA WIND POWER INDUSTRY

Wind power is a renewable energy source that generates electricity by converting wind's kinetic energy into electrical energy through turbine blades and generators. The electricity produced is transmitted to the grid to supply industrial, commercial, and residential users. As a sustainable energy option, wind power plays a vital role in the global shift toward a cleaner and more diversified energy mix. In China, government support has been a key driver of industry growth. Policies such as the "Energy Law of the People's Republic of China" and the "14th Five-Year Plan for Wind Power Development" have reinforced the country's low-carbon ambitions. Policies including subsidies, tax incentives, and financing support have promoted investment for wind power projects, accelerating industry growth.

Driven by policy support and technological progress, China's cumulative installed wind power capacity rose from 281.5 GW in 2020 to 520.7 GW in 2024. It is projected to reach 627.4 GW in 2025 and 1,268.7 GW in 2029, representing a CAGR of 19.2%. Meanwhile, China's newly installed wind power capacity is expected to grow from 106.7 GW in 2025 to 198.1 GW in 2029, representing a CAGR of 16.7%. The continuous expansion of both onshore and offshore wind projects is expected to sustain the sector's strong growth momentum.

OVERVIEW OF THE LAWS AND REGULATIONS IN THE PRC

I. Laws and Regulations Relating to Foreign Investment and Overseas Investment by Domestic Enterprises

1. Laws and Regulations on Foreign Investment

According to the PRC Foreign Investment Law (《中華人民共和國外商投資法》) promulgated by the National People's Congress (the "NPC") on March 15, 2019 and the Implementing Rules of the PRC Foreign Investment Law (《中華人民共和國外商投資法實施條例》) promulgated by the State Council on December 26, 2019, China applies pre-establishment national treatment with a negative list approach to foreign investment. The current industry entry clearance requirements governing investment activities in the PRC conducted by foreign investors are set out in two catalogues, namely the Special Management Measures for the Entry of Foreign Investment (Negative List) (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) which was promulgated by the National Development and Reform Commission (the "NDRC") and the Ministry of Commerce of the People's Republic of China (the "MOFCOM") on September 6, 2024 and became effective on November 1, 2024, and the Encouraged Industry Catalogue for Foreign Investment (2025 version) (《鼓勵外商投資產業目錄(2025年版)》), which was jointly promulgated by the NDRC and the MOFCOM on December 15, 2025 and came into effect on February 1, 2026. These two catalogues lay out the basic framework for foreign investment in the PRC, classifying businesses into three categories with regard to foreign investment: "encouraged", "restricted", and "prohibited". Industries not listed in the three catalogues are generally deemed as falling into a fourth category, "permitted" for foreign investment unless specifically restricted by other PRC laws and regulations. Our business does not fall within the Special Management Measures for the Entry of Foreign Investment (Negative List) (2024 version) in which foreign investment is restricted or prohibited. Pursuant to the Encouraged Industry Catalogue for Foreign Investment (2025 version), our wind power generation business falls within the scope of industries in which foreign investment is encouraged. Other business not listed in the encouraged, restricted or prohibited catalogues are generally deemed as falling into a fourth category, "permitted" for foreign investment unless specifically restricted by other PRC laws and regulations.

According to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) promulgated by the MOFCOM and the State Administration for Market Regulation on December 30, 2019 and came into effect on January 1, 2020, foreign investors or foreign-invested enterprises shall submit investment information in a timely manner, follow the principles of truthfulness, accuracy and completeness, and shall not make false or misleading reports or material omissions.

2. Laws and Regulations on Overseas Investment by Domestic Enterprises

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated on December 26, 2017 and came into effect on March 1, 2018, the NDRC implements classified management of the approval and filing registration system for overseas investment projects (including those in the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the Taiwan Region) by a domestic enterprise (the "Investment Entity") directly or by way of obtaining overseas ownership, control, operation and management rights, and other related rights and interests by means of investing in assets, interests or providing financing or guarantees by the controlled overseas enterprise. The aforementioned approval procedure shall apply to any sensitive projects carried out by Investment Entity directly or through its controlled overseas enterprises, and the approval authority is the NDRC. The scope of filing registration management is non-sensitive projects directly carried out by Investment Entity, that is, non-sensitive projects involving Investment Entity directly investing in assets, interests or providing financing and guarantees. Among them, if the Investment Entity is a centrally managed enterprise (including centrally managed financial enterprise, the State Council and enterprise directly managed by institutions in the State Council) or the Investment Entity is a local enterprise but the investment amount out of the PRC reaches US$300 million or more, the filing authority will be the NDRC, and if the investor is a local enterprise and the investment amount out of the PRC is below US$300 million, the filing authority will be the development and reform department of the provincial government governing the locality where the Investment Entity is registered.

According to the provisions of the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014, if an enterprise legally established within the territory of the PRC owns a non-financial enterprise abroad or obtains the ownership, control, operation and management rights and other rights and interests of an existing non-financial enterprise through new establishment, M&A or other means, the MOFCOM and the provincial competent departments of commerce shall be responsible for the approval and filing registration, depending on different circumstances of overseas investment by the enterprise. In particular, if an overseas investment involves countries that have not established diplomatic relations with the PRC, countries subject to United Nations sanctions, industries involving the export of products and technologies restricted by the PRC, or industries that may affect the interests of more than one country (region), the overseas investment shall be subject to administration by approval.

II. Laws and Regulations Relating to Safe Production

According to the PRC Work Safety Law (《中華人民共和國安全生產法》) promulgated by the Standing Committee of the National People's Congress (the "SCNPC") on June 29, 2002, latest revised on June 10, 2021 and effective on September 1, 2021, production and operating business entities must establish the all-staff work safety responsibility system and work safety rules and regulations, and improve the working environment and conditions for workers in a planned and systematic way. Producers and business operators shall provide their employees with education and training on work safety to ensure that the employees acquire the necessary knowledge about work safety, are familiar with the relevant rules for work safety and safe operating procedures, master the safety operating skills for their posts, understand the emergency handling measures for accidents, and are aware of their rights and obligations in respect of work safety. No employee who fails to pass the examination after receiving education and training on work safety may be assigned to work. The emergency administration under the State Council and its local counterparts are responsible for supervision and control over work safety.

III. Laws and Regulations Relating to Radiation Safety

According to the Law of the PRC on Prevention and Control of Radioactive Pollution (《中華人民共和國放射性污染防治法》) promulgated by the SCNPC on June 28, 2003 and came into effect on October 1, 2003, an entity producing, selling or using radioisotope and ray devices shall, in accordance with the relevant provisions of the State Council on prevention of radioactivity from the radioisotope and ray devices, apply to obtain a permit, and make registration accordingly. An entity producing, selling, using or storing radioactive sources shall set up a sound and safe security system, designate specialized personnel to be responsible for the system, ensure the implementation of the system of accountability for safety, and formulate the necessary measures for addressing emergencies in accidents.

According to the Regulation on the Security and Protection of Radioisotope and Radioactive Ray Devices (《放射性同位素與射線裝置安全和防護條例》) promulgated by the State Council on September 14, 2005, last amended on March 2, 2019 and came into effect on the same day, and the Measures for Administration of the Safety Licensing of Radioactive Isotopes and Radioactive Equipment (《放射性同位素與射線裝置安全許可管理辦法》) last amended by the former Ministry of Environmental Protection on January 4, 2021 and came into effect on the same day, any entity producing, selling or using radioisotopes or radiation-emitting devices shall obtain a radiation safety license.

IV. Laws and Regulations Relating to Environmental Protection

According to the PRC Environmental Protection Law (《中華人民共和國環境保護法》) promulgated by the SCNPC on December 26, 1989, last amended on April 24, 2014 and came into effect on January 1, 2015, any entity that discharges or will discharge pollutants in the course of operation or other activities must implement effective environmental protection measures to control and properly handle hazardous substances such as waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation generated in the course of such activities. The State implements a pollutant discharge permit management system in accordance with the PRC Environmental Protection Law.

1. Laws and Regulations on Construction Projects

According to the PRC Environmental Impact Assessment Law (《中華人民共和國環境影響評價法》) amended by the SCNPC on December 29, 2018 and came into effect on the same day, the Regulation on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) amended by the State Council on July 16, 2017 and came into effect on October 1, 2017, and the Interim Measures for Environmental Protection Acceptance Inspection Upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the former Ministry of Environmental Protection on November 20, 2017 and came into effect on the same day, the PRC implements an environmental impact assessment system for construction projects. Prior to the commencement of a construction project, the construction entity must submit an environmental impact report, an environmental impact statement for approval, or an environmental impact registration form for record filing, as required by the competent environmental protection administrative department under the State Council. Furthermore, upon completion of a construction project for which an environmental impact report or statement has been prepared, the construction entity must conduct an acceptance inspection of the supporting environmental protection facilities in accordance with the standards and procedures prescribed by the competent environmental protection administrative department under the State Council and prepare an acceptance report. For projects constructed or put into operation in phases, the corresponding environmental protection facilities must undergo phased acceptance inspections. The construction project may only be put into production or use after the supporting environmental protection facilities have passed the acceptance inspection. Facilities that have not undergone or failed the acceptance inspection are prohibited from being put into production or use.

2. Laws and Regulations on Atmospheric Pollution

According to the PRC Atmospheric Pollution Prevention and Control Law (《中華人民共和國大氣污染防治法》) promulgated by the SCNPC on September 5, 1987, last amended on October 26, 2018 and came into effect on the same day, enterprises, public institutions, and other business entities shall, according to relevant provisions and monitoring norms of the state, monitor the industrial waste gases and the toxic and hazardous atmospheric pollutants listed in the catalogue mentioned in Article 78 of the PRC Atmospheric Pollution Prevention and Control Law they have discharged, and preserve the original monitoring records. Enterprises and public institutions discharging industrial waste gases or the toxic or hazardous atmospheric pollutants listed in the aforementioned catalogue and other entities subject to pollutant discharging licensing administration shall obtain a pollutant discharge license.

3. Laws and Regulations on Solid Waste

According to the Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) promulgated by the SCNPC on October 30, 1995, which was last amended on April 29, 2020 and came into effect on September 1, 2020, any entity or individual that produces, collects, stores, transports, utilizes, or disposes solid wastes shall take measures to prevent or reduce environmental pollution caused by solid wastes, and be liable for resultant environmental pollution in accordance with the law. In addition, construction projects where solid wastes are generated or projects for storage, utilization or disposal of solid wastes shall be subject to environmental impact assessment in accordance with the law.

4. Laws and Regulations on Water Pollution

According to the PRC Water Pollution Prevention and Control Law (《中華人民共和國水污染防治法》) promulgated by the SCNPC on May 11, 1984, which was last amended on June 27, 2017 and came into effect on January 1, 2018, an enterprise or public institution or other business entity which directly or indirectly discharges industrial waste water or medical sewage to waters or waste water or sewage that may be discharged after a pollutant discharge license has been obtained as required shall obtain a pollutant discharge license.

5. Laws and Regulations on Noise Pollution

According to the Law of the PRC on Prevention and Control of Pollution From Noise (《中華人民共和國噪聲污染防治法》) promulgated by the SCNPC on December 24, 2021 and came into effect on June 5, 2022, the

emission of noise and generation of vibration shall comply with the noise emission standards, the relevant ambient vibration control standards and the requirements of relevant laws, regulations and rules.

6. Laws and Regulations on Pollution Permit

According to the Regulation on the Administration of Pollutant Discharge Licensing (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and came into effect on March 1, 2021, enterprises, business units and other producers and operators that implement the pollutant discharge licensing management shall discharge pollutants according to the requirements of the pollutant discharge license, and shall not discharge pollutants without obtaining the pollutant discharge license. The competent environmental protection authorities impose various administrative penalties on individuals or enterprises in violation of the PRC Environmental Protection Law.

According to the Regulations on Urban Drainage and Sewage Treatment (《城鎮排水與污水處理條例》) promulgated by the State Council on October 2, 2013 and effective as of January 1, 2014, as well as the Administrative Measures for the Permit of Urban Sewage Discharge into Drainage Networks (《城鎮污水排入排水管網許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on January 22, 2015, which was revised on December 1, 2022 and came into effect on February 1, 2023, enterprises, public institutions, and individual businesses engaged in industrial, construction, catering, medical, and other activities that discharge sewage into urban drainage facilities must apply for and obtain a permit for sewage discharge into the drainage network from the urban drainage authority.

V. Laws and Regulations Relating to Fire Prevention

According to the PRC Fire Prevention Law (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, last amended and implemented on April 29, 2021, the Emergency Management Authority of the State Council and its local counterparts at or above the county level shall monitor and administer the fire prevention affairs, and the fire prevention design or construction of a construction project must conform to the national fire prevention technical standards.

According to the Interim Provisions on the Administration of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, last amended on August 21, 2023 and effective on October 30, 2023, special construction projects as defined under the Interim Provisions shall conduct fire protection design review and fire protection acceptance inspection, construction projects other than such special construction projects shall file protection acceptance of the project with competent authority.

VI. Laws and Regulations Relating to Product Quality

According to the PRC Product Quality Law (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993, latest revised on December 29, 2018 and effective on the same day, producers and sellers shall establish a sound internal product quality control system, strictly implement a quality responsibility regime covering both quality standards and liabilities, and adopt corresponding examination and inspection measures. The following acts are expressly prohibited: (i) counterfeiting or unauthorized imitation of quality certification marks; (ii) falsification of product origin; (iii) forgery or unauthorized use of another manufacturer's name or address; (iv) adulteration during production or sale; and (v) fraudulent substitution of genuine products with counterfeit ones or inferior products with superior ones.

Any manufacturer or seller violating the PRC Product Quality Law shall be subject to (i) administrative penalties including but not limited to production/sales suspension, rectification orders, confiscation of non-compliant products, monetary fines, forfeiture of illegal gains, and in severe cases, business license revocation; and (ii) criminal prosecution where the violation constitutes a criminal offense.

VII. Laws and Regulations Relating to Import and Export of Goods

According to the PRC Foreign Trade Law (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994, amended and implemented on December 30, 2022, since December 30, 2022, no registration of

foreign trade operators is required. The PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations. Before December 30, 2022 a foreign trade operator who is engaged in the import and export of goods or technologies shall process the filing and registration with the foreign trade authority under the State Council or its entrusted agencies, unless otherwise provided by the laws, administrative regulations and requirements of the foreign trade authority under the State Council. Where a foreign trade operator fails to do so, Customs shall not handle the formalities for declaration and clearance of the goods imported or exported by the operator.

According to the PRC Customs Law (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987, last amended on April 29, 2021 and effective on the same day, the Customs of the People's Republic of China is the entry and exit customs supervision and administration authority of the PRC. According to the relevant laws and administrative regulations, the Customs supervises the transportation vehicles, goods, luggage, postal articles, and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and counters smuggling, compiles customs statistics, and handles other customs operations.

According to the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and effective as of January 1, 2022, the consignee or consignor of imported or exported goods or a customs brokers, as filed with the customs may undergo customs declaration within the customs territory of the PRC. Where a consignee or consignor of imported or exported goods or a customs brokers applies for filing, it shall obtain the qualification of market entities.

VIII. Laws and Regulations Relating to Tendering and Bidding

According to the PRC Tendering and Bidding Law (《中華人民共和國招標投標法》) promulgated by the SCNPC on August 30, 1999, amended on December 27, 2017 and effective from December 28, 2017, tenderers shall not collude with each other in setting bidding prices, nor shall they exclude other tenderers from fair competition and harm the lawful rights and interests of the tenderee and other tenderers. Tenderers shall not participate in the bidding competition by offering a price lower than the cost, nor shall they attempt to win the bid in the name of other persons or through other fraudulent means.

According to the Implementation Regulations for the PRC Tendering and Bidding Law (《中華人民共和國招標投標法實施條例》) which was promulgated by the State Council on December 20, 2011 and amended on March 1, 2017, March 19, 2018 and March 2, 2019 respectively, where the tender invitation and bidding activities of a project required by law to call for tenders violate the provisions of the PRC Tendering and Bidding Law and such regulations, and have a substantive influence on the outcome of award of tender, if it is impossible to adopt remedial measures to rectify the tender invitations, the bidding and award of tender shall be void, and the tender exercise or bid evaluation shall be organized anew pursuant to the law.

IX. Laws and Regulations Relating to Land and Construction

1. Laws and Regulations on Land Use Rights

According to the PRC Land Administration Law (《中華人民共和國土地管理法》) which was promulgated by the SCNPC on June 25, 1986 and latest amended on August 26, 2019, and the Regulations for the Implementation of the PRC Land Administration Law (《中華人民共和國土地管理法實施條例》) which was promulgated by the State Council on December 27, 1998 and latest revised on July 2, 2021, the land in the PRC is either State-owned or collectively-owned. Except for land which is legally owned by the State or has been expropriated as State-owned according to law, all of the land is collectively-owned. The State-owned land use rights may be used by third parties through grant, allocation, lease, capital contribution and other forms. Third parties who have obtained the State-owned land use rights may legally use, profit from and dispose of the State-owned land use rights within the statutory term of use and scope of planned uses.

2. Laws and Regulations on Construction Permit

According to the PRC Construction Law (《中華人民共和國建築法》) which was promulgated by the SCNPC on November 1, 1997 and latest amended and implemented on April 23, 2019, and the Measures for the Administration of Construction Permits for Construction Projects (《建築工程施工許可管理辦法》) which was promulgated by the Ministry of Housing and Urban-Rural Development on June 25, 2014 and latest amended and implemented on March 30, 2021, the construction entity shall apply for a construction permit after obtaining the construction project planning permit, and then start construction.

X. Laws and Regulations Relating to Employment and Labour Security

1. Laws and Regulations on Labour Contracts

According to the PRC Labour Law (《中華人民共和國勞動法》) which was promulgated by the SCNPC on July 5, 1994 and amended on August 27, 2009 and December 29, 2018 respectively, enterprises shall establish and improve their system of work place safety and sanitation, strictly comply with state rules and standards on workplace safety, and provide employees with training on labor safety and sanitation. Labour safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with a safe workplace and sanitation conditions that are in compliance with the relevant laws and regulations of labour protection.

The PRC Labour Contract Law (《中華人民共和國勞動合同法》), which was promulgated on June 29, 2007, amended on December 28, 2012 and became effective on July 1, 2013, and the Implementation Rules of the PRC Labour Contract Law (《中華人民共和國勞動合同法實施條例》) promulgated and implemented on September 18, 2008, set out specific provisions in relation to the execution, the terms and the termination of a labour contract and the rights and obligations of the employees and employers, respectively. At the time of hiring, the employers shall truthfully inform the employees of the scope of work, working conditions, working place, occupational hazards, work safety, salary, and other matters that the employees request to be informed about.

2. Laws and Regulations on Dispatched Workers

According to the Interim Provisions on Labour Dispatch (《勞務派遣暫行規定》) issued on January 24, 2014 and implemented on March 1, 2014 by the Ministry of Human Resources and Social Security, employers may only use dispatched workers for temporary, ancillary, or substitute positions. The aforementioned temporary positions shall mean positions lasting for no more than six months; ancillary positions shall mean positions of non-major business that serve positions of major business; and substitute positions shall mean positions that can be substituted by other workers for a certain period of time during which the workers who originally held such positions are unable to work as a result of full-time study, being on leave or other reasons. According to the Interim Provisions on Labour Dispatch, the employers should strictly control the number of dispatched workers, and the number of dispatched workers shall not exceed 10% of the total amount of their employees (including the aggregate number of employees and dispatched workers).

3. Laws and Regulations on Social Insurance and Housing Provident Fund

According to the PRC Social Insurance Law (《中華人民共和國社會保險法》) last amended by the SCNPC and effective as of December 29, 2018, and the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》) last amended by the State Council and effective as of March 24, 2019, as well as other relevant laws and regulations, employers in PRC are obligated to provide employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance, and housing provident fund. In addition, any employer that fails to make contributions to the aforementioned social insurance and housing provident fund as required may be ordered to pay the outstanding contributions within a prescribed time limit. If the employer fails to comply within the specified period, a fine may be imposed. For overdue contributions, the people's court may enforce collection.

The Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which came into

force on September 1, 2025, provides that where the employer and the laborer agree, or the laborer promises the employer, that there is no need to pay social insurance premiums, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to pay social insurance premiums in accordance with the law, and the laborer requests to terminate the labor contract and for the employer to pay economic compensation in accordance with the Labor Contract Law, the people's court shall support such claim in accordance with the law. Where the preceding circumstances exist, and the employer, after making up the social insurance premiums in accordance with the law, requests the laborer to return the social insurance compensation already paid, the people's court shall support such claim in accordance with the law. The aforementioned Interpretation II reiterates the position that a worker's waiver of social insurance rights is invalid. Any agreement or declaration in which a worker abandons or purports to abandon social insurance rights shall be deemed invalid. Workers remain entitled to the statutory benefits and compensations stipulated in the Labor Contract Law.

4. Laws and Regulations on Prevention and Control of Occupational Diseases

According to the provisions of the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) promulgated by the SCNPC on October 27, 2001, which was subsequently amended on December 31, 2011, July 2, 2016, November 4, 2017 and December 29, 2018, the employer shall provide environments and conditions that meet the occupational health standards and health requirements of the State, take measures to ensure occupational health protection for the workers, establish and improve the responsibility system for the prevention and control of occupational diseases, reinforce the management of occupational disease prevention and control, enhance the level of occupational disease prevention and control, and assume responsibility for harms caused by occupational diseases.

XI. Laws and Regulations Relating to Intellectual Property Rights

1. Laws and Regulations on Patent

The PRC Patent Law (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, most recently amended on October 17, 2020 and effective on June 1, 2021, and the Implementing Rules for the PRC Patent Law (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, most recently amended on December 11, 2023 and effective on January 20, 2024, provide for three types of patents: "invention", "utility model" and "design". "Invention" refers to any new technical solution in relation to a product, or a process or improvement thereof; "utility model" refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; "design" refers to a new design that is aesthetic and suitable for industrial application for the overall or partial shape, pattern or its combination of products, as well as the combination of color, shape and pattern. The validity period of a patent for an "invention" is 20 years, while the validity period of a patent for a "utility model" is 10 years, and that of a "design" is 15 years, from the date of application.

2. Laws and Regulations on Trademark

Registered trademarks are protected under the PRC Trademark Law (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982, most recently amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the PRC Trademark Law (《中華人民共和國商標法實施條例》), which was last amended by the State Council on April 29, 2014 and came into effect on May 1, 2014. Where registration is sought for a trademark that is identical or similar to another trademark that has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of this trademark may be rejected. Trademark registrations are effective for 10 years, which may be renewed for consecutive 10-year periods upon request by the trademark owner, unless otherwise revoked.

3. Laws and Regulations on Copyright

According to the PRC Copyright Law (《中華人民共和國著作權法》), last amended by the SCNPC on November 11, 2020 and effective as of June 1, 2021, works of Chinese citizens, legal persons, or unincorporated

organizations — defined as intellectual achievements in the fields of literature, art, and science that are original and can be expressed in a certain form, whether published or not — are entitled to copyright protection in accordance with the law. Copyright encompasses a series of personal and property rights, including but not limited to the right of publication, the right of authorship, the right of modification, the right to protect the integrity of the work, and the right of reproduction.

According to the Measures for the Computer Software Copyright Registration (《計算機軟件著作權登記辦法》) last amended on June 18, 2004 and effective as of July 1,2004, and the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and effective as of March 1, 2013, the National Copyright Administration is the competent governmental authority responsible for the nationwide administration of software copyright registration. The China Copyright Protection Center is designated as the software registration authority, which shall issue registration certificates to computer software copyright applicants in accordance with the Measures for the Computer Software Copyright Registration and the Regulations on the Protection of Computer Software.

4. Laws and Regulations on Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology (the "MIIT") on August 24, 2017 and effective on November 1, 2017, the MIIT supervises and administers domain services nationwide. The principle of "first come, first served" is followed for the domain name registration service. Applicants of domain name registration shall provide the domain name registration authority with true, accurate, and complete information about the identity of the domain name holder for registration purposes, and sign a registration agreement with it. After completing the domain name registration, the applicant becomes the holder of such domain name.

XII. Laws and Regulations Relating to Tax

1. Laws and Regulations on Enterprise Income Tax

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) promulgated by the SCNPC on March 16, 2007, most recently amended on December 29, 2018 and effective on the same day, and the Implementation Regulations for the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, most recently amended on December 6, 2024 and effective on January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises that are set up in the PRC in accordance with the law, or that are set up in accordance with the law of a foreign country (region) whose actual administrative institution is in the PRC. Non-resident enterprises are enterprises that are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in the PRC, but which have institutions or establishments in the PRC, or have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced to 20% for qualified small and micro-sized enterprises. Enterprises that are recognised as high-tech enterprises in accordance with the Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) are entitled to enjoy the preferential enterprise income tax rate of 15%.

2. Laws and Regulations on Value-Added Tax

According to the PRC Value-Added Tax Law （《中華人民共和國增值稅法》）, which was promulgated by the SCNPC on December 25, 2024 and effective on January 1, 2026, all entities and individuals engaged in sale of goods or provision of processing, repair and maintenance services or importation of goods in Chinese mainland are subject to the Value-Added Tax (the "VAT"). Unless otherwise specified, the VAT rate is generally 13% in respect of the sale or importation of goods by taxpayers.

XIII. Laws and Regulations Relating to Cybersecurity and Data Security

On November 7, 2016, the SCNPC promulgated the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) which was amended on October 28, 2025 and became effective on January 1, 2026 and applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the PRC Cybersecurity Law, network operators shall comply with laws and regulations and fulfill the obligations to safeguard the security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data, and network operators shall not collect the personal information irrelevant to the services provided, or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》) which became effective on September 1, 2021. The PRC Data Security Law mainly sets forth specific provisions regarding the establishment of basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency response system. In addition, the PRC Data Security Law clarifies the data security protection obligations of organizations and individuals carrying out data activities and implements data security protection responsibilities.

On December 28, 2021, the Cyberspace Administration of China (the "CAC") and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) which became effective on February 15, 2022. The Measures for Cybersecurity Review provides that, among others, (i) critical information infrastructure operators that purchase network products and services or network platform operators that engage in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) network platform operators with personal information data of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the enterprise's network products or services, or data processing activities affect or may affect national security.

On September 24, 2024, the State Council published the Network Data Security Management Regulation (《網絡數據安全管理條例》) which became effective on January 1, 2025, stipulate that the network data handlers shall be subject to national security review if their network data handling activities affect or may affect national security, and it provides no further explanation or interpretation as to how to determine what constitutes "affecting national security". In addition, the Network Data Security Regulations requires network data handlers handling personal information involving over 10 million individuals to comply with certain regulations on important data handlers, including, among others, specifying the person in charge of network data security and the management organization for network data security, and conducting security background review of the person in charge of network data security and personnel in key positions and strengthen the training for the relevant personnel when controlling important data of specific type and scale specified by the relevant competent authority.

XIV. Laws and Regulations Relating to Overseas Securities Offering and Listings

1. Laws and Regulations on Overseas Securities Offering and Listings

On February 17, 2023, China Securities Regulatory Commission (the "CSRC") released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures") together with 5 supporting guidelines (together with the Trial Measures, collectively referred to as the "New Regulations on Filing"), which was implemented on March 31, 2023. Under New Regulations on Filing, an enterprise within the PRC that directly or indirectly issues securities overseas or lists and deals in its securities overseas shall comply with the laws, administrative regulations and relevant national rules on foreign investment, state-owned assets management, industrial

supervision, overseas investment, cyber security, and data security etc., and shall not disturb the domestic market order or do harm to national interests, social public interests, and the legitimate rights and interests of domestic investors.

An issuer seeking an overseas initial public offering or listing shall, within 3 working days after submitting the issuance and listing application documents overseas, file a registration with the CSRC and submit the filing report, legal opinions, and other relevant documents, ensuring a true, accurate, and complete description of shareholder information. Once the filing documents are complete and comply with the stipulated requirements, the CSRC will, within 20 working days of receiving such documents, conclude the review procedure and publish the filing results on its official website. If the filing documents are incomplete or do not conform to the stipulated requirements, the CSRC will, within 5 working days of receiving the filing documents, request supplementary materials. The issuer shall provide the additional documents within 30 working days. During the review of the filing documents, the issuer may encounter circumstances that are prohibited under the regulations governing overseas offerings and listings. In such cases, the CSRC may seek opinions from the relevant competent authorities of the State Council.

On February 24, 2023, the CSRC and other three relevant government authorities jointly published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Archives Rules"), which became effective from March 31, 2023. The Archives Rules requires that, in relation to the overseas listing activities of domestic enterprises, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with the relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. Under the Archives Rules, the "domestic enterprises" refer to the domestic joint stock limited companies listing overseas directly and the domestic operation entities of a non-PRC company listing overseas. According to the Archives Rules, during the course of an overseas offering and listing, if a domestic enterprise needs to publicly disclose or provide to securities companies, accounting firms or other securities service providers and overseas regulators, any materials that contain relevant state secrets, government work secrets or that have a sensitive impact (i.e. be detrimental to national security or the public interest if divulged), the domestic enterprise should complete the relevant approval/filing and other regulatory procedures.

2. Laws and Regulations on Foreign Exchange Management

According to the provisions of the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued and implemented on December 26, 2014, where a joint stock limited company incorporated in the PRC issues shares overseas and is publicly listed and outstanding on overseas exchanges upon the approval by the CSRC, it shall, within 15 business days after the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment, and present its certificate of overseas listing to open a "special account for overseas listing of domestic company" at a local bank to handle the exchange, remittance and transfer of funds for the business concerned. The proceeds raised by the domestic companies through overseas listing may be remitted to the domestic account or deposited in an overseas account, provided that the use of the proceeds shall be consistent with the content of the document and other public disclosure documents.

Meantime, where a domestic shareholder of a domestic company intends to decrease his/her overseas listed shares in accordance with relevant regulations following the overseas listing of the domestic company, such domestic shareholder shall register with the State Administration of Foreign Exchange (the "SAFE") branch in the place of domicile of the shareholder within 20 working days after the decrease of shares to obtain the business registration certificate; where a domestic shareholder of the domestic company intends to increase his/her overseas listed shares in accordance with relevant regulations, the shareholder shall, after obtaining the approval, filing, or no-objection letter from the relevant regulatory authorities regarding the increase in shareholdings (except where such documents are not required under applicable regulations), register with the SAFE branch in the place of domicile of the shareholder within 20 working days before the increase of shares to obtain the business registration certificate.

OVERVIEW

We are one of the largest manufacturers of heat-shrinkable materials and telecoms cable products in the world, enjoying rapid growth in line with strong expansion of high-speed data communication and electrical power transmission industries in recent years. Our history traces back to 1998 when our Company was established. In September 2004, our Company was converted into a joint stock company and was renamed as Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (深圳市沃爾核材股份有限公司). Since 2007, our A Shares have been listed on the Shenzhen Stock Exchange with the stock code 002130.

High-speed copper cables are core components of high-speed data communication. In particular, our high-speed copper cables enable high-speed connection between functional modules in computing centers, increasing intra-cluster data transfer efficiency while ensuring optimized energy consumption and strong reliability. This effectively promoted rapid deployment of quality infrastructures driving expansive application of LLMs across different industries.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our Group's key corporate and business development milestones:

1998	Our Company was established.
2002	We officially started producing cable accessories.
2004	Our Company was converted into a joint stock company with limited liability.
2007	Our A Shares were listed on the Shenzhen Stock Exchange (stock code: 002130).
2013	We acquired LTK Electric Wire (Huizhou) Ltd. (惠州樂庭智聯科技股份有限公司), thereby extending our industrial chain and optimizing our industrial system.
2014	Our subsidiary, Shanghai Keter New Materials Co., Ltd., was listed on the NEEQ (stock code: 831474).
2016	Our subsidiary, Shenzhen Woer New Energy Electric Technology Co., Ltd. (深圳市沃爾新能源電氣科技股份有限公司), completed its equity restructuring, marking our entry into the new energy vehicle industry.
2018	We acquired 75% equity interests in CYG Electronics, which is primarily engaged in the manufacturing and sale of electronic material products.
2019	Our manufacturing base in Vietnam was completed, expanding our Group's overseas manufacturing presence.
2020	We became a company in the heat-shrinkable industry to obtain authorization as a "UL Witness Testing Laboratory." (UL目擊測試實驗室授權) We were recognized as a "Shenzhen Key Enterprise Research Institute." (深圳市重點企業研究院)
2023	Our crosslinked heat-shrinkable products were recognized as Guangdong Province's Manufacturing Single Champion Products. We were honored as a "National Intellectual Property Demonstration Enterprise." (國家知識產權示範企業)
2024	We completed the development of 224G single-channel high-speed copper cables, which served as the basis for initiating mass production. We also launched mass production of 800G multi-channel high-speed copper cables. We completed the development of 1600G multi-channel high-speed copper cables.

2025 We completed the development of nuclear safety-class cable terminal heat-shrinkable accessories with an 80-year service life for nuclear power plants and obtained the certificate of scientific and technological achievement appraisal for this accomplishment.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Incorporation of our Company

Our Company, then known as Shenzhen Woer Heat-shrink Materials Co., Ltd. (深圳市沃爾熱縮材料有限公司), was established in the PRC on June 19, 1998 as a limited liability company with an initial registered capital of RMB1,000,000. At the time of establishment, our Company was owned as to 45% by our executive Director and chairperson, Mr. Zhou, and an aggregate of 33% by his associates at the relevant time respectively. Mr. Zhou had remained as our Company's largest shareholder since then. For details of the background of Mr. Zhou, see "Directors and Senior Management".

Conversion of joint stock company and Listing on the Shenzhen Stock Exchange

In September 2004, our Company was converted from a limited liability company to a joint stock limited company with registered capital of RMB40,350,000.

In 2007, we completed the listing of our A shares on the Shenzhen Stock Exchange (stock code: 002130) (the "**A Share Listing**"). In the A Share Listing, we issued an aggregate of 14,000,000 A Shares, accounting for approximately 25.76% of our Company's share capital immediately following the A Share Listing. Following the A Share Listing, Mr. Zhou held approximately 55.70% of our Company's total issued Shares at the time, while his associates at the relevant time held approximately an aggregate of 16.12% of our Company's total issued Shares.

Bonus Issues from 2008 to 2010

In 2008, 2009 and 2010 respectively, the Company completed the following bonus issues to the then existing Shareholders by way of conversion of capital reserve:

Completion Date	Bonus ratio
May 6, 2008	10 new A Shares for every 10 existing A Shares
June 2, 2009	5 new A Shares for every 10 existing A Shares
June 8, 2010	5 new A Shares for every 10 existing A Shares

Rights Issue in 2011

On June 3, 2011, the Company completed a rights issue on the basis of two new A Shares for every 10 Shares held by the shareholders of the Company on the record date (the "**Rights Issue**"). 46,311,345 A Shares were subscribed.

Bonus issues in 2012 and 2013

In 2012 and 2013 respectively, the Company completed the following bonus issues to the then existing Shareholders by way of conversion of capital reserve:

Completion Date	Bonus ratio
June 1, 2012	5 new A Shares for every 10 existing A Shares
May 24, 2013	3 new A Shares for every 10 existing A Shares

Non-Public Issuance of A Shares to Investors in 2016

To advance our growth into the electrical power sector, on October 31, 2016, the Company completed the non-public issuance of 54,340,622 A Shares, representing approximately 8.71% of our Company's share capital immediately following the non-public issuance of A Shares. These A Shares were issued to five investors, all of whom, to the best knowledge of our Directors, were Independent Third Parties.

Bonus issue in 2017

On May 15, 2017, the Company completed the bonus issues to the then existing Shareholders by way of conversion of capital reserve at the ratio of 10 new A Shares for every 10 existing A Shares.

Issuance and Repurchase of Shares Relating to Employee Incentive Schemes

Other than the major shareholding changes in the Company as disclosed above, pursuant to the Employee Incentive Schemes and relevant administration measures, the Company also from time to time issued and allotted Shares to eligible participants or repurchased and canceled certain Shares. For the details of the Employee Incentive Schemes, please refer to "—Employee Incentive Schemes" under this section and "Appendix IV —Statutory and General Information—Employee Incentive Schemes."

POTENTIAL SPIN-OFF

Having considered, amongst others, the market conditions, financing needs and development of the subsidiaries and business, we intend to spin off Shanghai Keter and retain the possibility to spin off Huizhou LTK and Woer New Energy ("**Spin-off Businesses**").

We have commenced the preliminary preparatory work for the spin-off of Shanghai Keter. As advised by our PRC Legal Adviser, such preliminary preparatory work did not constitute a listing application. As of the Latest Practicable Date, Shanghai Keter had not submitted any A share listing application to any recognized stock exchange in the PRC.

In addition, our Company wishes to retain the possibility to spin-off Huizhou LTK and Woer New Energy within three years after the Listing, and does not currently have any detailed plan in relation to such potential spin-off.

The Spin-off Businesses will be subject to compliance with all applicable requirements of the Hong Kong Listing Rules including, without limitation, the Practice Note 15, unless otherwise waived by the Hong Kong Stock Exchange. We have obtained from the Hong Kong Stock Exchange a waiver from strict compliance with the three-year restriction requirement under paragraph 3(b) of Practice Note 15 in relation to the potential spin-offs of Shanghai Keter, Huizhou LTK and Woer New Energy. The potential spin-offs will remain subject to other requirements of the Practice Note 15. Notwithstanding the above, the Spin-off Businesses remain highly uncertain and could be subject to material changes in the future.

EMPLOYEE INCENTIVE SCHEMES

Since our A Share Listing, we adopted share incentive plans in 2011 and 2017 (the "**Share Incentive Plans**") to attract and retain talents and to motivate our employees. Under these Share Incentive Plans, a total of 14,604,275 restricted A Shares (adjusted after taking into account the bonus issues and rights issue of the Company) were granted, of which 8,362,351 were vested and the remaining restricted A Shares were canceled. The restricted A Shares granted under the Share Incentive Plans were held by the grantees directly and each grantee controlled the voting rights attached to the restricted A Shares granted to him. Furthermore, 51,543,350 A Share Options (adjusted after taking into account the bonus issues and rights issue of the Company) were granted, of which 3,472,411 A Share Options were exercised while the remainder either lapsed or were canceled. As of the Latest Practicable Date, no outstanding A Share Options or restricted A Shares remained to be granted or vested under these Share Incentive Plans.

In April 2025, the Shareholders adopted the 2025 Share Option Scheme to grant up to 8,233,800 options to our employees to subscribe our A Shares. These options have a vesting period of at least 12 months since the date of grant and the source of A Shares were from the treasury A Shares when the grantees exercised. As of the Latest Practicable Date, 466 employees have been granted outstanding options under the 2025 Share Option Scheme in respect of an aggregate 8,089,700 A Shares, representing approximately 0.58% of the total issued Shares immediately after the completion of the Global Offering (including treasury A Shares, and assuming the options granted under the 2025 Share Option Scheme are not exercised). The Company confirms that no other options would be granted under the 2025 Share Option Scheme. The remaining 96,400 options, representing 96,400 underlying A Shares, will remain in the treasury account for future employee incentive purpose, if any.

In April 2025, the Shareholders also adopted the 2025 Restricted Share Scheme to grant up to 3,324,600 restricted A Shares to eligible participants. As of the Latest Practicable Date, 3,281,400 restricted A Shares were granted to our employees, of which 240,000 restricted A Shares were granted to our Directors. These restricted A Shares were satisfied using treasury A Shares, all of which had been transferred to the designated stock account of the Company for the administration of the 2025 Restricted Share Scheme as of the Latest Practicable Date. The Company confirms that no other restricted A Shares would be granted under 2025 Restricted Share Scheme. The remaining 43,200 restricted A Shares will remain in the treasury account for future employee incentive purpose, if any. The restricted A Shares are subject to a minimum lock-up period of 12 months. The 2025 Restricted Share Scheme is administered by a committee, whose members are elected by the participants of the scheme and consist of employees who are Independent Third Parties, which controls the voting rights attached to the restricted A Shares granted under the 2025 Restricted Share Scheme.

For the details of the 2025 Share Option Scheme and the 2025 Restricted Share Scheme, please refer to the section headed "5. Employee Incentive Schemes" in Appendix IV to this prospectus.

OUR SINGLE LARGEST SHAREHOLDER

As of the Latest Practicable Date, Mr. Zhou directly holds 139,563,801 A Shares, representing approximately 11.08% of the total issued Shares our Company (including 10,283,600 treasury A Shares). In addition, Mr. Zhou and Ms. Yi Huarong, Mr. Zhou's spouse and an executive Director, who are the only beneficial owners of the Tongyi Funds, are interested in 50,000,000 A Shares, representing approximately 3.97% of the total issued Shares of our Company (including 10,283,600 treasury A Shares), through the Tongyi Funds. As such, as of the Latest Practicable Date, each of Mr. Zhou and Ms. Yi Huarong is interested in 189,563,801 A Shares, representing approximately 15.05% of the total issued Shares of our Company (including 10,283,600 treasury A Shares), and Mr. Zhou, Ms. Yi and the Tongyi Funds constitute a group of single largest shareholder of the Company. For details, see "Substantial Shareholders".

MAJOR SUBSIDIARIES

As of the Latest Practicable Date, our Group comprised our Company and our 73 subsidiaries. For details, see Note 1 to the Accountants' Report as set out in Appendix I to this prospectus. Details of our Major Subsidiaries are set out as below.

Name of company	Principal business activities	Date of establishment	Approximate Equity Interest attributable to our Group
Shenzhen Heat-Shrinkable	R&D, production and sales of products	August 10, 2018	100%
Huizhou LTK[(2)]	R&D, production and sales of products	January 4, 1988	94.32%[(1)]
Changzhou Woer	R&D, production and sales of products	November 10, 2010	100%

Name of company	Principal business activities	Date of establishment	Approximate Equity Interest attributable to our Group
Dongguan Changyuan[2]	R&D, production and sales of products	February 14, 2014	100%
Woer New Energy	R&D, production and sales of products	December 2, 2003	76.71%[1]
Changzhou LTK	R&D, production and sales of products	July 23, 2013	94.32%[1]
Shanghai Changyuan	R&D, production and sales of products	July 17, 2000	100%
Shanghai Keter[2]	R&D, production and sales of products	August 28, 1997	78.76%[1]
Qingdao Wind Power	Wind power development, construction and operation	June 22, 2011	100%
Shenzhen Orbit[2]	R&D, production and sales of products	September 19, 2005	62.90%[1]

Notes:

(1) For the information of the minority shareholders, see notes under "—Our Shareholding and Corporate Structure Immediately Before the Global Offering";

(2) We completed the acquisition of Huizhou LTK, Dongguan Changyuan, Shanghai Keter, and Shenzhen Orbit in January 2013, June 2018, February 2008, and March 2016, respectively. Since the respective dates of completion, the financial statements of Huizhou LTK, Dongguan Changyuan, Shanghai Keter, and Shenzhen Orbit have been consolidated into our Group. Save as disclosed above, the remaining major subsidiaries were established by the Group.

The Company held majority equity interests in the above Major Subsidiaries throughout the Track Record Period. All of the Major Subsidiaries were established in the PRC.

See "Appendix IV—Statutory and General Information—Further Information about Our Company and Our Major Subsidiaries" for more details on share capital changes of the Major Subsidiaries.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any material acquisitions or disposals that would require disclosure under applicable rules.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE LISTING ON THE STOCK EXCHANGE

Since 2007, our Company has been listed on the Shenzhen Stock Exchange. During the Track Record Period and up to the Latest Practicable Date, our Directors confirmed that we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Adviser are of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with our Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

Our Company seeks to be listed on the Hong Kong Stock Exchange in order to further advance our internationalization strategy, optimize our global production capacity layout, strengthen our core

competitiveness, and improve our operational and management capabilities. See "Business—Development Strategies" and "Future Plans and Use of Proceeds" for more details.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Pursuant to Rule 8.08(1) (as amended and replaced by Rule 19A.13A of the Listing Rules) of the Listing Rules, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3.0 billion.

Assuming that (i) 139,988,800 H Shares are allotted and issued in the Global Offering and none of which will be allocated to any core connected person of our Company, (ii) the options granted under the 2025 Share Option Scheme are not exercised, and (iii) 1,249,614,962 A Shares (excluding treasury shares) are in issue and outstanding upon completion of the Global Offering, 139,988,800 H Shares, will be counted towards the public float. Since all 139,988,800 H Shares, which represents approximately 10.07% of the total issued share capital of our Company, will be counted towards the public float, the Company will satisfy the public float requirement as required under Rule 19A.13A(2)(a) of the Listing Rules. Based on the above, it is expected that our Company will satisfy the public float requirements as required under Rule 19A.13A(2) of the Listing Rules.

Satisfaction of the Free Float Requirement

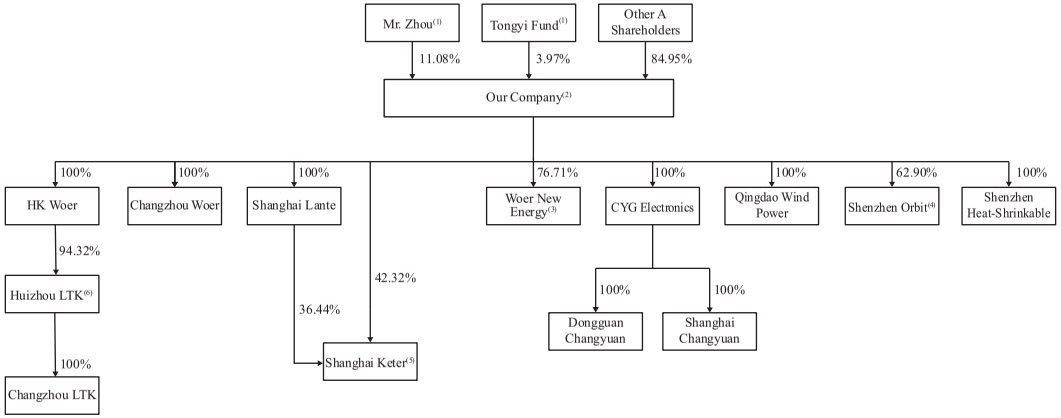
Pursuant to Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50.0 million; or (b) have an expected market value at the time of listing of not less than HK$600.0 million.

Assuming that the options granted under the 2025 Share Option Scheme are not exercised, and that the final Offer Price is fixed at the maximum Offer Price of HK$20.09 per Offer Share, the expected market value of the H shares which are held by the public and not subject to any disposal restrictions at the time of listing amounts to approximately HK$1.8 billion, which is higher than HK$600 million under Rule 19A.13C.

OUR SHAREHOLDING AND CORPORATE STRUCTURE IMMEDIATELY BEFORE THE GLOBAL OFFERING

Shareholding and corporate structure immediately before the Global Offering

The following chart depicts our simplified corporate and shareholding structure immediately prior to the Global Offering (including the 10,283,600 A Shares as treasury shares, and without taking into account any A Shares to be issued upon exercise of the share options granted under the 2025 Share Option Scheme):



Notes:

1. As of the Latest Practicable Date, Mr. Zhou directly held 139,563,801 A Shares, representing approximately 11.08% of the total issued Shares of our Company. Another 50,000,000 A Shares, representing approximately 3.97% of the total issued Shares of our Company, were directly held by Shanghai Tongyi Investment Management Co., Ltd.—Tongyi Qingtong No. 1 Private Securities Investment Fund (上海通怡投資管理有限公司－通怡青桐1號私募證券投資基金) ("**Tongyi No. 1**"), Shanghai Tongyi Investment Management Co., Ltd.—Tongyi Qingtong No. 3 Private Securities Investment Fund (上海通怡投資管理有限公司－通怡青桐3號私募證券投資基金) ("**Tongyi No. 3**"), Shanghai Tongyi Investment Management Co., Ltd.—Tongyi Qingtong No. 6 Private Securities Investment Fund (上海通怡投資管理有限公司－通怡青桐6號私募證券投資基金) ("**Tongyi No. 6**") and Shanghai Tongyi Investment Management Co., Ltd.—Tongyi Furong No. 17 Private Securities Investment Fund (上海通怡投資管理有限公司－通怡芙蓉17號私募證券投資基金) ("**Tongyi No. 17**") with 12,500,000 A Shares each. Tongyi No. 1 was directly and wholly owned by Tongyi No. 3, which was directly held as to 61% and 39% by Mr. Zhou and Ms. Yi Huarong. Tongyi No. 6 was directly and wholly owned by Tongyi No. 17, which was directly held as to 55% and 45% by Mr. Zhou and Ms. Yi Huarong.

2. Including the subsidiaries depicted in this chart, our Company has 73 subsidiaries established in various jurisdictions as of the Latest Practicable Date.

3. As of the Latest Practicable Date, it is owned as to 6.92% by Shenzhen Woxin No. 2 Venture Capital Partnership (Limited Partnership) (深圳市沃新貳號創業投資有限合夥企業（有限合夥）), 6.27% by Shenzhen Woxin No. 1 Venture Capital Partnership (Limited Partnership) (深圳市沃新壹號創業投資有限合夥企業（有限合夥）), 3.72% by Shenzhen Woxin No. 5 Venture Capital Partnership (Limited Partnership) (深圳市沃新伍號創業投資有限合夥企業（有限合夥）), 3.42% by Shenzhen Woxin No. 3 Venture Capital Partnership (Limited Partnership) (深圳市沃新叁號創業投資有限合夥企業（有限合夥）), 0.43% by Shenzhen Woxin No. 6 Investment Partnership (Limited Partnership) (深圳市沃新陸號投資合夥企業（有限合夥）), 2.28% by our executive Director Mr. Zhou, and 0.25% by our executive Director, Ms. Yi Huarong. Shenzhen Woxin No. 2 Venture Capital Partnership (Limited Partnership) (深圳市沃新貳號創業投資有限合夥企業（有限合夥）) is beneficially owned as to approximately 5.20% by Huping (胡平), 3.38% by Peng Huibin (彭惠兵), 5.07% by Li Yanhui (李艷輝), 2.53% by Gao Yufeng (高玉峰), 2.53% by Gao Chenghua (高承華), 2.53% by Zhong Jincheng (鍾金城), 0.84% by Ma Pengfei (馬鵬飛), 0.84% by Huang Lulu (黃璐璐), 1.18% by Kong Jianjun (孔建軍), and 1.86% by Qi Xinghua (祁興華), all of whom are directors, supervisors or general managers in certain of our subsidiaries. Shenzhen Woxin No. 1 Venture Capital Partnership (Limited Partnership) (深圳市沃新壹號創業投資有限合夥企業（有限合夥）) is beneficially owned as to approximately 5.59% by Zhang Weibo (張維波), 5.59% by Zhang Qiang (張強), 2.79% by Wang Yuming (王玉明), 2.61% by Zhou Bailian (周白蓮), 1.49% by Ma Pengfei (馬鵬飛), 5.59% by Lei Xueyin (雷學銀), and 5.59% by Kong Jianjun (孔建軍), all of whom are directors or supervisors or general managers in certain of our subsidiaries. Shenzhen Woxin No. 5 Venture Capital Partnership (Limited Partnership) (深圳市沃新伍號創業投資有限合夥企業（有限合夥）) is beneficially owned as to approximately 3.56% by Ma Pengfei (馬鵬飛), 1.12% by Huping (胡平), 1.02% by Lei Xueyin (雷學銀), 1.02% by Zhang Qiang (張強), 0.18% by Qi Xinghua (祁興華), 0.56% by Kong Jianjun (孔建軍), all of whom are directors, general managers or supervisors in certain of our subsidiaries. Shenzhen Woxin No. 3 Venture Capital Partnership (Limited Partnership) (深圳市沃新叁號創業投資有限合夥企業（有限合夥）) is beneficially owned as to approximately 3.42% by Shao Bibo (邵碧波), 1.71% by Qi Chunjie (戚春杰), 1.71% by our executive Director Deng Yan (鄧艷), 3.42% by Kong Meng (孔蒙), 1.71% by Chen Mianxing (陳綿星), 3.12% by Ma Pengfei (馬鵬飛), 1.91% by Lei Xueyin (雷學銀), 5.13% by Huping (胡平), 0.20% by Kong Jianjun (孔建軍), and 0.20% by Zhang Qiang (張強) , all of whom are directors or supervisors in certain of our subsidiaries. Shenzhen Woxin No. 6 Investment Partnership (Limited Partnership) (深圳市沃新陸號投資合夥企業（有限合夥）) is beneficially owned as to approximately 13.79% by Zhang Weibo (張維波), 5.52% by Ma Pengfei (馬鵬飛), 2.76% by Li Yanhui (李艷輝), and 1.38% by Qi Xinghua (祁興華) , all of whom are directors, general managers or supervisors in certain of our subsidiaries. To the best knowledge of the Company, each of the remaining shareholders is an Independent Third Party.

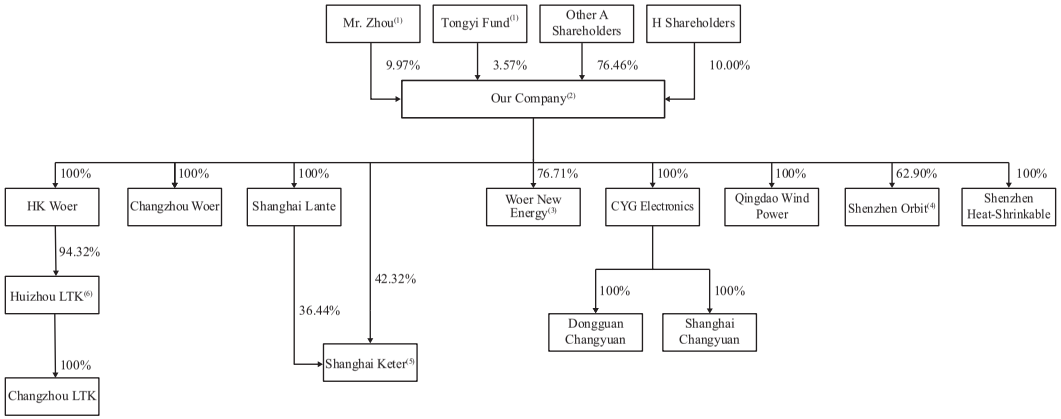
4. As of the Latest Practicable Date, it is owned as to 27.1% by its director and general manager, Huang Rui (黃睿), and 10% by Shenzhen Huaju Technology Venture Capital Partnership (Limited Partnership) (深圳市華聚科技創業投資合夥企業（有限合夥）), Shenzhen Huaju Technology Venture Capital Partnership (Limited Partnership) (深圳市華聚科技創業投資合夥企業（有限合夥）) is beneficially owned as to 0.22% by its general partner, Wang Yuming (王玉明), a director and general manager of certain of our subsidiaries and 37.4% by Huang Rui (黃睿). To the best knowledge of the Company, each of the remaining shareholders is an Independent Third Party.

5. To the best knowledge of the Company, as of the Latest Practicable Date, it is listed on the National Equities Exchange and Quotation (stock code: 831474) and is owned as to approximately 11.31% by Jiang Mingshu (姜明淑), 2.67% by Shanghai Xinwo Investment Management Center (Limited Partnership) (上海欣沃投資管理中心（有限合夥）), 0.93% by Shanghai Keter's director Shi Yuzheng (史宇正), 0.83% by Hou Liming (侯李明), 0.49% by Ren Jingzhu (任井柱), 0.40% by Zhang Jing (張環), 0.11% by Xu Wengen (許文根), 0.10% by Han Baohua (韓保華) and other shareholders. Shanghai Xinwo Investment Management Center (Limited Partnership) (上海欣沃投資管理中心（有限合夥 ）) is beneficially owned as to approxiamately 9.22% by Zhao Guangjing (趙廣經), and 6.15% by Zhang Lifang (張麗舫), both of whom are directors, general managers or supervisors in certain of our subsidiaries, 4.10% by Shanghai Keter's supervisors Zang Yufeng (臧育鋒), 2.87% by Cao Jun (曹俊), a general manager of one of our subsidiaries. To the best of the Company's knowledge, save for their interests therein, and Shi Yuzheng（史宇正）, Zhao Guangjing (趙廣經) and Zhang Lifang (張麗舫)'s directorship position in our subsidiaries, they are Independent Third Parties. To the best knowledge of the Company, each of the remaining shareholders is an Independent Third Party.

6. As of the Latest Practicable Date, it is owned as to 4.16% by Dongguan Jinhuihuang Urban Renewal Equity Investment Co., Ltd. （東莞市金輝煌城市更新股權投資有限公司）, 0.39% by Shenzhen Lechuang No.1 Investment Partnership (Limited Partnership) (深圳市樂創壹號投資合夥企業（有限合夥）), 0.22% by Huizhou Lerong No.2 Enterprise Management Consulting Partnership (Limited Partnership) (惠州市樂融貳號企業管理諮詢合夥企業（有限合夥）), 0.39% by Shenzhen Lechuang No.2 Investment Partnership (Limited Partnership) (深圳市樂創貳號投資合夥企業（有限合夥）), 0.17% by Shenzhen Lechuang No.3 Investment Partnership (Limited Partnership) (深圳市樂創叁號投資合夥企業（有限合夥）), 0.33% by Huizhou Lerong No.1 Enterprise Management Consulting Partnership (Limited Partnership) (惠州市樂融壹號企業管理諮詢合夥企業（有限合夥）), and 0.08% by Huizhou Lerong No.3 Enterprise Management Consulting Partnership (Limited Partnership) (惠州市樂融叁號企業管理諮詢合夥企業（有限合夥）). Dongguan Jinhuihuang Urban Renewal Equity Investment Co., Ltd. （東莞市金輝煌城市更新股權投資有限公司） is beneficially owned as to 50% each by Mr. Zhou and Ms. Yi Huarong, our executive Directors. Shenzhen Lechuang No.1 Investment Partnership (Limited Partnership) (深圳市樂創壹號投資合夥企業（有限合夥）) is beneficially owned as to approximately 18.52% by Hu Ping (胡平), and 12.35% by Zhong Jincheng (鍾金城), all of whom are directors or supervisors in certain of our subsidiaries. Huizhou Lerong No.2 Enterprise Management Consulting Partnership (Limited Partnership) (惠州市樂融貳號企業管理諮詢合夥企業（有限合夥）) is beneficially owned as to approximately 27.88% by Ma Pengyu (馬鵬宇), a general manager of one of our subsidiary. Shenzhen Lechuang No.2 Investment Partnership (Limited Partnership) (深圳市樂創貳號投資合夥企業（有限合夥）) is beneficially owned as to approximately 4.19% by Chen Jiaxu (陳枷旭), 20.96% by Zhang Weibo (張維波) and 8.39% by Wang Yuming (王玉明), all of whom are directors, general managers or supervisors in certain of our subsidiaries. Shenzhen Lechuang No.3 Investment Partnership (Limited Partnership) (深圳市樂創叁號投資合夥企業 （有限合夥）) is beneficially owned as to approximately 9.30% by our executive Director, Mr. Liu Zhanli (劉占理), 4.65% by Kong Meng (孔蒙) and 4.65% by Shao Bibo (邵碧波), both of whom are directors and general managers in certain of our subsidiaries. Huizhou Lerong No.1 Enterprise Management Consulting Partnership (Limited Partnership) (惠州市樂融壹號企業管理諮詢合夥企業（有限合夥）) is beneficially owned as to approximately 8.98% by our executive Director Xia Chunliang (夏春亮), and 12.14% by Li Yanhui (李艷輝), who is a director and general manager in certain of our subsidiaries. To the best knowledge of the Company, each of the remaining shareholders is an Independent Third Party.

Shareholding and corporate structure immediately after the Global Offering

The following chart depicts our simplified corporate and shareholding structure immediately following the completion of the Global Offering (without taking into account any A Shares to be issued upon exercise of the share options granted under the 2025 Share Option Scheme):



Notes (1) to (6): Please refer to the details on the preceding pages.

OVERVIEW

About Us

Our principal business consists of : (i) electronic communications business, which involves the development, manufacture, and sale of (a) telecoms cable products, including high-speed copper cables, consumer and industrial electronic cables, and (b) electronic materials; (ii) electrical power transmission business, comprising the development, manufacture, and sale of (a) NEV power transmission products including NEV charging products and power battery safety protection products as well as (b) electrical cable accessories; and (iii) other businesses, mainly including our wind power operations. In particular, during the Track Record Period, the sales of our heat-shrinkable materials accounted for the vast majority of the revenue from our electronic materials.

According to F&S, in terms of global revenue in 2024 we ranked fifth among the manufacturers of telecoms cables, holding a global market share of 12.7%. We ranked first in the global heat-shrinkable materials industry, with a global market share of 20.6% in terms of global revenue in 2024. We ranked ninth in the global NEV power transmission products industry, holding a global market share of 1.9%, in terms of global revenue in 2024. We ranked seventh in the global electrical cable accessories industry, holding a global market share of 2.5%, in terms of global revenue in 2024.

We believe these achievements stem from our continuous investment in product innovation. As of September 30, 2025, we held 547 invention patents. Leveraging our well-recognized product quality and leading market position, we have achieved strong growth during the Track Record Period. Based on financial reports prepared in accordance with IFRS Accounting Standards, our revenue grew from RMB5,336.6 million in 2022, to RMB5,718.8 million in 2023 and further to RMB6,920.1 million in 2024; our net profit grew from RMB660.2 million in 2022, to RMB757.7 million in 2023 and further to RMB920.5 million in 2024. In the nine months ended September 30, 2025, our revenue and net profit amounted RMB6,076.7 million and RMB883.3 million, respectively.

Key Achievements in relation to the Telecoms Industry

Along value chain of relevant industries, we stay in the midstream sector, being a manufacturer of products used by downstream consumers, including (i) computing centers, cloud computing, HPC and 5G equipment that use telecoms cables; and (ii) enterprises engaging in industries like power, aerospace, electronics, telecommunications, petrochemical, medical, shipbuilding and rail transportation who demands heat-shrinkable tubes and related products manufactured through extrusion, irradiation crosslinking, and thermal shaping.

- High-speed copper cables, enable high-speed connection between the functional modules in computing centers, increasing intra-cluster data transfer efficiency while ensuring optimized energy consumption and strong reliability. This effectively promoted the rapid deployment of quality infrastructure, driving the expansive application of LLMs across different industries. Our high-speed copper cables have been certified and admitted to be used for computing servers of several globally leading AI enterprises with strong GPU designing or manufacturing capability, which ensures stable and quality signal transmission between different GPUs, therefore allowing its infrastructure to realize its full potential. According to F&S, we are the second largest manufacturer and the largest China-based manufacturer of high-speed copper cables on global revenue in 2024, claiming 24.2% of the global market share.

- According to F&S, we ranked first in the global heat-shrinkable materials industry, with a 20.6% global market share in terms of global revenue in 2024; and we held a 58.5% China market share in terms of China revenue in 2024 and maintaining an absolute leading position in China. Heated during installation, our tubings shrink to conform to virtually any shape, providing dependable insulation, mechanical robustness, strain relief, as well as esthetic appeal, to significantly withstand challenges in harsh environments, such as collision and abrasion, pollution and contamination, UV-light, as well as extreme temperature and humidity conditions.

Key Achievements in relation to Electrical Power Transmission Industries

Along value chain of relevant industries, we stay in the midstream sector, being a manufacturer of products used by downstream consumers, including (i) charging facility operators, NEV manufacturers and energy management platforms that use AC and DC charging guns products and (ii) companies engaging in the power and transportation sectors who demands for cable accessories products that can effectively ensure safe and quality performance in diverse environmental and application requirement

- Our NEV power transmission products provide high-performance electrical products to NEVs. These products have been widely adopted by many leading automakers in China and around the world, as well as many ultra-fast charging station operators enjoying strong market share in China. According to F&S, we are the largest NEV DC charging gun manufacturer in terms of China revenue in 2024, with a China market share of 41.7%.

- Through offering electrical cable accessories products, we provide customers with power transmission products for critical energy infrastructure, including high-voltage power grids and nuclear power plants, featuring high-performance, highly safety and strong reliability. As of the Latest Practicable Date, our products had been adopted by many leading power enterprises in China, including two largest power grid operators, a leading nuclear power plant operator and a leading power producer. According to F&S, we ranked first among manufacturers of cable accessories in terms of China revenue in 2024, claiming a China market share of 10.6%.

Financial Performance

Based on financial reports prepared in accordance with IFRS Accounting Standards, in 2022, 2023, 2024 and the nine months ended September 30, 2025, our revenue were RMB5,336.6 million, RMB5,718.8 million, RMB6,920.1 million and RMB6,076.7 million, respectively; our net profit amounted to RMB660.2 million, RMB757.7 million, RMB920.5 million and RMB883.3 million, respectively; and our return on equity amounted to 14.8%, 14.8%, 15.9% and 14.0%, respectively.

We have always maintained a stable cash flow position. In 2022, 2023, 2024 and the nine months ended September 30, 2025, our net cash generated from operating activities was RMB1,035.8 million, RMB860.1 million, RMB942.9 million and RMB886.3 million, respectively.

The following table sets out our continuous innovation capabilities and achievements:

Electronic Communications Business		Electrical Power Transmission Product Business
Crosslinked heat-shrinkable tubing products was awarded Shenzhen Science and Technology Progress Award (深圳市科學進步獎)	2004	
	2009	National 863 Program "75-meter-long high-temperature superconducting cable" project won the second prize of China Machinery Industry Science and Technology Award
Products including "Environmentally friendly flame-retardant cross-linked polyolefin heat-shrinkable marker tubing" were recognized as "Guangdong Province Indigenous Innovation Products 2010" (2010 年廣東省自主創新產品)	2010	
"CEHS1000 series heat-shrinkable insulation tubing" was certified by a leading Chinese aircraft manufacturer	2014	
	2016	Developed and mass-applied 250A GB/T DC charging guns
Completed the development and commenced the mass production of 100G multi-channel high-speed copper cables	2017	Developed 500A high-power liquid-cooled charging gun, and participated in the pre-research of high-power charging technology and standards for NEVs in China
	2018	Developed and mass-applied the 500A high-current metal connector; and Hualong One 1E-Class Heat-Shrinkable Cable Accessory was awarded the Third Prize in Science and Technology by the China Nuclear Energy Association
	2020	Our 3rd Generation Nuclear Power 1E-Class Heat-Shrinkable Cable Accessory was awarded the Second Prize for Scientific and Technological Progress by the Shenzhen Municipal Government
Commenced the mass production of 400G multi-channel high-speed copper cables and completed the development of heat-shrinkable medical tubing	2022	The 330kV and 500kV ultra-high voltage cable accessories independently designed and developed by us have successfully passed the pre-qualification test in the Power Industry Electrical Equipment Quality Inspection and Testing Center; and completed the development of rated current 800A high-power oil-cooled DC charging guns
Completed the development of 800G multi-channel high-speed copper cables, 25G Ethernet automotive cables and 150°C dual wall tubings	2023	
Completed the development and commenced the mass production of 224G single-channel high-speed copper cables; commenced the mass production of 800G multi-channel high-speed copper cables; and completed the development of 1600G multi-channel high-speed copper cables, 20G in-vehicle coaxial cable and 1G and 10G hybrid in-vehicle Ethernet cables.	2024	Launched the 1,000A/1,500V mega-watt liquid-cooled charging guns
	2025	Completed the development of nuclear safety (1E-class) cable accessory with the lifespan of 80 years

Sustainable Development Measures

We are committed to advancing sustainable development through rigorous ESG practices, integrating environmental responsibility across our operations. In particular, we invested in building green supply chain system, including continuously optimizing our supply chain network and layout, monitoring ecological impacts, and ensuring cooperating enterprises to meet strict sustainability standards, through which, we keep minimizing

our environmental footprint. Our product design embeds circular economy principles, while our manufacturing process prioritizes energy efficiency, waste reduction and closed-loop material recycling. We reduce carbon emissions by utilizing existing wind power stations, installing rooftop photovoltaics and energy storage projects in factory areas, and monitoring energy consumption data through facility management systems to optimize energy scheduling and energy-saving management, comprehensively practicing green development in all aspects.

COMPETITIVE STRENGTHS

We are one of the largest manufacturers of telecoms products and heat-shrinkable materials in the world.

We are one of the largest manufacturers of heat-shrinkable materials and telecoms cable products in the world, enjoying rapid growth in line with strong expansion of high-speed data communication and electrical power transmission industries in recent years. We had a successful track record of taking the lead in launching premium products, exhibiting outstanding technology commercialization by leveraging our advanced proprietary and patented technologies. We own several renowned brands, such as WOER and LTK, which enjoy strong customer reputation and trust.

Our high-speed copper cables facilitate high-performance interconnect for computing centers, effectively balancing data transmission performance and cost associated with high-speed connection between functional modules in computing centers, increasing intra-cluster data transfer efficiency while ensuring optimized energy consumption and strong reliability. Our high-speed copper cables have been certified and admitted to be used for computing servers of several global leading AI enterprises with strong GPU designing or manufacturing capability, which ensures stable and quality signal transmission between different GPUs, therefore allowing its infrastructure to realize its full potential. According to F&S, we are the second largest manufacturer and the largest China-based manufacturer of high-speed copper cables on global revenue in 2024, claiming 24.2% of the global market share.

According to F&S, we ranked first in the global heat-shrinkable materials industry, with a 20.6% global market share in terms of global revenue in 2024; and we held a 58.5% China market share in terms of China revenue in 2024 and maintaining a leading position in China. Our NEV power transmission products offer high-performance fast-charging products, and have been widely adopted by many globally renowned automakers.

Our electrical cable accessories products deliver high-performance, ultra-secure products for high-voltage grids and nuclear power plants. In particular, in line with wide deployment of power-intensive industries like AI computing and NEVs, power networks face challenges associated with extreme load fluctuations, overlapping peak-valley demands, and stringent requirements for electromagnetic shielding, isolation, and thermal management. Our advanced power transmission products are engineered to meet these demands, ensuring resilience and safety of the grid. Leveraging our strong technology capability and high product quality, our products have been widely adopted by industry players in China, including two largest power grid operators, a leading nuclear power plant operator and a leading power producer. According to F&S, we ranked first among manufacturers of cable accessories in terms of China revenue in 2024, claiming a China market share of 10.6%.

We take efforts to study customers' unmet or underserved needs, as well as development bottlenecks. Once these challenges are recognized, we can quickly leverage our strong technological capabilities and R&D resources to develop high-value products that directly address these needs. This allow us to achieve the dynamic balance between launching new products and capturing market demands. Our strong technology capability, quick product development and iteration strength, and lean manufacturing techniques enable us to repeatedly launch well-received products in new application scenarios in relation to high-speed data communication and power transmission, including aviation, medical, automotive, and marine applications, continuously achieving successful technology commercialization. In particular, we completed the development and commenced mass production of 100G multi-channel high-speed copper cables in 2017 and have continuously improved data transmission rates since then, maintaining our position as an industry technology leader.

Our leading industry position enables us to achieve commercialization ahead of competitors, strengthening our competitive advantages while enhancing customer loyalty. In addition, this allows us to quickly seize future growth opportunities to rapidly achieve business expansion.

We possess strong technology R&D capabilities focusing on high-speed data communication and power transmission related industries and have continuously launched a broad range of well-received innovative products.

We have established a strong in-house R&D team with cross-discipline academic background and rich cross-industry experience, which comprised over 880 staff as of September 30, 2025. In addition, we have strategically deployed R&D teams in select cities with close proximity to regions where strategic customers are located in, including Shenzhen, Shanghai and Huizhou, allowing us to collaborate closely with customers while attracting top talent from various areas. In particular, we set a regular program to identify and promote talented technicians into our R&D team, through which we created a dynamic mechanism where practical experience in handling real-world conditions and know-hows in relation to mass production, could be seamlessly and efficiently merged with our pioneering R&D projects.

We invested in developing advanced facilities and engaging latest R&D equipment. For instance, our WOER Lab owns a fully-shielded high-voltage test hall. It is the largest research facility of its kind in Southern China's cable industry. Staffed by certified testing personnel trained and qualified by national authorities, this lab operates many world-class equipment constituting multiple sophisticated test systems. This grants us end-to-end R&D capabilities spanning new materials, structural innovations, process improvements and equipment development. We also collaborate with well-recognized institutions and leading industry players to enhance R&D efforts and developing key process equipment, through which we managed to continuously enhance production automation and refine lean manufacturing process, driving higher yield rates and operational efficiency across our production lines. During the Track Record Period, we recorded research and development expenses of RMB305.8 million, RMB310.0 million, RMB348.7 million and RMB325.7 million, respectively.

We have an extensive intellectual property portfolio. As of September 30, 2025, we held 540 invention patents, 1,490 utility model patents, 140 design patents, 730 registered trademarks and 82 software copyrights in China. As of the same date, we held seven patents and 170 registered trademarks in overseas jurisdictions, including the U.S., Japan and Europe. In addition, in recognition of our strong technological capabilities and leading industry position, we have been invited to participate in the formulation of 29 national standards and 39 industry standards, as of the same date. While investing in improving our agility in product innovation, we place safety, reliability, and high performance of end products as key parameters of our R&D work. As of the Latest Practicable Date, we have obtained certifications for quality and safety management systems such as ISO9001, IATF16949 and UL certification.

Leveraging our comprehensive technological capabilities, we have developed core materials and critical components in relation to high-speed data communication and power technologies, enabling us to deliver industry-leading products, including:

- **Electronic Communications Products**. We focus on high-speed copper cables and own all core technologies. Our key technological milestones include:
  - **2017**: Completed the development and commenced the mass production of 100G multi-channel high-speed copper cables.
  - **2019**: Completed the development of 400G multi-channel high-speed copper cables.
  - **2023**: Completed the development of 800G multi-channel high-speed copper cables.
  - **2024**: Completed the development and commenced the mass production of 224G single-channel high-speed copper cables; and completed the development of 1600G multi-channel high-speed copper cables, 20G in-vehicle coaxial cable and 1G and 10G hybrid in-vehicle Ethernet cables.

  As of the Latest Practicable Date, our 800G high-speed copper cable products have passed customer qualification and commenced mass production, while 224G single-channel copper cables have achieved batch delivery, underscoring our deep technical expertise and performance leadership in the high-speed copper cable sector.

In addition, we have successfully brought our electronic material products into more diversified markets, including those with advanced technology standards and demand stringent specifications, including aviation, medical, automotive, and marine applications. Notable breakthroughs in high-performance product deployment include N80500 room-temperature marking tapes used in aviation industry, ultra-thin medical heat-shrinkable tubing for medical applications, and 150°C dual-wall tubing for high-temperature environments in automotive industries. In particular, we were among the first heat-shrinkable material manufacturers to be listed in the qualified supplier directory of a leading Chinese aircraft manufacturer. Our products provided to the aircraft manufacturer have all received SGS test reports, proving that such products comply with the stringent product standards of this aircraft manufacturer, fully exhibiting our technology strength and high quality. SGS is a Swiss multinational company headquartered in Geneva and a leading provider of inspection, verification, testing and certification services.

- **Electrical Power Transmission Products**. Our self-developed megawatt-level high-power liquid-cooled charging guns feature a maximum operating current of 1,000A and a maximum voltage rating of 1,500V. As of the Latest Practicable Date, we are in the process of developing innovative charging gun products carrying improved charging power and better performance in order to address evolving customer needs. Our electrical cable accessories products have also achieved breakthroughs in nuclear power and offshore wind power sectors. For instance, in collaboration with a leading third party research institute in China, we completed the national major science and technology project "Development of 1E-Class Cable Joints and Terminal Kits for Harsh Environments," which has passed the comprehensive performance evaluation organized by the National Energy Administration in China in 2022, laying a solid foundation for further advancement for high-performance power transmission technology. Furthermore, our 220kV submarine cable accessories have passed type test, and 72.5kV transformer outlet bushings have been successfully deployed in offshore wind power projects, fully exhibiting our strong technology and engineer service capability.

The extensive application of our electronic communications and electrical power transmission products allowed us to accumulate rich industry insight and practical experience. This has further enhanced our ability to consistently identify new technology development trend and launch successful new products accordingly, further improving the agility of our R&D capabilities.

Our ever-expanding comprehensive product portfolio allows us to enhance customer loyalty and capture evolving market demands.

We offer a diversified product portfolio, delivering one-stop products for diverse customers across the supply chain to meet customized requirements. This enables customers in various sectors of the industrial supply chain, as well as those with unique batch production requirements, to conveniently select the products they need, all with consistent technology and quality assurance. By doing so, we have established and kept enhancing deep cooperation relationship with customers along the supply chain of different industries. In addition, this integrated product development strategy allows us to enhance profitability by effectively improving cross-product synergies in terms of manufacturing cost control, while enhancing our competitive edges over industry peers.

- **Telecoms Cable Products**. We have been steadily expanding our presence in the high-speed copper cables and accessories market, with a particular focus on, and a prominent industry position in, cables and critical function component widely used in information technology infrastructure. These include computing centers, electric vehicles, autonomous systems, robotics, as well as smart consumer electronics. This demonstrates our strong technological capability to address industry-specific and component-specific demands. Our high-speed copper cable products cover a broad range of specifications, including single-channel 28G, 56G, 112G, 224G, and multi-channel 100G, 400G, 800G and 1600G, serving diverse needs of customers in various application scenarios. In the meantime, we are investing in innovative single-channel and multi-channel high-speed copper cables with higher transmission rate to meet evolving market demand while maintaining our leading market positions.

- **Electronic Material Products**. We offer heat-shrinkable tubing and tapes in a variety of materials, colors and sizes, designed to realize and optimize high-performance power and signal transmission. In particular, by producing tubing products with different specifications, highly flexible or semi-rigid, which are designed for operation in high- or low-temperature environments, halogen-free and/or flame-retardant, we become the one-stop platform for customers across many mission-critical industries, including NEVs, power infrastructure, rail transit, telecom, aerospace, and medical applications.

- **NEV Power Transmission Products**. We are committed to developing a full-chain NEV charging product portfolio ranging from basic materials to charging guns. We have developed products such as basic materials, wires, connectors, charging stations, and charging guns, providing one-stop electrical products for many leading NEV industry players in China and around the world.

- **Electrical Cable Accessories Products**. We offer a comprehensive product portfolio, comprising a wide range of polymeric, ceramic insulators and composite insulators and surge arresters, terminals, tubing and joints, serving customers in many mission-critical industries, including power generation, power distribution, complete equipment, rail transit, metallurgical mines, petrochemicals, high-speed rail, marine and aerospace. In addition, while further strengthening our market advantages in the traditional medium- and low-voltage segments, we keep deepening our penetration in high-voltage and ultra-high-voltage markets. In the field of high-voltage cable accessories, we have established full coverage on products serving voltage range between 66kV and 500kV. Our cold-shrinkable and heat-shrinkable cable accessory products can serve 1kV to 35kV voltage range and cover indoor terminals, outdoor terminals and intermediate joints. We offer both European and American standard products and can provide customized products for the inlet and outlet connections of high-voltage cables and electrical equipment.

Benefiting from our full-chain product matrix and vertically integrated business model, we can continuously attract new customers to use our products and expand our market share.

We enjoy diversified customer portfolio featuring outstanding long-term business relationship and robust growth potential.

Human society has been undergoing a digital revolution driven by AI as its core accelerator, and an energy revolution powered by renewable technologies and electrification. The AI-driven digital revolution, marked by rapid development of infrastructure like computing centers and accelerated adoption of applications like autonomous driving vehicles, has created substantial new market opportunities for the electronics and telecoms industries. In the meantime, the energy transition centered on alternative energies is fundamentally transforming and reshaping the power "generation—transmission—utilization" value chain, promoting quick growth in alternative energies.

In the above-mentioned fields, we have a large base of industry leading customers with strong loyalty. We have established and been continuously enhancing long-term and in-depth strategic cooperation relationship with global recognized AI and telecoms enterprises, NEV manufacturers, and energy and power companies. These customers represent application of the latest technologies, influence prevailing market trend, and command significant production scale and market share, leading the development of global digital and energy revolutions.

We invest in building long-term business relationships with customers by collaborating with them to develop products that can meet their specific function needs, through which we have successfully integrated our high-speed data communication and power transmission products into the supply chain system of many globally leading enterprises. Our achievements in passing the certification of these global leading enterprise fully exhibited our strong technology capability and high quality. In particular, for industries featuring sophisticated and extended supply chain like NEVs and advanced telecoms devices, suppliers face a rigorous dual-approval requirement, where they shall obtain certification from both immediate purchasers and final product manufacturers, further increasing switching costs, which include considerable time commitments, material expenditures and production line downtime. Furthermore, by continuously accumulating valuable know-how and optimizing process through offering customized manufacturing services for customers, we strengthen our technological differentiation and industry credibility, progressively deepening our penetration across supply chains.

In particular, through the trust established by our long-term and in-depth cooperation with leading customers, such as a global leader in interconnect solutions, we have effectively assisted the expansion of its telecoms business by we continuously provide R&D and customized manufacturing services focusing on high-speed copper cable products. Capitalizing on our technology capability and rich experience accumulated therein, our high-speed copper cables have been certified and admitted to be used for computing servers of several global leading AI enterprises with strong GPU designing or manufacturing capability, which ensures stable and quality data transmission between different GPUs, therefore allowing its infrastructure to realize its full potential. According to F&S, we are the second largest manufacturer and the largest China-based manufacturer of high-speed copper cables on global revenue in 2024, claiming 24.2% of the global market share.

We believe our long-term cooperation relationship and the solid technology-backed integration and collaboration can ensure the establishment of a symbiotic effect that fosters mutual trusts and shared success.

Our manufacturing and supply chain system with global vision and reach allows us to achieve fast and large-scale delivery while maintaining cost advantages.

We are committed to developing and continuously enhancing production processes and advanced equipment that can facilitate rapid and stable mass production at optimized costs, as well as related supply chain system to support such production model. We consider this crucial for us to secure early mover advantage in the market of high-speed data communication and power transmission. In particular, we consider the following factors critical to our success in achieving production efficiency and cost reduction:

- **Lean Manufacturing Capability**. We invested in developing and/or fine tuning key process equipment through our in-house R&D efforts to achieve optimization of production processes and production line layouts. This allows us to ensure high precision manufacturing while reducing production costs. We operate one of the largest irradiation production clusters in China and have successfully commissioned one of the largest key production equipment clusters for high-speed copper cables in China. By collaborating with premium suppliers of critical equipment in China and overseas, we continuously enhance the automation level of production equipment, implement lean manufacturing improvements, strengthen product quality control, and ensure the safety and consistency of production. Meanwhile, by fully leveraging the scale and synergy advantages of our plant network in China and overseas, as well as optimizing production planning, we can effectively control production costs and optimize product delivery cycles.

- **Well-established Overseas Production Capability.** Our first overseas production facility, our Vietnam LTK Plant, commenced construction in 2019 and have commenced production in October 2019. As of September 30, 2025, this plant has evolved into an advanced manufacturing base, offering premium product quality with yield rate comparable to international advanced standards. As of the Latest Practicable Date, products manufactured at our Vietnam LTK Plant have been sold to and deployed by several leading companies in industries such as high-speed data communications, automotive, medical and consumer electronics. The rapid commencement of production and smooth operation of our plant in Vietnam has enabled us to accumulate extensive experience in overseas production operations, laying a solid foundation for our subsequent expansion of overseas production.

- **Intelligent Manufacturing and Digital Production Process Control.** We invested in digitalization of the entire work flow to ensure data-driven task dispatch, real time supervision on equipment performance and reduce human errors. We also introduce advanced hardware that can properly handle repeated work stream in a highly automated and efficient manner, such as defect inspection, select manufacturing procedure, logistics and transportation of raw materials/components between production lines. In addition, we invested in utilizing technology and equipment that can complete tasks in a highly automated way, such as heat-shrinkable tube printing and automatic inkjet coding control, continuously improving our production efficiency. Broad adoption of digitalization further allows us to benefit from data technology, where we may quickly analyze massive historical and real-time data to accurately predict and respond to, inventory needs, purchase order settlement status and production progress, thus further enhancing our cost control and profitability. In addition, we actively promote the

development and implementation of application systems, bringing transparent and paperless management on relevant business operations, while allowing our management to view visualized presentation on business progress on a real-time basis.

- **Stringent Quality Control System.** We have been committed to establishing and implementing stringent quality control system in line with applicable international or industry standards, while setting specific groups of quality parameters and product performance indicators for different types of products and/or specific customers. We have a comprehensive quality control system, supported by complete international certifications and industry access qualifications. Our products hold relevant international certifications, such as UL, TÜV and CE certifications, as well as the nuclear power 1E-class qualification and radiation safety license, earning deep trust from customers.

- **Stable and Optimized Supply Chain System**. We have built a robust and efficient supply chain through digital transformation and continuous optimization. By implementing a supplier relationship management system, we enable data-driven procurement processes, competitive supplier bidding, and centralized sourcing to maximize cost efficiency. Through digital management and efficient sourcing, we competitively select preferred suppliers and leverage centralized procurement advantages to control costs and enhance efficiency in the procurement process. Leveraging economies of scale in bulk purchasing, we secure optimal pricing and terms while maintaining stringent quality standards. This integrated approach enhances supply chain resilience and delivers significant cost savings across our operations.

Led by our visionary and seasoned founder, we are highly committed to technology development and product innovation.

Our founder, executive Director and chairman, Mr. Zhou, holds a senior engineering title and graduated from the Changchun Institute of Applied Chemistry, Chinese Academy of Sciences, with a specialization in polymer science. With over 40 years of industry experience, Mr. Zhou pioneered and led the industrialization of heat-shrinkable materials in China. Under his leadership, our Group grew to become the world's largest provider in this field. Through Mr. Zhou's long-standing guidance, we have cultivated a technology-driven corporate culture that attracts and develops a large cohort of young engineers with innovation spirit and interdisciplinary expertise, enabling us to achieve continuous technological breakthroughs in the high-speed data communication and electrical power transmission industry. Under his guidance and through our continuous efforts, we have established a strong in-house R&D team with cross-discipline academic background and rich cross-industry experience, which comprised over 880 staff as of September 30, 2025. Within this team, over 190 staff hold master's degrees or above. In particular, we set a regular program to identify and promote talented technicians into our R&D team, through which we managed to create a dynamic mechanism where practical experience and know-hows in relation to mass production could be seamlessly and efficiently merged with our pioneering R&D projects. This corporate culture, which places a high value on R&D capabilities, has laid a solid foundation for our sustainable development.

DEVELOPMENT STRATEGIES

Focus on high-speed data communication and electrical power transmission, with continued investment in R&D to enhance new-product development and product competitiveness.

Driven by the transition to alternative energy and the advancement of AI, end-users' demand for both the volume and performance of data communication and electrical power transmission materials and components is expected to rise substantially. We intend to continue to investing in our R&D in order to capture this growth opportunity and meet evolving customer requirements.

We will further consolidate and extend our leadership in the field of high-speed data communication and electrical power transmission materials by researching and developing innovative single-channel 448G and multi-channel 3200G (3.2T) high-speed copper cables, lightweight, novel-material, recyclable cable accessories, higher-power, megawatt-class charging guns; and more environmentally friendly high-speed data-communication and electrical power transmission materials based on innovative compound formulations and advanced manufacturing processes.

We also plan to invest in complementary high-speed data communication and electrical power-transmission cable and component technologies that are co-designed and optimized with our self-developed new materials. This will further enrich our technology reserves and enhance the speed, efficiency, stability and safety of our data communication and power transmission products, while enabling full-lifecycle product traceability and automated fault-diagnosis capabilities.

We are also committed to attracting renowned industry R&D experts to strengthen our capabilities in developing high-speed data communication and electrical power transmission materials and components.

Optimize global production capacity prudently and orderly in response to market demand.

To satisfy rapidly growing downstream demand, we plan to further expand our global footprint. In line with our business expansion strategy, we plan to expand the scale of our manufacturing bases. For example, we plan to establish a new plant in Malaysia. For details, please see "— Our Production — Our Manufacturing Bases." These measures will enable us to enhance our global operations, situate closer to local natural resources and key raw materials, and diversify geopolitical risk.

Moreover, we plan to invest in the development of new manufacturing technologies, the R&D and installation of advanced equipment and machinery, and the optimization of production processes and techniques. In recent years, we have implemented multiple initiatives to enhance production efficiency, and we aim to further reduce raw material consumption per watt-hour through continuous efficiency improvements. As we accumulate lean-manufacturing expertise for high-speed data communication and electrical power transmission materials and components, our workforce will become increasingly proficient in production line operations and management, thereby driving further efficiency gains and cost reductions.

Expand sales network and maintain long-term strategic cooperation relationship.

We intend to further consolidate and develop our relationships with customers in the AI computing power, NEV, electric power, and rail transportation industries, while also cultivating cooperation relationships in aerospace, healthcare and other industries. Through these efforts, we will build a robust ecosystem of customers and continuously expand our sales channels.

By positioning ourselves as a key partner to end-users across downstream industries, we will not only reinforce existing relationships but also enhance our ability to secure a wider variety of contracts for data-communication and NEV products. We believe this approach will ensure our products and services are deeply embedded in our partners' offerings. Moreover, by growing alongside our customers, we will align closely with their expansion plans, solidify our role as a trusted collaborator and participate in the co-development of their new products. Leveraging our industry-leading position and technical expertise, we will also pursue opportunities to offer our products for our partners' new projects, thereby continuously broadening our customer base.

Make investments and acquisitions in a prudent manner.

We plan to further integrate resources across the industrial chain through targeted strategic investments or acquisitions when we deem appropriate. Potential targets may include industry peers with strong R&D and delivery capabilities in core high-speed data communication and electrical power transmission materials and components that can generate synergies with us or that have innovative technologies that are amenable and complementary to ours, from which we expect to broaden our R&D capabilities and expertise. We believe such strategic investments or acquisitions will enable us to extend our reach along the value chain, effectively integrate business resources, ensure supply chain stability and better serve the needs of downstream application scenarios. As of the Latest Practicable Date, we have not yet identified any specific targets or entered into any letter of intent with respect to an acquisition.

Our Business

During the Track Record Period, we derived revenue primarily from our (i) electronic communications business, which includes the sales of telecoms cable products and electronic material products; and (ii) electrical power transmission product business, which includes the sales of NEV power transmission products, electrical cable accessories products. Through our two foundational pillars of business, we strive to offer a wide range of product portfolios for high-speed data communication and power transmission for alternative energies to support, drive and contribute to global economic growth and advance technological development.

The tables below set forth a breakdown of our revenue, gross profit and gross profit margin by product and business line during the Track Record Period:

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	(in RMB in thousands, except for percentages)									
							(Unaudited)			
Revenue										
Electronic Communications Business										
Telecoms cable products	1,362,366	25.5	1,164,501	20.4	1,702,272	24.6	1,196,963	24.8	1,894,591	31.2
High-speed copper cables	110, 568	2.1	96,093	1.7	300,876	4.3	179,622	3.7	748,023	12.3
Consumer and industrial electronic cables	1,251,798	23.4	1,068,408	18.7	1,401,396	20.3	1,017,341	21.1	1,146,568	18.9
Electronic material products	2,104,868	39.5	2,198,264	38.4	2,599,375	37.6	1,839,163	38.2	2,043,908	33.6
Subtotal	**3,467,234**	**65.0**	**3,362,765**	**58.8**	**4,301,647**	**62.2**	**3,036,126**	**63.0**	**3,938,499**	**64.8**
Electrical Power Transmission Product Business										
NEV power transmission products	823,878	15.4	1,082,420	18.9	1,381,421	20.0	917,071	19.1	1,159,471	19.1
NEV Charging Products	515,545	9.7	701,395	12.3	891,455	12.9	562,318	11.7	806,671	13.3
Power battery safety protection products	308,333	5.7	381,025	6.6	489,966	7.1	354,753	7.4	352,800	5.8
Electrical cable accessories products	781,147	14.6	953,522	16.7	926,973	13.4	631,904	13.1	741,032	12.2
Subtotal	**1,605,025**	**30.0**	**2,035,942**	**35.6**	**2,308,394**	**33.4**	**1,548,975**	**32.2**	**1,900,503**	**31.3**
Other Business										
Wind power business	146,768	2.8	158,713	2.8	151,724	2.2	116,470	2.4	101,154	1.7
Others*	117,622	2.2	161,421	2.8	158,337	2.2	113,944	2.4	136,522	2.2
Subtotal	**264,390**	**5.0**	**320,134**	**5.6**	**310,061**	**4.4**	**230,414**	**4.8**	**237,676**	**3.9**
Total	**5,336,649**	**100.0**	**5,718,841**	**100.0**	**6,920,102**	**100.0**	**4,815,515**	**100.0**	**6,076,678**	**100.0**

Note:

* Others mainly include revenue from the development, sales and provision of implementation services of MOM and MES platforms.

The tables below set forth a breakdown of sales volume by product and business line during the Track Record Period:

		Year Ended December 31,			Nine Months Ended September 30,	
		2022	2023	2024	2024	2025
	Unit	Sale Volume	Sale Volume	Sale Volume	Sale Volume	Sale Volume
		thousand unit	thousand unit	thousand unit	thousand unit	thousand unit
Electronic Communications Business						
Telecoms cable products	metre	2,032,526	1,790,108	2,296,057	1,606,563.2	1,930,705.6
Electronic material products	metre	3,638,275	4,158,941	4,518,523	3,234,147.3	3,521,444.5
Electrical Power Transmission Product Business						
NEV power transmission products	unit	1,535	2,254	2,468	1,626.2	1,920.5
Electrical cable accessories products	set	9,927	11,470	11,154	8,041.6	9,320.4

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(in RMB in thousands, except for percentages)						*(Unaudited)*			
Electronic Communications Business										
Telecoms cable products	259,899	19.1	173,487	14.9	278,801	16.4	198,302	16.6	399,949	21.1
High-speed copper cables	52,826	47.8	36,334	37.8	130,001	43.2	68,951	38.4	340,871	45.6
Consumer and industrial electronic cables	207.073	16.5	137,153	12.8	148,800	10.6	129,351	12.7	59,078	5.2
Electronic material products	686,155	32.6	787,313	35.8	1,015,122	39.1	651,584	35.4	812,064	39.7
Electrical Power Transmission Product Business										
NEV power transmission products	240,193	29.2	286,383	26.5	321,207	23.3	228,296	24.9	249,887	21.6
NEV charging products	112,146	21.8	149,920	21.4	181,307	20.3	120,168	21.4	156,373	19.4
Power battery safety protection products	128,047	41.5	136,463	35.8	139,900	28.6	108,128	30.5	93,514	26.5
Electrical cable accessories products	299,961	38.4	393,547	41.3	342,281	36.9	262,384	41.5	269,739	36.4
Other Business										
Wind power business	98,268	67.0	109,933	69.3	101,753	67.1	79,315	68.1	62,127	61.4
Others*	27,486	23.4	37,978	23.5	51,199	32.3	74,834	65.7	83,971	61.5
Total	**1,611,962**	**30.2**	**1,788,641**	**31.3**	**2,110,363**	**30.5**	**1,494,715**	**31.0**	**1,877,737**	**30.9**

Note:

* Others mainly include gross profit and gross profit margin from the development, sales and provision of implementation services of MOM and MES platforms.

During the Track Record Period, we derived revenue primarily from China. In the meantime, we invested in expanding our oversea sales to capture market opportunities brought up by growing demands in line with development of automotive, robotics and electronics manufacturing sectors and power infrastructure projects in relevant local markets. The table below sets out details on revenue, gross profit and gross profit margin by geographic regions for the years and periods indicated.

	Years ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Revenue										
Chinese mainland	4,688,295	87.9	4,990,212	87.3	6,108,050	88.3	4,258,989	88.4	5,326,830	87.7
Outside Chinese mainland										
Asia	338,579	6.3	399,395	7.0	434,835	6.3	329,241	6.8	411,050	6.7
Vietnam	64,779	1.2	66,607	1.2	117,992	1.7	71,418	1.5	96,894	1.6
India	66,586	1.2	94,417	1.7	104,975	1.5	77,907	1.6	106,317	1.7
Singapore	66,412	1.2	55,284	1.0	56,907	0.8	40,359	0.8	47,862	0.8
Others	140,802	2.7	183,087	3.1	154,961	2.3	139,557	2.9	159,977	2.6
EU	119,835	2.2	135,756	2.4	145,177	2.1	93,653	2.0	111,837	1.9
Spain	18,352	0.3	28,222	0.5	26,835	0.4	14,345	0.3	18,764	0.3
UK	9,410	0.2	15,643	0.3	15,113	0.2	11,546	0.2	17,942	0.3
Germany	19,629	0.4	19,748	0.3	17,253	0.2	13,262	0.3	16,350	0.3
Others	72,444	1.3	72,143	1.3	85,976	1.3	54,500	1.2	58,781	1.0
U.S.	117,005	2.2	114,360	2.0	143,701	2.1	75,565	1.6	169,516	2.8
Others	72,935	1.4	79,118	1.3	88,339	1.2	58,067	1.2	57,445	0.9
Subtotal	648,354	12.1	728,629	12.7	812,052	11.7	556,526	11.6	749,848	12.3
Total	**5,336,649**	**100.0**	**5,718,841**	**100.0**	**6,920,102**	**100.0**	4,815,515	**100.0**	6,076,678	**100.0**

	Years ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Chinese mainland	1,428,465	30.5	1,574,996	31.6	1,859,177	30.4	1,334,285	31.3	1,643,447	30.9
Outside Chinese mainland										
Asia	88,272	26.1	105,902	26.5	122,837	28.2	83,592	25.4	101,247	24.6
Vietnam	12,933	20.0	10,906	16.4	21,134	17.9	10,910	15.3	11,610	12.0
India	21,379	32.1	33,181	35.1	40,340	38.4	26,433	33.9	41,214	38.8
Singapore	12,921	19.5	8,789	15.9	9,986	17.5	5,488	13.6	3,539	7.4
Others	41,039	29.1	53,026	29.0	51,377	33.2	40,761	29.2	44,884	28.1
EU	37,124	31.0	46,132	34.0	52,041	35.8	29,933	32.0	38,654	34.6
Spain	5,999	32.7	10,106	35.8	10,490	39.1	5,087	35.5	7,451	39.7
UK	2,761	29.3	5,203	33.3	5,026	33.3	3,574	31.0	5,844	32.6
Germany	5,488	28.0	5,846	29.6	5,409	31.4	3,608	27.2	4,527	27.7
Others	22,876	31.6	24,977	34.6	31,116	36.2	17,664	32.4	20,832	35.4
U.S.	34,053	29.1	32,871	28.7	41,943	29.2	26,092	34.5	71,785	42.3
Others	24,048	33.0	28,740	36.3	34,365	38.9	20,813	35.8	22,604	39.3
Subtotal	183,497	28.3	213,645	29.3	251,186	30.9	160,430	28.8	234,290	31.2
Total	**1,611,962**	**30.2**	**1,788,641**	**31.3**	**2,110,363**	**30.5**	**1,494,715**	**31.0**	**1,877,737**	**30.9**

Electronic Communications Business

In our electronic communications business, we derived revenue from manufacturing and sales of telecoms cable products and electrical cable accessories products.

Telecoms Cable Products

With robust R&D and commercialization capabilities and a proven history of breakthroughs in advanced crosslinking technology, we have steadily expanded our presence in data communication accessories and parts. Our

focus and industry leadership are especially strong in high-speed copper cables and critical functional components, which are widely used in IT infrastructure, including computing centers, NEVs, autonomous systems, robotics, and smart consumer electronics.

In particular, computing infrastructure serving LLMs has experienced rapid growth and is expected to continue to grow at a fast pace. According to F&S, the majority of leading technology companies plan to increase their investments in AI infrastructure development consistently over the next three years, starting in 2025. In particular, according to F&S, as of December 31, 2024, the total number of computing center racks in the world was 33.9 million, which is expected to grow to 139.8 million by 2029, representing a projected CAGR of 32.8%.

Our high-speed copper cable products provide high-performance interconnect products, effectively balancing data transmission performance and cost associated with high-speed connection between functional modules in computing centers, increasing intra-cluster data transfer efficiency while ensuring optimized energy consumption and strong reliability. According to F&S, we are a leading manufacturer and the largest China-based manufacturer of high-speed copper cables on global revenue in 2024, claiming 24.2% of the global market share. In addition, our high-speed copper cable products can also be used in fast-growing industries such as industrial and medical.

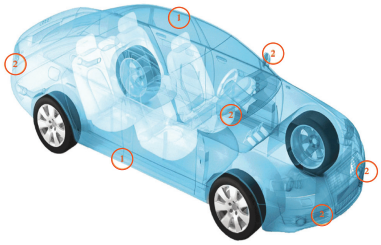
According to F&S, we are one of the first manufacturers in China to achieve stable mass production of 800G multi-channel high-speed copper cables and 224G single-channel high-speed copper cables. As of the Latest Practicable Date, our products have been qualified for deployment in a number of industry-leading programs, including one of the most advanced AI GPU racks developed by a leading global manufacturer of AI GPUs. Based on inspections and evaluations by this end customer, our products stood out from many competitors due to their outstanding quality performance, good high-frequency performance, and reliability, which contribute to reduced signal loss.

The graph below illustrates the different application scenarios of our telecoms cable products:

High-speed Communication Market

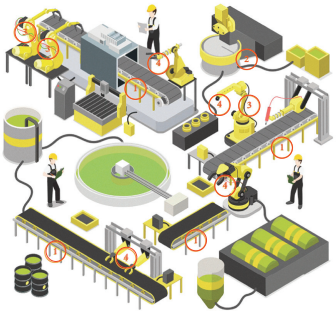
DAC/ACC/AEC high-speed copper cables

Automobile Market



1- Automotive low-voltage electronic cable
2- Automotive networking data cable (including automotive Ethernet cable, high-speed coaxial cable and HSD cable)

Industrial Market

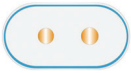
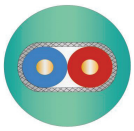
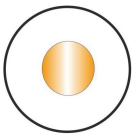


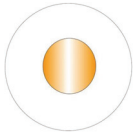
1- Flexible drag chain cable
2- Industrial fieldbus cable
3- Robot body cable
4- Robot vision cable

Medical Market

1- Pulse oximeter cable
2- ECG lead cable
3- Medical data cable
4- Medical device cable

The table below sets out details of our key products sold under this product line:

Product	Picture (cross-section)	Description	Average Selling Price (tax exclusive)
High-speed copper cables	 800G multi-channel high-speed copper cable  224G single-channel high-speed copper cable 112G single-channel high-speed copper cable	Our high-speed copper cables are mainly used in critical IT infrastructure like computing centers, cloud computing platform, and server switch interconnects. We developed a comprehensive product portfolio to serve different demands, each have claimed leading market position based on its high quality and strong technological performance, including cables used for connection between servers, as well as intra-switch connections. and cables used for rack-level connections. Our single-channel products offer 224G/112G/56G/28G transmission speed, while multi-channel products can realize 1600G/800G/400G/100G transmission speed. We provide customers with a broad range of options to fit in their specific design, making flexible solutions possible. We hold strong technological capabilities in terms of products electrical performance and high-temperature resistance	high-speed copper cable used for short-distance connections within devices or cabinets: RMB1.0/m ~ RMB6.0/m high-speed copper cable used for connections between devices, like brackets: RMB25.0/m ~ RMB35.0/m The price of high-speed copper cables is generally determined by cable type, transmission performance and end-application scenarios.
Automobile data communication cables	 NEV data communication cable  In-vehicle communication cable  Thin wall automotive cable Single core shielded cable	Our products mainly serve signal transmission between key function modules within electrical vehicles, such as ADAS domain controllers, gateways, camera systems, radar sensors and antenna arrays. We adopt flexible product design to bring customers products addressing specific challenges associated with particular conditions of utilization scenes, including transmission speed, mechanic requirements, temperature and humidity and insulation needs.	RMB1.0/m ~ RMB4.8/m, which is generally determined by cable type, transmission performance and end-application scenarios.

Product	Picture (cross-section)	Description	Average Selling Price (tax exclusive)
Industrial automation and robot cables	Power cable Coding cable Robot cable Control cable	We mainly offer robotic arm cables and drag chain cables, both of which are designed for complex industrial automation systems and robotic applications. Our products have distinctive technical features, including high flexibility for continuous motion, superior abrasion resistance for demanding environments, bringing customers extended service life with reliable performance.	RMB2.5/m ~ RMB6.8/m, which is generally determined by cable type, transmission performance and end-application scenarios.
Consumer electronics cables	Power cable  Single core cable	According to F&S, we offer one of the industry's most comprehensive product portfolios of more than 1,000 types of cables, making us a one-stop platform for customers in consumer electronic industry to select the cables they need.	RMB0.5/m ~ RMB3.0/m, which is generally determined by cable type, transmission performance and end-application scenarios.
Medical-grade cable	Blood oxygen sensor cable Core-wire joint branch line Medical data cable	Our products mainly include those used for medical equipment and non-implantable human-contact applications, such as pulse oximeter cables, electrocardiogram lead wires, electrosurgical pencil cords, and cardiac monitor cables. These products feature flexible, non-toxic wire constructions with excellent biocompatibility.	RMB14.0/m ~ RMB54.0/m, which is generally determined by cable type, transmission performance and end-application scenarios.

Since our inception, we have been committed to driving product innovation to address market demands arising from highly technical challenges. By aligning with high-growth trends, such as AI, automation and electrification, we combine deep R&D expertise with scalable manufacturing to serve global leaders across medical, industrial, automotive, and data communication markets. In line with this strategic position, we managed to achieve comprehensive coverage and deep penetration across rapidly growing industries with sustained high-growth potential, while maintaining our leading market share in heat-shrinkable industry.

- For high-speed copper cables, we have been investing in the continuous development and iteration of high-speed copper cables that can ensure low-latency, high-speed data transmission under heavy loads. Through advanced material selection and process engineering, we deliver ultra-stable signal integrity,

earning industry recognition for performance in innovative computing infrastructure. In particular, leveraging our leading technology capabilities and high quality, our high-speed copper cables have been certified and admitted to be used for computing servers of several globally leading AI enterprises with strong GPU designing or manufacturing capability.

- For industrial automation cables, we set our R&D and innovation focus on solving challenges associated with complex industrial environments, such as high-frequency, high-precision, and multi-axis robotic applications under harsh environment.

- For automobile data communication cables, our technological breakthroughs allow us to assist customers achieve high-speed data communication between key function modules that may come from a broad range of brands laying a solid infrastructure to ensure reliable performance of the vehicle. Our products can achieve 120,000 torsion cycles and pass 320-hour high-temperature/humidity waterproof testing.

- For medical cables, we invested in studying technological challenges brought up by medical automation and intelligent products for diagnostics, surgical procedures, and imaging analysis. Through our efforts, we successfully launched products that can meet stringent industry requirements for temperature resistance, flex endurance, sterilization compatibility, and EMI shielding.

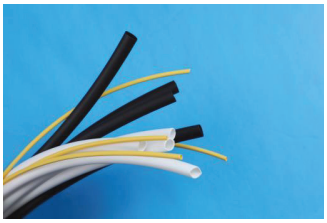
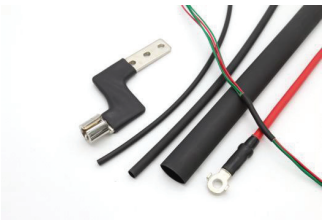
Electronic Material Products

In managing this product line, we mainly offer heat-shrinkable materials comprising heat-shrinkable tubing and tapes in a variety of materials, colors and sizes, designed to realize and optimize high-performance power and signal transmission. Heated during installation, our tubings shrink to conform to virtually any shape, providing dependable insulation, mechanical robustness, strain relief, as well as esthetic appeal, to significantly withstand challenges in harsh environments, such as collision and abrasion, pollution and contamination, UV-light, as well as extreme temperature and humidity conditions. This results in substantial improvement in reliability and safety of power/signal transmission architectures.

In addition, our tubing products have different specifications, highly flexible or semi-rigid, designed for operation in high- or low-temperature environments, halogen-free and/or flame-retardant, making us the one-stop platform for customers of different industries to select products needed.

Since our inception, we have been investing in the development and application of advanced crosslinking and heat-shrinkable technologies to continuously optimize our product for customers' applications. Our products are well recognized for their distinctive quality and reliability, and serve as the cornerstone of a broad range of end products deployed across mission-critical industries including NEVs, power infrastructure, rail transit, telecom, aerospace, and medical applications.

The table below sets out details of our key products sold under this product line:

Product	Picture	Description	Average Selling Price (tax exclusive)
Single-wall tubings		Possessing full stack technology, we offer customers a broad range of products utilizing serving diverse industries, including cable and component insulation for various industrial and electronic sectors. In particular, our products are certified by a leading Chinese aircraft manufacturer to be deployed on China's first domestically developed passenger jet, fully exhibiting our technology strength and premium quality.	Approximately RMB0.2/m to RMB0.3/m, which is generally determined by material type, performance specifications (e.g., flame retardancy, tensile properties, environmental resistance, etc.)
Dual-wall tubings		Our dual-wall heat-shrinkable tubing features a composite structure where the outer layer uses crosslinked polyolefin to offer premium insulation, corrosion resistance and aging resistance, while the inner layer uses thermoplastic adhesive material to ensure waterproof sealing and high bonding strength.	Approximately RMB0.4/m to RMB19.9/m, which is generally determined by material type, performance specifications
Tapes		Our products can ensure printed texts thereupon stay clear even under extreme conditions. They are widely used in rail transport, aerospace, ship building, wind power and telecoms industries.	Approximately RMB0.2/m to RMB2.0/m, which is generally determined by material type, performance specifications
Heat-shrinkable busbar insulation tubings		This product exhibits excellent flame retardancy, insulation properties, and thermal stability, delivering high dielectric strength and resistance to tracking currents. In particular, we prohibit or limit the use of environmentally hazardous substances such as PBB, PBDE, and heavy metals, preventing them for releasing toxic gasses during combustion. They are widely used for corrosion protection and insulation of busbars and electrical equipment.	Approximately RMB2.4/m to RMB30/m, which is generally determined by material type, performance specifications

Product	Picture	Description	Average Selling Price (tax exclusive)
Medical-grade tubings		The ultra-thin yet durable structure of our medical tubing improves space utilization in medical devices, facilitating minimally invasive and compact designs. The tube's lubricious surface provides exceptional non-stick properties, preventing adhesion of biological contaminants while enabling easy cleaning.	Approximately RMB1.0/m to RMB60.0/m, which is generally determined by material type, performance specifications

Electrical Power Transmission Product Business

We primarily develop, manufacture and offer a comprehensive product portfolio for the safe and reliable transmission of electricity for NEVs, power grids and power stations, and rail transportation. During the Track Record Period, we derived revenue primarily from the manufacture and sales of NEV power transmission products and electrical cable accessories products.

NEV Power Transmission Products

Our product portfolio comprises NEV charging products which include NEV charging guns and sockets for DC fast/ultra-fast charging, where we occupied over 41.7% of market share in China for NEV DC charging guns in terms of China revenue in 2024, according to F&S; and (ii) in-vehicle power charging accessories, including high-voltage wiring harnesses and connectors facilitating power charge function, where we have become among the recognized suppliers for many global leading vehicle manufacturers. In addition, we also offers power battery safety protection products. Our power battery safety protection products, including thermal insulation pads, cushioning pads, and high-temperature insulating tapes, are widely applied in thermal runaway protection for new energy batteries. These products provide thermal insulation and cushioning protection for internal and external components and circuits in new energy batteries and enhance the fire resistance, flame retardancy, insulation ratings, directly ensuring the continuity, safety, and integrity of electrical transmission, and constitute critical components for ensuring the safety and continuous operation of power transmission in NEV battery systems.

We are committed to developing a full-chain NEV charging product portfolio ranging from basic materials to charging guns. Our strategic focus is on products that have strong synergies in terms of underlying technology and market penetration with our well-recognized heat-shrinkable and power transmission businesses, as well as relatively high value-added ones. Over the years, we have successfully served a large number of notable power projects with complex technical challenges and have gained a deep understanding of power transmission and distribution materials and accessories. Capitalizing on these deep insights and advanced technologies, we have developed products such as basic materials, wires, connectors, charging stations, and charging guns, providing one-stop electrical products for many leading NEV industry players in China and around the world. As of the Latest Practicable Date, we have established strong business relationships with many leading NEV industry players in China and around the world.

The table below sets out details of our key products sold under this product line:

Product	Picture	Descriptions	Average Selling Price (tax exclusive)
Charging guns for NEVs		Our DC charging guns enable rapid NEV charging through high-current power delivery. According to F&S, we are the largest NEV DC charging gun manufacturer in terms of China revenue in 2024, with a China market share of 41.7%. We have been awarded "Little Giant (小巨人)" by Ministry of Industry and Information Technology in China in 2024, in recognition of our distinguished achievements and technology capabilities in relation to development of premium DC charging guns. We launched our latest technological breakthrough, the 1,000A/1,500V mega-watt, in 2024, which have been deployed by many ultra-fast charging pilot programs operated by leading power and energy enterprises. We are one of the few manufacturers in China with massive production capacity for high power charging guns with oil or water based cooling systems. We are also one of the key drafters of the national industry standards, including GB/T20234.1-2023 and GB/T20234.4-2023.	Approximately range from RMB600.0/unit to RMB3,500.0/unit • DC charging guns : approximately RMB900.0/unit ~ RMB2,000.0/unit • Liquid-cooled charging guns : approximately RMB2,000.0/unit ~ RMB4,000/unit • AC charging guns : approximately RMB100.0/unit ~ RMB300.0/unit The price of charging guns for NEVs is generally determined by current rating and cable length
High-voltage cables		These products mainly used for power and electrical connection among different components within electrical vehicles, facilitating high-voltage power transmission.	Approximately range from RMB100.0/piece to RMB500.0/piece, which is generally determined by current rating, connectors specification, and cable length.

Product	Picture	Descriptions	Average Selling Price (tax exclusive)
High-voltage connectors		Our connectors facilitate reliable connection between different electrical components in electrical vehicles, heavy-duty trucks, fork lifts and ships, with outstanding performance in solving challenges associated with high-voltage utilization scenario.	Approximately range from RMB20.0/unit to RMB200.0/unit, which is generally determined by cross-sectional area, with products of larger cross-sectional area generally carry higher selling prices.
AC and DC charging socket		Leveraging our proprietary technologies, our charging sockets have been widely adopted by many leading automobile manufacturers in China.	Approximately range from RMB100.0/set to RMB600.0/set, which is generally determined by current rating, product material, and the structure of the pin terminals
Power battery safety protection products		Our power battery safety protection products are mainly used in new energy battery box, cell to cell, end plate, module to module, to play the role of buffer, fire, heat insulation. They can also absorb the excess stress generated by the core bulge and, through the material's own highly elastic structure, act as a cushion to dampen vibration during normal core operation. Specifically, in the event of thermal runaway of the cell, our power battery safety protection products can help insulate, inhibit heat diffusion or reduce stress transfer, buying more escape time for passengers.	Approximately range from RMB1.0/piece to RMB15.0/piece, which is generally determined by product size and manufacturing process

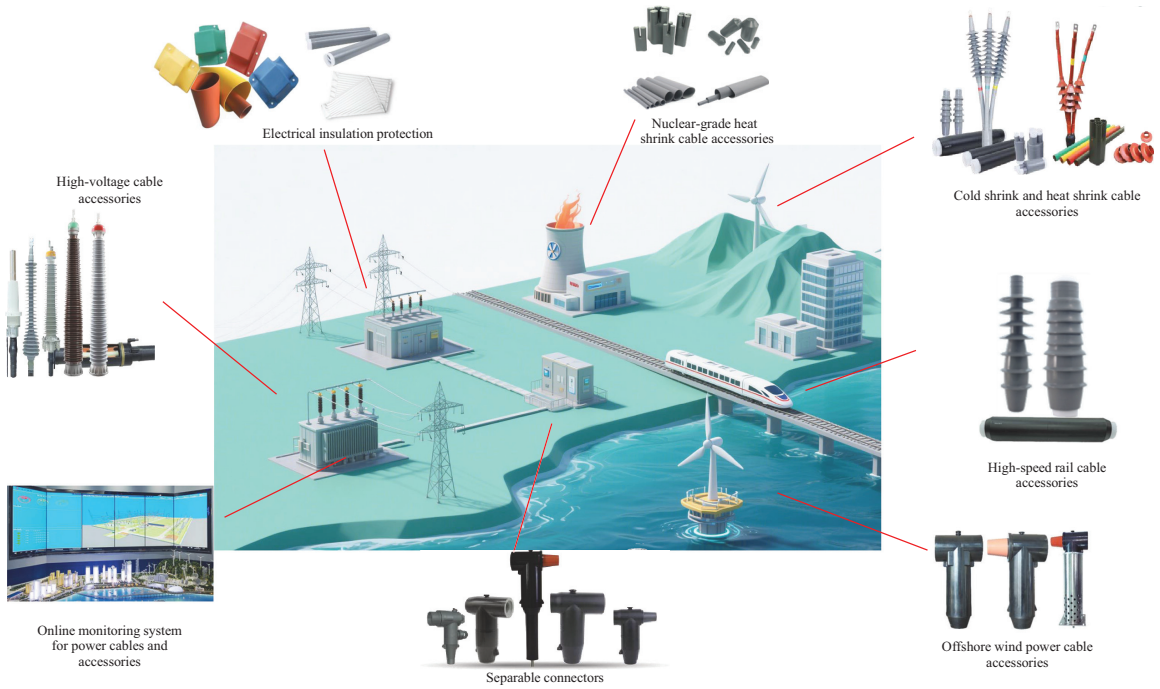
We pride ourselves on strong R&D and technology capability that allow us to continuously launch innovative products that can lead development in power cable accessories, particularly in those sectors enjoy rapid growth track record and strong increase potential. For instance, to meet quick expansion of NEVs that driving demands for ultra-fast charging technology, we successfully developed high-power liquid-cooled charging guns, exhibiting significant technological breakthrough. Our products upgraded from 600A to 800A with peak current exceeding 1,000A, making us one of the few manufacturers in China that can achieve mass production of high-power liquid-cooled charging guns.

Electrical Cable Accessories Products

As of the Latest Practicable Date, this product line included four main categories, comprising nuclear-grade heat-shrinkable cable accessories, high-voltage cable accessories, cold-shrinkable and heat-shrinkable cable accessories, and separable connectors.

We have been devoted in developing and manufacturing power cable accessories for over 25 years, delivering strong reliability and protection on a broad range of industrial and urban power projects, including grids serving energy generation, transmission and distribution, rail transportation, oil and gas, as well as chemical industries. Leveraging our strong technology capability, our products have been used in many prominent projects and have successfully established field-proven track record of ensuring continuity of power and minimizing the risk of outages, including many critical projects featuring extreme challenges associated with remote location, harsh environment, extensive geographic coverage and design constraints.

The following chart illustrates key applications of our major products under this product line:



The table below sets out details of our key products sold under this product line:

Product	Picture	Description	Average Selling Price (tax exclusive)
Nuclear-grade heat-shrinkable cable accessories		We offer a comprehensive portfolio of K1 and K3 certified nuclear-grade heat-shrinkable cable accessories. In particular, we are the first Chinese manufacturer who successfully developed Class 1E K1 certified nuclear-grade heat-shrinkable cable accessories, exhibiting superior performance parameters compared with then prevailing overseas competing products, including 80-year design lifespan. Class 1E certification in the nuclear industry identifies safety-related electrical equipment essential for nuclear power plant safety functions, such as emergency reactor shutdown and cooling, to prevent	Selling prices of this product category varies based on the specific industry standards they meet. During the Track Record Period, average selling prices of products meet K1 safety certification standard range from approximately RMB520.0/set to RMB4,500.0/set and those products of K3 standard range

Product	Picture	Description	Average Selling Price (tax exclusive)
		radioactive releases. It is a standard established by Institute of Electrical and Electronics Engineers, or IEEE, the world's largest technical professional organization that is dedicated to advancing technology for the benefit of humanity. Class 1E cables used in nuclear power plants are divided into three categories according to the safety categories of nuclear power plant electrical system equipment, namely K1, K2 and K3, with K1 being the highest standard. Products of K1 certification are those certified to be installed within the containment of a nuclear reactor and are capable of performing prescribed functions under normal environmental conditions, under safe shutdown earthquake loads and during or after an accident, while products of K3 certification are those designed to be installed outside the containment of a nuclear reactor, and perform prescribed functions under normal environmental conditions and under safe shutdown earthquake loads. In recognition of our premium quality and distinguished technology capability, our products have been widely adopted in critical national projects in China, and have received certification by all three national nuclear enterprises in China. In 2018, our Hualong One 1E-Class Heat-Shrinkable Cable Accessory was awarded the Third Prize in Science and Technology by the China Nuclear Energy Association and was also recognized as "Outstanding Product of the Machinery Industry in Celebration of the 40th	from approximately RMB100.0/set to RMB1,300.0/set.

Product	Picture	Description	Average Selling Price (tax exclusive)
		Anniversary of Reform and Opening-Up." In 2020, our 3rd Generation Nuclear Power 1E-Class Heat-Shrinkable Cable Accessory was further honored with the Second Prize for Scientific and Technological Progress by the Shenzhen Municipal Government. These prestigious accolades collectively underscore the milestone significance of this technology in advancing the localization of nuclear power equipment. We group our nuclear-grade heat-shrinkable cable accessories based on material used and expected utilization scenario, each of which goes with great variety of length, color and material based on customers' specific demands.	
High-voltage cable accessories		We have a comprehensive high-voltage cable accessory products portfolio, covering all key types of components used in 66kV to 500kV applications. Our products have been used in large number of landmark projects offering critical connection solutions between power cables and transformers/ overhead lines across generation and transmission networks. We have been recognized as a qualified core supplier for key power infrastructure developers in China. In 2023, our cable accessory products capable of being used in 500kV ultra high voltage operating environment has passed inspections held by industry authorities in China, with proven record of fully achieving International Electrotechnical Commission ("**IEC**") certification standards. This technological breakthrough fully exhibited	Price varies based on auxiliary materials used and the voltage to be sustained, with selling price of 66kV to 100kV products range from approximately RMB9,000.0/set to RMB15,000.0/set, while that of 220kV to 500kV products ranging from approximately RMB33,200.0/set to RMB58,300.0/set.

Product	Picture	Description	Average Selling Price (tax exclusive)
		our technology capabilities to achieve continuous innovation.	
Cold-shrinkable and heat-shrinkable cable accessories		Our cold-shrinkable and heat-shrinkable cable accessory products include different types of terminals and joints, that are used in 1kV to 35kV applications, indoor or outdoor. They provide connection solutions between power cables and overhead lines/electrical equipment across generation and distribution networks. Engineered with high-performance composite materials, our products provide multi-layer protection against pollution, aging, corrosion and UV exposure, delivering outstanding reliability even in extreme environments like high-altitude, frigid, humid, coastal and heavily polluted areas. We have been recognized as a qualified core supplier for key power infrastructure developers in China.	1kV series range from approximately RMB30.0/set to RMB270.0/set. 10kV to 35kV series range from approximately RMB300.0/set to RMB3,100.0/set. The price of cold-shrinkable and heat-shrinkable cable accessories is generally determined by product materials and product specifications
Separable connectors		We provide a complete range of 10kV-66kV separable connectors in both European and American standard configurations, delivering system solutions for connecting high-voltage cables to electrical equipment. Leveraging our premium quality, since our inception, our products have been accepted by over 1,000 electrical equipment manufacturers in China for their services in national critical infrastructure projects in China.	10kV-35kV series range from approximately RMB280.0/set to RMB4,110.0/set. 66kV series range from approximately RMB10,000.0/set to RMB16,800.0/set. The price of separable connectors is generally determined by product specifications and customization degree

During the Track Record Period, underpinned by steady growth in investments in national power and grid infrastructure projects, we consistently advanced the upgrading of our existing products and the development of new products, as well as increased our investment in developing products that can effectively serve digitalized and intelligent power grid initiatives in China. While further strengthening our market advantages in the traditional

medium- and low-voltage segments, we keep deepening our penetration in high-voltage and ultra-high-voltage markets. In particular, we focus on development of cable accessories and intelligent products for alternative energy sector in observation on the continuous expansion, including wind and photovoltaic power sectors.

Other Business

During the Track Record Period, we also generated revenue from operating wind farm business where we derived revenue through sales of power generated from our wind farms to power grids. In addition, we generated revenue from the development, sales and charging initial implementation service fee of MOM and MES platforms and annual subscription fee afterwards. We engaged in these business in line with our commitment to ESG policies and the determination to promote a business ecosystem with more manufacturers could benefit from advanced and standard process. In addition, we also benefit from synergy arising from relevant business.

Wind Power Business

We began developing our wind power business and officially received government approval in 2014, in line with our ESG commitment to environmental protection, in particular the global trend that encourage enterprises to take on their social responsibility to reduce carbon emissions. In addition, we benefited from synergy between this business line and our other business lines. For instance, by operating wind farms, we are able to access first-hand experience and industry insight on grid infrastructure demands for electrical cable accessories products. In the meantime, our wind farms effectively serve as a real-world testing environment for us to undertake product performance checking. As a result, we could enhance our technological competitiveness and market responsiveness.

We have strategically self-established wind farms in Shandong Province—a region with rich wind resources and robust power transmission infrastructure. As of September 30, 2025, we had three wind farms with an aggregated installed capacity of 144.2MW. We generally determine our wind turbine suppliers through a bidding process taking into account factors including reliability, reputation, product quality, price, technologies, production capacities and after-sale support. We procure wind turbines from reputable manufacturers in China. Other important suppliers for our wind power business include plant equipment suppliers and third-party contractors who provide construction and installation services. In addition, in order to achieve optimized efficiency, we invest in increasing the average utilization hours of our wind farms, perform repair and maintenance using in-house resources and enhance our monitoring systems. Each of our wind farms has a timetable for routine maintenance, regular inspections and repairs. With our extensive operational experience and technical know-how, we have developed a self-sufficient in-house operation and maintenance team to conduct a large number of operation and maintenance activities. During the Track Record Period, we have not experienced any material interruptions due to failure of wind turbines or key components.

Due to mandatory sales of electricity generated from renewable energy to the grid companies as provided under the current regulatory framework, our wind farms sell all of the electricity that they generated to local grid companies. Wind turbines convert kinetic energy from rotating blades into electrical energy via their generators. The electricity is collected through feeder lines to a step-up substation, where the on-site main transformer raises the voltage from 35 kV to 220 kV. It is then transmitted through an outgoing line into the grid network. During the Track Record Period, our annual effective operating hours typically range from 2,000 hours to 3,000 hours and we generated 283 million kWh, 314 million kWh, 296 million kWh and 206 million kWh of power, respectively. During the Track Record Period, all of the power generated from our wind power stations was sold to a state-owned electric utility corporation.

Others

During the Track Record Period, in recognition of our strong technology capability in developing and implementing advanced manufacturing management system, we also generated revenue from the development, sales and charging initial implementation service fee of MOM and MES platforms and annual subscription fee afterwards, upon request from relevant clients and when we deem appropriate. In 2016, we acquired Shenzhen Orbit which is primarily engaged in the development and sales of MOM and MES platforms for deployment

across our internal operations to enhance our operational efficiency and production capacity. Since the acquisition, concurrently, we also provided implementation services and annual subscription services afterwards of the MOM and MES platforms to the existing customer base of Shenzhen Orbit and new customers, thereby extending our manufacturing management standards to these third parties.

Our customers primarily comprises enterprises within the discrete manufacturing sector, including but not limited to electronic assembly, machining, wire and cable manufacturing, as well as enterprises operating in the new energy and photovoltaic industries. Based on research into the manufacturing operation and execution processes of our customers and their specific needs, we design, develop and sell customized software platforms to our customers. including MES platform and MOM platform, which encompasses various systems such as Warehouse Execution System (WES), Supervisory Control and Data Acquisition (SCADA), Enterprise Asset Management (EAM), and Advanced Planning and Scheduling (APS). Such software platforms enable our customers to track and integrate all data collection in the manufacturing process through systems, achieving visualization of data collection and process management, enhancing production process control and quality control, material and product traceability and enabling equipment monitoring and timely error prevention and warning. Upon the requst from customers, also provide maintenance services for customers during the daily operation of such platforms, including emergency troubleshooting, defect resolution and routine upgrades of system platform architecture components/firmware within the purchased version, for which we charge implementation and maintaince service fee on annual basis. In addition, we also sell our self-developed standard MES platform and MOM platform directly to customers who possess in-house capabilities for further customization and development, or who intend to engage in additional customized development prior to reselling the platforms to other end-users.

The following sets forth salient terms of standard MES and MOM platform development, purchase, and impementation service agreements:

- ***Term***. Generally one year.
- ***Principal rights and obligations***. Generally, we provide the development of system software in accordance with the contract, including customer requirements investigation, process and function interface modeling, system testing, and optimization. We also provide annual maintenance services after acceptance, including troubleshooting of system emergencies and optimization of systems and databases. Our customers are required to actively cooperate with us in completing the requirements investigation, system launch, and acceptance processes, and to make payments on time as stipulated in the contract.
- ***Quality***. We take corresponding responsibility for the quality issues of the services.
- ***Payment and credit term***. The project payments shall be made within 10 days , while annual service fees shall be paid within five days.
- ***Confidentiality***. Neither party shall disclose or make public any information obtained from the other party without prior written consent.
- ***Termination***. The contract may be terminated through mutual friendly negotiation.

RESEARCH AND DEVELOPMENT

We have strong technology capability in relation to application of crosslinking and heat-shrinkable polymer products. We believe development and implementation of advanced technology, as well as continuous innovation across different product lines, are crucial for us to achieve sustainable growth and maintain our competitive edge.

We have established a strong in-house R&D team with cross-discipline academic background and rich cross-industry experience, which comprised over 880 staff as of September 30, 2025. Within this team, over 190 staff hold master's degrees or above. We established WOER Research Institute as our core force to lead R&D efforts across group. By setting different departments, each focuses on a particular technology area, such as automation, material, equipment, testing and technological process, while establishing cross-department and project-based R&D mechanism, we are able to quickly call up qualified staff to achieve technology breakthroughs.

In addition, we invested in developing advanced facilities and engaging latest R&D equipment to ensure our pioneer industry position. For instance, our WOER Lab owns a fully-shielded high-voltage test hall. It is the largest research facility of its kind in Southern China's cable industry. Staffed by certified testing personnel trained and qualified by national authorities, this lab operates many world-class equipment constituting multiple sophisticated test systems. For instance, capitalizing on this lab and our in-house R&D team, we have completed comprehensive evaluation of 550kV-class power cables, accessories, insulators and bushings. This grants us critical competitive edges over industry peers to lead R&D trend and continuously enjoy early mover advantages in developing and implementing new technology.

As of September 30, 2025, we had obtained 2,170 and seven patents in China and overseas jurisdictions, respectively, and have participated in preparation of 29 national and 39 industry standards in China, exhibiting our strong technology capability and strong market recognition. Our robust R&D capabilities form the cornerstone of our competitive edge. Our R&D initiatives are primarily focused on improving our technological capabilities, strengthening the foundation of our core competencies, and exploring novel application scenarios for our existing capabilities. During the Track Record Period, we recorded research and development expenses of RMB305.8 million, RMB310.0 million, RMB348.7 million and RMB325.7 million in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively.

In recent years, we have taken proactive approach in implementing advanced technology, including big-data analytical tools, to enhance R&D and operation efficiency. For instance, we have engaged AI algorithm to assist our material R&D projects, significantly improved breakthrough efficiency gains through enhanced material analysis, performance prediction, and optimization in designing paired manufacturing process. Such technology-backed material R&D capability reduces development timelines while enhancing product reliability, bringing us a key advantage in advancing crosslinking solutions study.

During the Track Record Period, we also collaborate with well-recognized institutions and leading industry players to promote our R&D efforts, through which, we are able to access latest development trend in relevant industry, as well as most recent practical challenges and demands, further enhancing our ability to capture potential market opportunities.

Key Technology Achievements

We have achieved distinguished R&D breakthroughs across different business and product lines. Leveraging continued successful innovation and iteration, we have achieved enhanced competitiveness in existing product portfolio, continuous expansion of application for new products, and optimization of cost efficiency. All of these served as solid base for our sustainable development and strong market leadership. Our historical key technology achievements include:

Electronic communications business

Telecoms cable products	• High-speed data communication	We have completed development of our 224G single-channel and 1600G multi-channel high-speed copper cables, featuring industry-leading performance and reliability. Our 224G products have realized two important technological breakthroughs, including FEP 32AWG dual-core extrusion and 26 and 27AWG large gage physical FEP insulation foam technology. In particular, due to the high temperature requirements of the environment, we have also replaced the traditional foamed PE material with the more technically demanding high temperature resistant foamed FEP material.

	• Automotive data communication	We have developed 10G Ethernet automotive data communication products for radar and advanced driver assistance systems.
	• Industrial automation and robot cables	We have completed the development of industrial Ethernet PROFINET series products, which can be widely used in the construction of intelligent factories and production automation workshops. In addition, we have successfully developed flat dust-free and static-free drag chain cables, which are made of special materials with the characteristics of high flexibility, no dust accumulation, flame retardant and oil resistance. These products can be applied to the occasions that require high cleanliness of the production environment, such as medical treatment, microchips, and clean rooms with static electricity requirements.
	• Medical cables	We invested in study technology challenges brought up by medical automation and intelligent products for diagnostics, surgical procedures, and imaging analysis. Through our efforts, we successfully developed and launched products that can meet stringent industry requirements for temperature resistance, flex endurance, sterilization compatibility, and EMI shielding.
Electronic material products	• Aviation	We have passed the testing and certification of 12 products of a leading Chinese aircraft manufacturer. Our products can meet such aircraft manufacturer's strict requirements for liquid resistance, high temperature resistance, flame retardant and mold resistance. As a result, we were included in its list of qualified suppliers and have provided wire harness insulation and protection solutions for some of its civil aircrafts, including a large civil aircraft.
	• Automotive	We have successfully developed a highly abrasion-resistant and highly flame retardant self-coiling textile tubing. It is flame retardant to class UL 94 V-0 in accordance with EN45545-R23-HL3. In addition, its abrasion resistance is higher than the industry standard, with a scratch resistance ≥ 30,000 times. As of the Latest Practicable Date, we have begun mass deployment in China's leading NEV manufacturers. We have also completed the development of 125°C high-temperature adhesive automotive dual-wall heat-shrinkable tubing, which can work for a long period of time at a high temperature of 125°C, with no dripping of the inner hot-melt adhesive and excellent waterproofing and sealing, meeting the

		high-temperature resistance and sealing performance requirements for components such as wiring harnesses and engines in NEVs. As of the Latest Practicable Date, our heat-shrinkable tubing has been widely used by automobile manufacturers in China and around the world.
	• Medical	We have successfully developed medical heat-shrinkable tubing based on fluorinated ethylene propylene ("**FEP**") and polyolefin by conducting material formulation and process research and developing our own high-precision expansion equipment. As of the Latest Practicable Date, we have developed medical heat-shrinkable tubing with a wide range of sizes, high quality consistency, and biocompatibility that meets the requirements of the ISO10993 test, which provides a reliable solution for auxiliary molding, insulation protection, and soldering for medical catheters, endoscopes, and balloon aids, among other applications.
Electrical power transmission product business		
Electrical cable accessories products	• High-voltage products	The 330kV and 500kV ultra-high voltage cable accessories independently designed and developed by us have successfully passed the pre-qualification test in the Power Industry Electrical Equipment Quality Inspection and Testing Center, which marks our entry into the ranks of ultra-high voltage cable accessories manufacturers in China, and lays a solid foundation for the market development and R&D of our ultra-high voltage cable accessories.
	• Rail transportation	Leveraging our own advantages in material R&D and cable accessory structure design, we have independently developed special functional memory materials and cable terminals for high-speed rail, which solved the technical problems of multi-layer composites and not being able to "breathe the same breath" that existed in high-speed rail cable accessories at present. We also enhances the performance of our high-speed rail cable accessories and broadens the application fields of such cable accessories.
	• Nuclear safety (1E-class) cable accessories	We jointly developed nuclear safety (1E-class) cable accessories with several state-owned energy corporations and research institutes. We also took the lead in the national scientific and technological major special project "Development of 1E-class Cable Connector and Terminal Kits for Severe Environment," and have realized the qualification of halogen-free, low-smoke, flame-retardant nuclear safety (1E-class) cable accessory with the lifespan

of 80 years under the long-term working temperature of 90°C. We are one of the cable accessory manufacturers with civil nuclear safety equipment design and manufacturing license, and our independently designed and manufactured nuclear safety cable accessories have been applied to various types of nuclear power reactors.

NEV power transmission products In terms of megawatt-class charging products, by optimizing the thermal conductive materials of liquid cooling tubing to enhance the efficiency of thermal conductivity and heat dissipation, we have been developing charging products with higher voltage and higher current, with the current being raised from 1,000A to 1,500A, and in the future to 3,000A, to solve the problem of rapid charging of heavy-duty trucks and mining trucks to replenish the energy of the electric vehicles. At the same time, for the charging scenarios in harsh environments such as high salt spray, high sand and dust, and high and low temperatures, we plan to continue to optimize and launch charging products with higher levels of protection that meet the harsh environments to meet the needs of our customers.

Key R&D Programs

We set our R&D strategic position to focus on (i) development of advanced technology that serve as fundamental stepstone for our competitive edge, (ii) technological products that tailored to address industry and customer specific challenges or demands, and (iii) continuous product optimization and iteration that are critical for us to achieve sustainable leadership. As of the Latest Practicable Date, our key on-going R&D projects are set out below:

Product/Technology	Key Features	Key Applications
Development of 448G high-speed copper cable series for computing centers	Transmission rate is 100% higher than the current 224G single-channel high-speed copper cable, with higher test frequency and smaller cable size.	Applicable for high-speed data communication for next generation computing centers.
Development of 32G automotive Ethernet cable for in-vehicle communications	The construction of twintax cable and FEP insulation can provide better signal integrity performance and electromagnetic compatibility.	Can be used as the high speed signal transmission channel between the controller and the major sensors such as camera and radar.
Development of MT-BT PA12 balloon tubing	We expect the balloon tubing we are developing to have concentricity greater than 90%, a yield strength of more than 27 MPa, a conventional specification outside diameter tolerance of ±0.02 mm or less, and the ability to withstand fatigue of more than 30 times.	Used as medical balloons, which, as the core component of balloon catheters, serve the important roles of vascular pre-dilatation, shaping and thrombolysis, stent delivery and post-dilatation in human angioplasty.

Product/Technology	Key Features	Key Applications
Development of COMBO interface high current charging gun product	By optimizing the thermal conductive material of liquid cooling tube to enhance the thermal conductivity and heat dissipation efficiency, we have been developing charging products with higher voltage and higher current, and plan to increase the current level to 3000A, which can solve the problem of rapid charging and replenishment of heavy trucks and mining trucks. Meanwhile, for the charging scenarios in harsh environments such as high salt spray, high sand and dust, and high and low temperatures, we plan to continue to optimize and launch charging products with higher levels of protection that meet the harsh environments to meet the needs of our customers.	Applicable for high current charging for heavy trucks and mining trucks.
Development of environmentally friendly and intelligent ultra-high voltage and high current cable connectors	We are developing cable connectors with (i) high transmission efficiency and low transmission rates; (ii) high insulation and safety; (iii) environmental friendliness through the use of halogen-free and low smoke materials; and (iv) intelligent monitoring and diagnostics.	Applicable for power transmission; photovoltaic panels, wind turbines and grid connections; rail transportation; and industrial and mining manufacturing
Development of high-temperature-resistant, halogen-free, semi-rigid dual-wall heat-shrink tubing	We are developing ultra-low-temperature-resistant brake wiring harness protective tubing designed to offer high electrical insulation, flame retardancy, low smoke emission, low toxicity and low odour, meeting the stringent performance requirements for application in range extenders and motor drive areas of new energy vehicles. In addition, its abrasion resistance and resistance to chemical media enable it to provide effective sealing and waterproof protection for components such as wiring harnesses, terminals and busbars in wet-area applications. Such heat-shrink tubing is rated for long-term operating temperatures of up to 150°C, features halogen-free flame-retardant properties, and complies with the latest environmental regulatory requirements.	Applicable for sealing and waterproof protection of wiring harness connection points, terminal heads and busbars in high-temperature areas of automobiles.

Product/Technology	Key Features	Key Applications
Development of ultra-low-temperature-resistant brake wiring harness protective tubing	We are developing TPU protective tubing featuring low-temperature resistance, low glass transition temperature (Tg), the ability to withstand dynamic bending under load at -40 °C without cracking, and high-temperature resistance. Its low-temperature flexibility without embrittlement, abrasion and oil resistance, dynamic reliability and thermoplastic sealing performance enable it to provide reliable protection for wiring harnesses located near the chassis and tyres.	Applicable for outer sheath protection of automotive ABS wiring harnesses and wheel speed sensor harnesses.

OUR PRODUCTION

In line with our development strategy, we invested in developing and enhancing automated, intelligentized, and lean manufacturing management across multiple manufacturing bases. In particular, we focus on achieving improvement in cost efficiency by continuously optimizing processes and formulations, and adopting highly flexible and transparent inventory management policy. In the meantime, we emphasize on implementing standardized workflow, and technology-backed automation, through which, we can achieve mass production capability with premium product consistency.

In recent years, we invested in digitalization of entire work flow to ensure data-driven task dispatch, real time supervision on equipment performance and reduce human related errors. We also introduce advanced hardware that can properly handle repeated work stream in a highly automated and efficient manner, such as defect inspection, select manufacturing procedure, logistics and transportation of raw materials/components between production lines. Broad adoption of digitalization further allows us to benefit from data technology, where we may quickly analyze massive historical and real time data to accurately predict, and respond to, inventory needs, purchase order settlement status and production progress, thus further enhancing our cost control and profitability.

Our Manufacturing Bases

As of September 30, 2025, we had nine manufacturing bases in China and one overseas manufacturing base in Vietnam. We strategically locate our manufacturing bases to places with close proximity to our customers, allowing comprehensive coverage of, and quick response to, their production need and supply chain management demands. Details of which are set out in graphics below:

Manufacturing Bases	Electronic Communications Business		Electrical Power Transmission Product Business		Description	Land-use Rights
	Telecoms cable products	Electronic material products	NEV power transmission products	Electrical cable accessories products		
Shenzhen Pingshan Plant (深圳坪山基地)	—	√	√	√	This plant is located in Shenzhen, Guangdong province, and commenced commercial production before the Track Record Period.	Owned
Shanghai Keter Plant (上海科特基地)	—	—	√	—	This plant is located in Shanghai, and commenced commercial production before the Track Record Period.	Partially owned and partially leased
Tianjin Woerfar Plant (天津沃爾法基地)	—	—	—	√	This plant is located in Tianjin, and commenced commercial production before the Track Record Period.	Owned
Huizhou Zhongkai Plant (惠州仲愷基地)	√	—	—	—	This plant is located in Huizhou, Guangdong province, and commenced commercial production before the Track Record Period.	Owned

Manufacturing Bases	Electronic Communications Business		Electrical Power Transmission Product Business		Description	Land-use Rights
	Telecoms cable products	Electronic material products	NEV power transmission products	Electrical cable accessories products		
Changzhou Jintan Plant (常州金壇基地)	√	√	√	√	This plant is located in Changzhou, Jiangsu province and commenced commercial production before the Track Record Period.	Owned
Dongguan Changyuan Plant (東莞長園電子基地)	—	√	—	—	This plant is located in Dongguan, and commenced commercial production before the Track Record Period.	Leased
Shanghai Changyuan Electronic Plant (上海長園電子基地)	—	√	—	—	This plant is located in Shanghai, and commenced commercial production before the Track Record Period.	Owned
Vietnam LTK Plant (越南樂庭基地)	√	—	—	—	This plant is located in Que Vo industrial park, Bac Ninh Province, Vietnam and commenced commercial production before the Track Record Period. The Que Vo industrial park is one of the largest and most important industrial zones in Bac Ninh Province. Its strategic location makes it a key hub connecting major economic centers such as Hanoi, Haiphong and Quang Ninh Province.	Leased
Huizhou Shuikou Plant (惠州水口基地)	√	—	—	—	This plant is located in Huizhou, Guangdong province, and commenced commercial production in August 2022.	Owned
Wuhan Caidian Plant (武漢蔡甸基地)	—	—	√	√	This plant is located in Wuhan, Hubei province, and commenced commercial production in June 2024.	Owned

We plan to optimize our production capacity layout in China and overseas. As of the Latest Practicable Date, we have signed a land purchase agreement and purchased 160,000 sq.m. of land to establish a manufacturing base in the Pengerang area of Johor, Malaysia. Johor strategically serves as a gateway to the ASEAN market and is a key economic hub in Malaysia. The region is home to industries such as electronics, electrical equipment, shipbuilding, and petrochemicals.

The following table sets forth the production capacity and utilization rate of our manufacturing bases and other related metrics during the periods indicated.

	Metrics	Unit	For the year ended December 31, 2022	2023	2024
Electronic Communications					
Telecoms cable products	Production volume	Million meter	2,054.0	1,860.0	2,325.0
	Production capacity	Million meter	2,721.0	2,571.1	2,870.0
	Utilization rate (i)	%	75.5	72.3	81.0
Electronic material products	Production volume	Million meter	5,012.0	5,250.1	5,267.7
	Production capacity	Million meter	5,240.4	5,340.2	5,584.8
	Utilization rate (i)	%	95.6	98.3	95.7
Electrical Power Transmission Product					
NEV power transmission products	Production volume	Million unit (ii)	2.3	2.4	2.5
	Production capacity	Million unit (ii)	2.9	2.7	3.2
	Utilization rate (i)	%	79.3	88.9	79.6
Electrical cable accessories products	Production volume	Million set	4.8	5.2	5.1
	Production capacity	Million set	5.3	5.7	5.6
	Utilization rate (i)	%	90.9	90.8	90.3

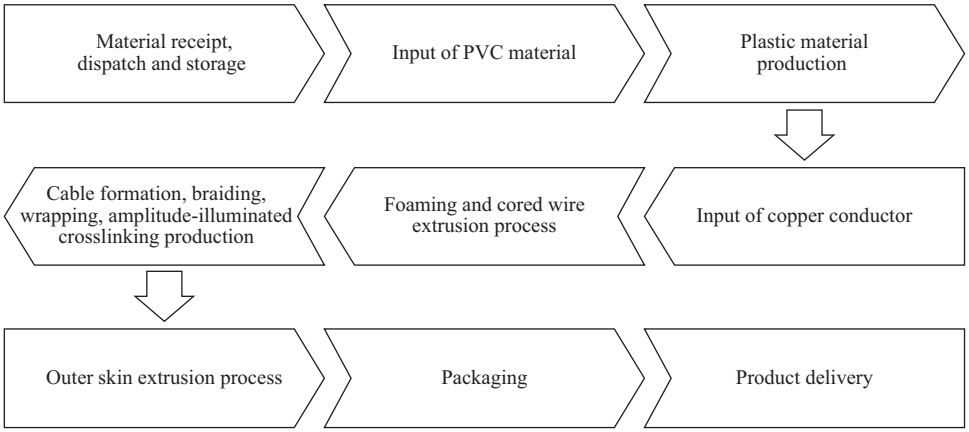
Note:

(i) Assuming that the relevant production lines operate 250 days per year and 20 hours per day.
(ii) The measurement unit include piece, unit or set, depending on the product specifications.

Manufacturing Process

Telecoms cable products

The chart below sets out key steps of production process for our telecoms cable products.

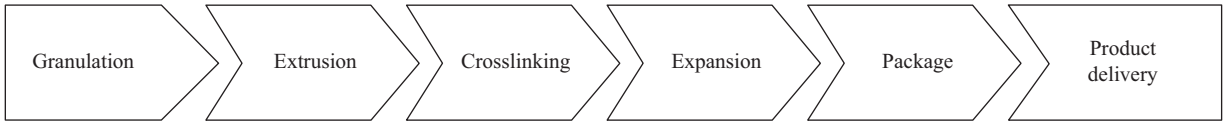


- ***Material receipt, issue and storage.*** Raw materials are purchased, inspected and, upon passing inspection, moved into the warehouse for storage. They are then issued to the shop floor as required.

- ***Input of Polyvinyl chloride ("PVC") material.*** PVC-related materials are withdrawn from the warehouse for production.
- ***Plastic material production.*** PVC compound are produced according to the formulation and process instructions, after which the finished compound is returned to the warehouse.
- ***Input of copper conductor.*** Purchased copper conductor wire is taken out of the warehouse.
- ***Foaming and cored wire extrusion process.*** PVC materials are extruded over the copper conductor to form an insulation layer, producing the cored wire.
- ***Cable formation, braiding, wrapping, amplitude-illuminated crosslinking production.*** The production department manufactures semi-finished goods per the process card. Depending on the specific product, one to four of these operations may be applied to produce the semi-finished cable.
- ***Outer skin extrusion process.*** Semi-finished goods and PVC compound are fed into the extruder, and a PVC jacket is extruded over the semi-finished cable to create the finished product.
- ***Packaging and product delivery.*** Finished goods are packaged and returned to the warehouse and, in accordance with the customer's delivery schedule, shipped to the customer.

Electronic material products

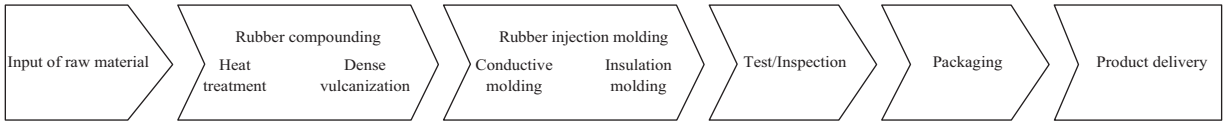
The chart below sets out general key steps of production process for our electrical cable accessories products.



- ***Granulation.*** Multiple components are melted and homogenized to form pelletized compound.
- ***Extrusion.*** The pellets are melted and extruded into tubular products.
- ***Crosslinking.*** At the microscopic level, electron-beam irradiation converts the linear molecular structure into a three-dimensional network.
- ***Expansion.*** The irradiated pre-tube is expanded to its final dimensions.
- ***Package.*** The products are packaged into individual units.
- ***Product delivery.*** The finished goods are delivered to the customer in accordance with their schedule.

Electrical cable accessories products

The chart below sets out key steps of production process for our electrical cable accessories products.



- ***Input of raw material.*** Accurately weigh and input each ingredient according to the formulation sheet.
- ***Rubber compounding & Heat treatment & Dense vulcanization.*** Disperse and uniformly mix the rubber with all weighed ingredients to produce the compound. Then pass the compound through a warm two-roll mill to further improve dispersion uniformity. Add the vulcanizing agent in an internal mixer to impart vulcanizable characteristics to the compound.

- ***Rubber injection molding & conductive molding & Insulation molding.*** Inject the compound into molds to form the required product geometry. Inject to mold conductive products. Then Inject to mold insulating products.
- ***Test/Inspection.*** Evaluate physical and electrical properties to ensure compliance with specifications.
- ***Packaging.*** Assemble the main product with its accessories per the structural design for convenient transport or subsequent use.
- ***Product delivery.*** The finished goods are delivered to the customer in accordance with their schedule.

The time for each production cycle varies depending on the complexity of technological procedures to be adopted and customer's specific demands on product functions. It may generally take around one to two weeks to complete production from the time of reception of raw materials.

Our Production Equipment

During the Track Record Period, we sourced production equipment from reputable suppliers from China and around the world. We rely on our in-house technicians to conduct regular maintenance work to ensure the safe and proper operations of our equipment and production line. During the Track Record Period and as of the Latest Practicable Date, we did not encounter any major interruptions in the production process due to facility or equipment failures or malfunction, nor did we experience any major accidents.

We fully recognize the importance of advanced and quality manufacturing equipment for our business operations and invested in enhancing our long-term relationship with suppliers of critical equipment in China and overseas. Leveraging our leading market position, digitalization achievements and financial strength, we thoroughly plan our equipment procurement taking into account expected purchase orders and the lead time for relevant suppliers to complete equipment production. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any delay in equipment delivery, or dispute with our equipment suppliers that caused material and adverse impact to our business operations.

We developed some of our own production equipment and technologies, such as dry expanders and automatic loading technology for thin tubing. For our proprietary dry expander, we replaced glycerin heating technology with infrared heating technology, which successfully increased the expansion speed from 6m/s to 9m/s while reducing energy consumption. In addition, our proprietary automatic thin tube loading technology has increased per capita capacity from 7,000m/h to 18,000m/h and solved quality-related problems such as twisting and folding during heat shrink tube loading, paving the way for our customers to automate their production and breaking a key bottleneck in automation for the industry.

With 16 Rosendahl physical foam extrusion lines and more than 50 irradiators, we had one of the largest portfolios of relevant equipment in China which allows us to consistently mass-produce high-quality telecoms cables and electronic materials as of the Latest Practicable Date. Upon reception of advanced equipment, we rely on our in-house R&D staff and experienced technicians to conduct fine tune and adjustment to relevant specifications to ensure expected performance and meet customized production requirements. For instance, leveraging our expertise and deep industry experience, we possessed an expert team in this area. All of our technicians hold necessary qualifications. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material work safety accident.

SEASONALITY

Due to the nature of our products, we are not subject to material fluctuations in seasonality.

QUALITY CONTROL

Quality control is of strategic importance to ensure product consistency and uniformity, which is crucial for many of our key customers operating in critical infrastructure and/or engaging in advanced manufacturing

business, who treat reliability and high-performance with top priority. We have been committed to establishing and implementing stringent quality control system in line with applicable international or industry standards, while setting specific groups of quality parameters and product performance indicators for different types of products and/or specific customers. For instance, for production of electronic material products, we have established a series of quality control procedures in line with ISO 9000 system certification, IATF 16949 automotive system, AS 9100 aviation system, nuclear power quality assurance system and ISO 13485 medical system, all being fully merged into our production steps and procedures.

We invested in implementing advanced equipment and latest technologies to enhance the accuracy and efficiency of our quality inspections. In particular, given the fact that our products are designed for long-term service in harsh environments, we have included our product performance tracking and customer's feedback system into our quality control system as well, where we may rely on data-driven analytical tools to make timely adjustment to our quality control procedures, as well as R&D efforts. By doing so, we ensure that our products meet the highest quality standards right from the source.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any dispute in relation to our product quality that caused material and adverse impact to our business operations.

OUR INFORMATION TECHNOLOGY

We believe that information technology is crucial for maintaining our competitive position. During the Track Record Period, we invested in developing our IT systems to ensure our business management could enjoy technology-backed benefits in terms of automation, informatization, intelligence and digitization.

- **Production Management.** We actively promote the development and implementation of application systems such as manufacturing execution system ("**MES**"), warehouse execution system ("**WES**") and supervisory control and data acquisition ("**SCADA**"), bringing transparent and paperless management on relevant business operations, while allowing our management to view visualized presentation on business progress on a real-time basis. In particular, we developed our own MES, which can mainly be used in manufacturing to track and document the transformation of raw materials to finished goods. MES can provide information that helps manufacturers understand how to optimize current conditions on the factory floor to increase production and can be used as a real-time monitoring system to control multiple elements of the production process, such as inputs, people, machines and support services. We consider these systems are crucial for us to achieve optimized cost-efficiency, resulting in optimized profitability and sustainable competitiveness. In addition, we invested in utilizing technology and equipment that can complete tasks in a highly automated way, such as heat-shrinkable tube printing and automatic inkjet coding control, continuously improving our production efficiency.

- **Financial Management**. We capitalize on digital tools and cloud computing technologies to solve challenges associated with management on massive number of transactions and financial reporting work, achieving highly accurate tracking, real-time supervision and prompt response towards business needs. We also invested in continuously optimizing fund management and financial reporting mechanism to keep enhancing the efficiency and quality of financial management, in the way to keep the pace with, and support, our business expansion. Our technology-backed financial management capability allows us to effectively reduce risks and/or errors associated with manual operations and enjoy efficiency brought up by highly intelligent and automated procedures.

- **Sales and Procurement Management.** We adopt customer relationship management system ("**CRM**") and supplier relationship management ("**SRM**") system, which, working together with other IT function components, allow us to achieve sustainable and lean sales and supply chain management. We leverage big data analytical tools to derive valuable insights from large number of transactions, in the way to assist our team achieving operation efficiency, while allowing our management to identify potential issues that may affect our overall profitability. In particular, we utilize intelligent tools significant improve our work efficiency.

We have established network and information security emergency plans, setting procedures to properly handle emergencies. In addition, our current system networks and servers are equipped with redundancy

mechanisms to ensure robust backup and inspection mechanisms for our systems. During the Track Record Period and up to the Latest Practicable Date, our IT systems did not experience any major failures or complete breakdowns that had a significant adverse impact on our overall business operations.

MARKETING, SALES AND CUSTOMERS

Our Customers

Our customers primarily consist of direct sales customers and distributors, of which direct sales customers contributed to the majority of our revenue during the Track Record Period. During the Track Record Period, we derived the largest share of our revenue from Chinese mainland. In 2022, 2023, 2024 and the nine months ended September 30, 2025, our five largest customers in each year/period during the Track Record Period contributed 12.6%, 11.5%, 12.7% and 19.3%, respectively, to our total revenue for the respective year/period. Sales to our largest customer in each year/period during the Track Record Period accounted for 5.5%, 5.2%, 4.0% and 9.7% of our total revenue for the respective year/period. As of the Latest Practicable Date, we had maintained stable business relationship with our major customers for approximately 13 years in average. During the Track Record Period, all of our five largest Customers in each year/period are our direct customers.

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

For the year ended December 31, 2022

No.	Customer	Background	Customer type	Products/services purchased from us	Revenue	% of total revenue	Year of commencement of business relationship with us	Credit terms and payment method
					(RMB '000)			
1	Customer A	A Beijing-based large-scale state-owned electric utility corporation focusing on power grid investment and operation	direct customer	Electrical cable accessories products, and wind power	294,638	5.5%	2010	One month; bank transfer
2	Customer B	A Connecticut-based global connector manufacturer designing electrical/ optical connectors listed on the New York Stock Exchange	direct customer	Telecoms cables	137,939	2.6%	2003	60 days; bank transfer

No.	Customer	Background	Customer type	Products/services purchased from us	Revenue	% of total revenue	Year of commencement of business relationship with us	Credit terms and payment method
					(RMB '000)			
3	Customer C	A Ningde-based large-scale new energy technology company specializing in EV batteries and energy storage systems, listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange	direct customer	NEV power transmission products	95,630	1.8%	2017	90 days; banker's acceptance
4	Customer D	A Chongqing-based automobile manufacturer developing, selling and manufacturing automobile and relevant accessories and providing NEV charging services	direct customer	NEV power transmission products	75,379	1.4%	2019	120 days; wire transfer or banker's acceptance
5	Customer E	A Shenzhen-based manufacturer focusing on related components, modules, and system-integration in fields such as consumer electronics, communications and data centers, automotive, and medical, listed on the Shenzhen Stock Exchange	direct customer	Telecoms cables	68,620	1.3%	2002	90 days; bank transfer
	Total				**672,206**	**12.6%**		

For the year ended December 31, 2023

No.	Customer	Background	Customer type	Products/services purchased from us	Revenue	% of total revenue	Year of commencement of business relationship with us	Credit terms and payment method
					(RMB '000)			
1	Customer A	A Beijing-based large-scale state-owned electric utility corporation focusing on power grid investment and operation	direct customer	Electrical cable accessories products, and wind power	298,092	5.2%	2010	One month; bank transfer
2	Customer F	A Hangzhou-based large-scale automotive company, listed on the Hong Kong Stock Exchange	direct customer	NEV power transmission products	118,702	2.1%	2021	90 days; banker's acceptance
3	Customer B	A Connecticut-based global connector manufacturer designing electrical/optical connectors listed on the New York Stock Exchange	direct customer	Telecoms cables	99,090	1.7%	2003	60 days; bank transfer
4	Customer G	A Qingdao-based power equipment and EV charging network provider, listed on the Shenzhen Stock Exchange	direct customer	NEV power transmission products	77,759	1.4%	2011	120 days; banker's acceptance
5	Customer C	A Ningde-based large-scale new energy technology company specializing in EV batteries and energy storage systems, listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange	direct customer	NEV power transmission products	60,098	1.1%	2017	90 days; banker's acceptance
	Total				**653,741**	**11.5%**		

For the year ended December 31, 2024

No.	Customer	Background	Customer type	Products/services purchased from us	Revenue (RMB '000)	% of total revenue	Year of commencement of business relationship with us	Credit terms and payment method
1	Customer B	A Connecticut-based global connector manufacturer designing electrical/optical connectors listed on the New York Stock Exchange	direct customer	Telecoms cables	279,588	4.0%	2003	60 days; bank transfer
2	Customer A	A Beijing-based large-scale state-owned electric utility corporation focusing on power grid investment and operation	direct customer	Electrical cable accessories products, and wind power	267,575	3.9%	2010	One month; bank transfer
3	Customer F	A Hangzhou-based large-scale automotive company, listed on the Hong Kong Stock Exchange	direct customer	NEV power transmission products	147,076	2.1%	2021	90 days; banker's acceptance
4	Customer H	A Liuzhou-based automotive company focusing on R&D and manufacture automobile and relevant automotive parts	direct customer	NEV power transmission products	98,345	1.4%	2018	90 days; banker's acceptance

No.	Customer	Background	Customer type	Products/services purchased from us	Revenue (RMB '000)	% of total revenue	Year of commencement of business relationship with us	Credit terms and payment method
5	Customer E	A Shenzhen-based manufacturer focusing on related components, modules, and system-integration in fields such as consumer electronics, communications and data centers, automotive, and medical, listed on the Shenzhen Stock Exchange	direct customer	Telecoms cables	93,191	1.3%	2002	90 days; bank transfer
	Total				**885,775**	**12.7%**		

For the nine months ended September 30, 2025

No.	Customer	Background	Customer type	Products/services purchased from us	Revenue (RMB '000)	% of total revenue	Year of commencement of business relationship with us	Credit terms and payment method
1	Customer B	A Connecticut-based global connector manufacturer designing electrical/optical connectors listed on the New York Stock Exchange	direct customer	Telecoms cables	589,995	9.7%	2003	60 days; bank transfer
2	Customer A	A Beijing-based large-scale state-owned electric utility corporation focusing on power grid investment and operation	direct customer	Electrical cable accessories products, and wind power	189,122	3.1%	2010	one month; bank transfer

No.	Customer	Background	Customer type	Products/services purchased from us	Revenue (RMB '000)	% of total revenue	Year of commencement of business relationship with us	Credit terms and payment method
3	Customer I	A large-scale global connectivity systems provider designing and manufacturing connectors	direct customer	Telecoms cables	180,849	3.0%	2020	60 days; bank transfer
4	Customer H	A Liuzhou-based automotive company focusing on R&D and manufacture automobile and relevant automotive parts	direct customer	NEV power transmission products	115,333	1.9%	2018	90 days; banker's acceptance
5	Customer C	A Ningde-based large-scale new energy technology company specializing in EV batteries and energy storage systems, listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange	direct customer	NEV power transmission products	98,312	1.6%	2017	90 days; banker's acceptance
	Total				**1,173,611**	**19.3%**		

As of the Latest Practicable Date, none of our Directors, their close associates or any of our Shareholder which to the best knowledge of our Directors owned more than 5% of the issued share capital of our Company, had any interest in our five largest customers in each year/period during the Track Record Period. To the best knowledge of our Directors, each of our five largest customers in each year/period during the Track Record Period was an Independent Third Party.

The salient terms of our standard direct sales agreements during the Track Record Period are set out below:

Duration . . . . . The duration of the direct sales agreements with our direct sales customers ranges from one to five years.

Pricing policy . . . . . We sell our products to direct sales customers at mutually agreed price levels. We generally have price adjustment mechanisms with our direct sales customers.

Payment and credit terms . . . . . The payment is due when customers confirm acceptance of our products. We generally grant a credit period to our direct sales customers of approximately five days to six months.

Minimum purchase amount and sales target	We generally do not set minimum purchase amounts and sales targets.
Return arrangements	We typically do not allow our direct sales customers to return products to us except for limited reasons, such as product design defects or quality issues.
Product liability	We take corresponding responsibility for the quality issues of the products.
Transfer of risks	The risks transfer to direct sales customers after they confirm receipt of our products.
Termination	Our direct sales customers are typically entitled to terminate the agreement upon expiry of the agreement or with 90 days' prior written notice.

Sales and Marketing

We implement a multi-brand marketing strategy to cater to the diverse needs of our customers. By adopting different branding strategies for each customer category, we ensure that our brands, such as WOER, LTK, and KTG, have established a strong reputation within the industry. Our widespread network of sales subsidiaries and offices forms a comprehensive marketing network, reaching both domestic and select international markets, which also supports our foundation for providing high-quality and timely delivery services.

As of September 30, 2025, our sales and marketing department consists of 815 employees, primarily responsible for developing sales and marketing plans, identifying product markets, acquiring customers, conducting business negotiations, and establishing cooperative relationships with our customers. We acquire customers through multiple channels, including attending industry exhibitions to showcase our products and technologies, actively collecting customer information through potential customer websites, expanding our customer base, and leveraging existing industry connections for referrals. Our sales model combines direct sales with distributors.

We typically sell our products through purchase orders or purchase agreements entered into with our customers where they set out purchasing price, volume, delivery details, warranty terms and product specifications of respective procurement batches. We typically charge a fixed purchasing price for our products and grant to our customers credit terms of up to 90 days. We typically only allow our customers to return products with defects or other quality issues. Such agreements can be terminated upon mutual consent. We generally do not set minimum purchase amount to our customers. As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, there have been no material breaches of contract or any significant defaults between our Company and our customers.

Pricing

In determining the pricing of our products, we take into account a broad range of factors, including strategic value and our business relationship with relevant customer, prevailing market competition of similar products, costs of raw material price, manufacturing complexity and costs, as well as our production capacity and purchase order backlog. In particular, given distinctively different nature and utilization scenarios of our products, we also set certain unique pricing determination factors accordingly. For instance, in respect of products where clients often demands particular specifications suitable for expected utilization scenario, such as telecoms cable products, we set different prices for products of different material, performance specifications and/or tailor-made characteristics that we design and/or develop accordingly; while, on the other hand, for those products generally sold in compliance with industry-wide standard and/or more of commodity nature, like ordinary electrical material, NEV power transmission products, such as NEV charging gun and electrical cable accessories, price difference are more affected by length, current or voltage range and particular standard level that relevant product fit into.

The following sets forth the pricing factors that we take into account for our various products and services:

- Electronic materials: material type, performance specifications (e.g., flame retardancy, tensile properties, environmental resistance, etc.)
- Communication cables: cable type, cable length, transmission performance
- NEV power transmission products: product type, current level, wire length
- Electrical cable accessories: voltage level, certification grade (e.g., k1)
- MOM/MES platforms: functional requirements, number of modules, development workload, system integration

We believe our long-standing relationship, product quality, wide coverage of product use cases and unique value propositions to customers help us negotiate for more premium pricing for our products while remaining competitive in the market. While we promulgate and regularly update guided selling price of our products for our sales team across different business segments, we allow them to make flexible adjustment within a specified range to ensure negotiation efficiency. In particular, where there is a abrupt changes in market conditions of a specific type of product, and/or raw material associated with relevant product, we will arrange *ad hoc* meetings where management team across different department can work together to quickly analysis relevant impact, estimate future trend based on study of past track and set necessary changes on selling prices. In cases where the quoted price falls below relevant guidance, the discount shall be approved by the vice president, general manager, or Chairman, depending on the extent of the discount, before execution.

After-Sales Service

We attach great importance to the after-sales service provided to customers and have formulated policies that share unified guiding principles with specific flexibility tailored for characteristics of different business lines. We generally require our staff to respond customers' requests within 24 hours and propose solutions within 48 hours. To ensure timely response, we generally assign a particular service team from subsidiaries or branches with close proximity to relevant customers, who shall make regular visit to collect feedback and improve service quality.

Distributors

During the Track Record Period, we sold our products through (i) direct sales and (ii) distributors. During the Track Record Period, we engaged distributors for sales of products, primarily electronic material products, electrical cable accessories products, and telecoms cable products. The tables below set out details our revenue, gross profit and gross profit margin by sales channel for years and periods indicated.

	Years ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Revenue										
Direct Sales	4,145,871	77.7	4,503,337	78.7	5,630,787	81.4	3,887,111	80.7	5,145,107	84.7
Distributors	1,190,778	22.3	1,215,504	21.3	1,289,315	18.6	928,404	19.3	931,571	15.3
Total	**5,336,649**	**100.0**	**5,718,841**	**100.0**	**6,920,102**	**100.0**	**4,815,515**	**100.0**	**6,076,678**	**100.0**

	Years ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Direct Sales	1,311,329	31.6	1,466,533	32.6	1,765,759	31.4	1,248,045	32.1	1,612,458	31.3
Distributors	300,633	25.2	322,108	26.5	344,604	26.7	246,670	26.6	265,279	28.5
Total/ Overall	**1,611,962**	**30.2**	**1,788,641**	**31.3**	**2,110,363**	**30.5**	**1,494,715**	**31.0**	**1,877,737**	**30.9**

During the Track Record Period, we engaged distributors to enjoy cost-efficient distribution of products by leveraging relevant distributors' established business network and insight on local markets/regions both in China and overseas, as well as specific needs from relevant end customers. By doing so, we believe we can benefit from quick market penetration and expansion in a cost-efficient way, without incurring costs and expenses to build our own marketing and sales team for relevant regions. As advised by F&S, such practice is an industry norm. Significant part of our distributors are individual business owners or small size trading companies. During the Track Record Period, the vast majority of our distributors transact with us via purchase orders instead of fixed-term distribution agreements as we believe this provides additional flexibility. We consider we benefit from this practice by leveraging relevant distributors' wide market access and well-established distribution network to achieve quick expansion and market penetration.

The table below sets out the changes in the number of distributors during the Track Record Period:

	Year ended December 31,			Nine Months ended September 30,
	2022	2023	2024	2025
Distributors who had revenue contribution in the immediately preceding year	3,980	3,791	3,944	3,451
- Addition[1]	959	1,008	376	751
- Reduction[2]	1,148	855	869	711
Distributors who had revenue contribution in the current year	3,791	3,944	3,451	3,491

Notes:

(1) Refers to distributors who had revenue contribution in the current year but had no revenue contribution in the immediately preceding year.

(2) Refers to distributors who had revenue contribution in the immediately preceding year but had no revenue contribution in the current year.

The significant changes in the number of our distributors during the Track Record Period was primarily due to the fact that many of our products, particularly electronic material products, are commodities that can be used in a wide range of industries and in many day-to-day production or maintenance scenarios, and have a long shelf life. As a result, we deal with a large number of distributors with small business scale who may purchase from us from time to time. In particular, given long shelf life of our products, distributors may repurchase from us quite a long time after their last purchase. According to F&S, this practice has become the industry norm due to the nature of such products and the increasing number of end-users seeking flexible inventory management. Through this flexible distribution arrangement, we believe we can strengthen the market penetration of our products and cultivate the loyalty and trust of end customers, laying the foundation for us to launch different types of products with large sales volumes in the future.

Revenue generated from distributors amounted to RMB1,190.8 million, RMB1,215.5 million, RMB1,289.3 million and RMB931.6 million during the Track Record Period, amount to 22.3%, 21.3%, 18.6% and 15.3% of our total revenue from the respective periods. We did not rely on any single distributor or a limited

number of distributors. During the Track Record Period, we believe that we maintained a good business relationship with our distributors. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disputes with our distributors.

We maintain a buyer-seller relationship with our distributors. We generally require a full payment before delivering products to distributors. Through this approach, we aim to reduce the risk of distributors over-ordering stock that they may not be able to sell, ensuring that distributors are more cautious in their ordering, aligning their purchases with actual sales patterns and market demand. For our sales to distributors, we recognized revenue upon their reception and generally do not allow returns of products sold to distributors, except for defective products. According to F&S, our product return policy with distributors is in line with the industry practice. Our typical purchase orders generally specify the products and the unit price, quantity and warranty period for such products. We generally do not set selling prices to our distributors. However, many of our standard products have prevailing market prices as an industry-accepted price benchmark. We do not set minimum purchase requirements.

In line with market practice, we also enter into standard distribution agreements with some of our distributors, which are sales and purchase agreements in nature. The following table sets forth a summary of the salient terms of the standard distribution agreements we enter into with distributors:

Duration	The duration of the distribution agreements is typically one year.
Designated distribution channel	We typically designate specific geographical area to different distributors. The distributors are not allowed to sell our products outside of their designated distribution areas.
Pricing policy	Parties agreed to set a selling price through negotiation.
Payment and credit terms	We generally require a full payment before delivering products to distributors.
Sub-distribution	We generally do not prohibit our distributors from engaging sub-distributors.
Product return	Unless otherwise agreed, we do not accept product returns for non-quality reasons.
Termination	The agreements can be terminated upon contract expiration, or by mutual agreement.

We carefully select our distributors based on a set of strict criteria, including their financial condition, certifications and qualifications, geographic coverage, sales channels, existing customer base, and sales performance. We pay particular attention to check distributors business network and market reach to evaluate benefits from engaging them for sales of products. We regularly review the performance of distributors through a selection process and annual assessment. We consider various factors in renewing relationships with distributors, including their qualifications, sales and marketing capabilities, sales network, financial resources, customer resources and synergies with our brands. We proactively manage our distributors by adopting and implementing a suite of distributor management policies to ensure distributors are in compliance with the legal requirements. We set terms in our purchase orders demanding distributors comply with relevant laws and regulations. In addition, in line with our distributor management policies, we conduct regular review on performance, market feedback and interview results from end customers of distributors. We also dispatch employees to visit distributors' office premises on regular or *ad hoc* basis to verify information provided by our distributors, in line with our financial and accounting policies. In line with our policies and relevant terms in agreements with distributors, we may terminate business relationships with distributors upon finding they commit fraud, damage our brand reputation, or fail to comply with relevant laws and regulations in governing jurisdictions.

We strive to minimize the channel stuffing risks with our distributors by maintaining a relatively stringent return policy for our distributors. Product returns by distributors are only allowed for defective products, which is in line with market practice. We believe such a stringent return policy discourages distributors from over-

purchasing. We had a return rate of 0.8%, 0.9%, 0.6% and 0.1% from our distributors in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively.

For instance, for those distributors that we consider valuable for developing select regional markets, we conduct interview and/or on-site visit to understand their inventory level, through which, we may understand prevailing market conditions and check whether they have sufficient stock level. We believe these measures, together with above mentioned payment terms, policies on product return, and other distributor management policies, can effectively mitigate risks associated with potential cannibalization and channel stuffing. We do not restrict distributors from appointing sub-distributors. During the Track Record Period, we did not enter into sub-distribution agreements with sub-distributors. To the best knowledge of our Directors, we had only a limited number of sub-distributors during the Track Record Period.

To the best of our Directors' knowledge, in 2022, 2023, 2024 and the nine months ended September 30, 2025, 25, 30, 26 and 26 distributors were controlled by our former employees, respectively. During the Track Record Period, revenue generated from distributors controlled by our former employees represented 0.6%, 0.7%, 0.7% and 0.7% of our revenue, respectively. Except for this, during the Track Record Period, to the best of our Directors' knowledge, all of our distributors were Independent Third Parties and were not controlled by our current or former employees. During the Track Record Period, we did not provide any material advance or financial assistance to our distributors. There were no other relationship or arrangement (family, business, financing, guarantee or otherwise) between our distributors and our Group, our Directors, shareholders and senior management and their respective associates.

Overlapping of Major Customers and Suppliers

During the Track Record Period, certain of our major customers were also our suppliers in the respective years, which is in conformity with the industry norm. Specifically, two of our five largest customers in certain years/periods in the Track Record Period (being Customer B and Customer F) procured telecoms cables and NEV power transmission products from us and supplied us with connectors and other components used in the manufacture of wire harnesses and an outdoor energy storage cabinet to us. Although Customer B and we are both engaged in the development and manufacturing of telecoms cable products, we believe Customer B choose to purchase telecoms cables from us in recognition of the quality performance and reliable production capacity for select type of high-speed copper cable products, where manufacturing technique and specification complexity make our product enjoy outstanding competitiveness. The principal business operations and product portfolios of Customer F and us are distinct in nature. In addition, the products procured by Customer F from us are also categorically distinct from, and not substitutable for, the products supplied by Customer F to us. In 2022, 2023, 2024 and the nine months ended September 30, 2025, our sales amount attributable to these suppliers amounted to RMB148.5 million, RMB217.8 million, RMB426.7 million and RMB629.4 million, which accounted for 2.8%, 3.8%, 6.2% and 10.4% of our sales amount, respectively; and our purchase amount attributable to these customers amounted to RMB8.7 million, RMB1.3 million and RMB2.7 million and RMB0.3 million, which accounted for 0.3%, 0.0%, 0.1% and 0.0% of our purchases, respectively. In 2022, 2023 2024 and the nine months ended September 30, 2025, our gross profit attributable to these two customers amounted to RMB47.2 million, RMB50.5 million, RMB145.7 million and RMB283.8 million, respectively. The gross profit margin attributable to Customer B and Customer F is comparable to other customers of the Group.

According to F&S, the overlapping of our customers and suppliers is common in the highspeed data communication and electrical power transmission industry, where companies often operate multiple business lines across various parts of the value chain. It is typical for industry participants to act both as upstream component suppliers and downstream solution integrators. In our case, overlapping relationships typically arise when high-speed copper cable manufacturers supply connectors or other components for our highspeed data communication solution while also procuring our telecoms cables, as far as we know, NEV power transmission products or other components for integration into their own product lines. This dual role is reflective of our ecosystem driven commercialization model and the collaborative structure of the high-speed data communication and electrical power transmission industry.

Our Directors confirm that all transactions with Customer B and Customer F were conducted in the ordinary course of business, on normal commercial terms, and were not interconditional. The contractual terms were

substantially the same as those with our other customers and suppliers. There was no instance of set-off trade receivables from Customer B and Customer F with trade payables to the company during the Track Record Period. Save as disclosed above, to the best of our knowledge, none of our five largest customers in each year/period during the Track Record Period was a supplier of us. To the best knowledge of our Directors, all of these parties were Independent Third Parties.

OUR SUPPLIERS

Major Suppliers

Our suppliers primarily include suppliers for raw materials, equipment and packaging services. During the Track Record Period, the majority of our suppliers are located in Chinese mainland. We also procure certain raw materials and equipment from overseas suppliers. In each year/period of the Track Record Period, our purchases from overseas suppliers accounted for 2.9%, 3.0%, 3.1% and 5.9% of our total purchase for the respective year/period respectively. Our purchase of US-originated raw materials is insignificant. For details please see "Business —Tariff ". In each year during the Track Record Period, our purchases from our five largest suppliers in each year/period during the Track Record Period accounted for 21.9%, 22.6%, 18.0% and 15.8% of our total purchases for the respective year/period respectively, while our purchase from the largest supplier in each year/period during the Track Record Period accounted for 8.3%, 7.1%, 6.6% and 4.5% of our total purchases for the respective year/period.

The following tables set forth the details of our five largest suppliers in each year/period during the Track Record Period.

For the year ended December 31, 2022

No.	Supplier	Background	Products/services provided to us	Purchase amount	% of total purchase amount	Year of commencement of business relationship with us	Credit terms and payment method
				(RMB'000)			
1	Jin's Copper Industries Co., Limited (金氏銅業有限公司)	Huizhou-based subsidiaries of a Hong Kong-based industrial manufacturer specializing in copper products processing and metal casting	Raw materials	260,900	8.3%	2010	75 days; interest-bearing note or wire transfer
2	Supplier A	A Beijing-based state-owned energy company engaged in petroleum exploration, refining, and chemical production	Raw materials	166,178	5.3%	2021	Prepayment; bank transfer
3	Huizhou Cable-net Material Co., Ltd. (惠州聯電電工材料有限公司)	A Huizhou-based electrical materials manufacturer producing copper-clad aluminum wires, enameled wires, and electronic cables for automotive and industrial applications	Raw materials	95,466	3.0%	2018	75 days; interest-bearing note or wire transfer
4	Xinxieji Electronics (Changshu) Co., Ltd. (新協基電子（常熟）有限公司)	A Changshu-based specialized wire producer focused on high-flexibility tin-plated/copper foil wires for robotics and charging piles	Raw materials	87,753	2.8%	2016	30 days; interest-bearing note or wire transfer

No.	Supplier	Background	Products/services provided to us	Purchase amount	% of total purchase amount	Year of commencement of business relationship with us	Credit terms and payment method
				(RMB'000)			
5	Jiangxi Xingcheng Copper Co., Ltd. (江西興成銅業有限公司)	A Guixi-based copper wire manufacturer supplying high-precision bare copper wires	Raw materials	77,071	2.5%	2021	Nil; bank transfer
	Total			**687,368**	**21.9%**		

For the year ended December 31, 2023

No.	Supplier	Background	Products/services provided to us	Purchase amount	% of total purchase amount	Year of commencement of business relationship with us	Credit terms and payment method
				(RMB'000)			
1	Jin's Copper Industries Co., Limited (金氏銅業有限公司)	Huizhou-based subsidiaries of a Hong Kong-based industrial manufacturer specializing in copper products processing and metal casting	Raw materials	227,103	7.1%	2010	75 days; interest-bearing note or wire transfer
2	Huizhou Cable-net Material Co., Ltd. (惠州聯電電工材料有限公司)	A Huizhou-based electrical materials manufacturer producing copper-clad aluminum wires, enameled wires, and electronic cables for automotive and industrial applications	Raw materials	173,481	5.4%	2018	75 days; interest-bearing note or wire transfer
3	Supplier A	A Beijing-based state-owned energy company engaged in petroleum exploration, refining, and chemical production	Raw materials	126,155	3.9%	2021	Prepayment; bank transfer
4	Jiangxi Xingcheng Copper Co., Ltd. (江西興成銅業有限公司)	A Guixi-based copper wire manufacturer supplying high-precision bare copper wires	Raw materials	114,859	3.6%	2021	Nil; bank transfer
5	Xinxieji Electronics (Changshu) Co., Ltd. (新協基電子（常熟）有限公司)	A Changshu-based specialized wire producer focused on high-flexibility tin-plated/copper foil wires for robotics and charging piles	Raw materials	83,291	2.6%	2016	30 days; interest-bearing note or wire transfer
	Total			**724,889**	**22.6%**		

For the year ended December 31, 2024

No.	Supplier	Background	Products/services provided to us	Purchase amount	% of total purchase amount	Year of commencement of business relationship with us	Credit terms and payment method
				(RMB'000)			
1	Jin's Copper Industries Co., Limited (金氏銅業有限公司)	Huizhou-based subsidiaries of a Hong Kong-based industrial manufacturer specializing in copper products processing and metal casting	Raw materials	278,296	6.6%	2010	75 days; interest-bearing note or wire transfer
2	Huizhou Cable-net Material Co., Ltd. (惠州聯電電工材料有限公司)	A Huizhou-based electrical materials manufacturer producing copper-clad aluminum wires, enameled wires, and electronic cables for automotive and industrial applications	Raw materials	191,020	4.5%	2018	75 days; interest-bearing note or wire transfer
3	Xinxieji Electronics (Changshu) Co., Ltd. (新協基電子（常熟）有限公司)	A Changshu-based specialized wire producer focused on high-flexibility tin-plated/copper foil wires for robotics and charging piles	Raw materials	103,868	2.5%	2016	30 days; interest-bearing note or wire transfer
4	Guangdong Huachuangying Hardware Technology Co., Ltd. (廣東華創盈五金科技有限公司)	A Foshan-based precision copper wire produce, supplying electronic wires	Raw materials	98,967	2.4%	2021	Nil; bank transfer
5	Zhenxiong Copper Group Co., Ltd. (震雄銅業集團有限公司)	A Kunshan-based advanced conductor solutions provider developing ultra-fine alloy wires for medical, aerospace, and robotics applications	Raw materials	84,533	2.0%	2010	75 days; interest-bearing note or wire transfer
	Total			**756,684**	**18.0%**		

For the nine months ended September 30, 2025

No.	Supplier	Background	Products/ services provided to us	Purchase amount	% of total purchase amount	Year of commencement of business relationship with us	Credit terms and payment method
				(RMB'000)			
1	Jin's Copper Industries Co., Limited (金氏銅業有限公司)	Huizhou-based subsidiaries of a Hong Kong-based industrial manufacturer specializing in copper products processing and metal casting	Raw materials	190,426	4.5%	2010	75 days; interest-bearing note or wire transfer
2	Huizhou Cable-net Material Co., Ltd. (惠州聯電電工材料有限公司)	A Huizhou-based electrical materials manufacturer producing copper-clad aluminum wires, enameled wires, and electronic cables for automotive and industrial applications	Raw materials	156,753	3.7%	2018	75 days; interest-bearing note or wire transfer
3	Supplier C	A Yingtan-based non-ferrous metals producer engaged in the mining, smelting and processing of copper and other non-ferrous metals, as well as the recovery and recycling of valuable elements	Raw materials	118,033	2.8%	2024	Nil; interest-bearing note or wire transfer
4	Supplier B	A Changzhou-based electrical materials Manufacturer providing silver-plated wires, tin-plated wires, nickel-plated wires, high-strength, high-conductivity copper alloy wires and wire harness products	Raw materials	106,315	2.5%	2010	90 days; interest-bearing Note or wire transfer
5	Guangdong Huachuangying Hardware Technology Co., Ltd. (廣東華創盈五金科技有限公司)	A Foshan-based precision copper wire produce, supplying electronic wires	Raw materials	99,113	2.3%	2021	30 days; bank transfer
	Total			**670,640**	**15.8%**		

As of the Latest Practicable Date, none of our Directors, their respective close associates or any of our shareholders (who owned or to the knowledge of the Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the TRP. To the best knowledge of our Directors, each of our five largest suppliers in each year/period during the Track Record Period was an Independent Third Party.

We typically enter into framework supply agreements with suppliers, the salient terms of which are set out below:

Duration	The duration of the framework supply agreements typically spans a period of one year.
Payment and credit terms	We are generally granted by our suppliers a credit term of 15 days to 75 days following the issuance of a letter acceptance.
Transfer of risks	The risks transfer to us after we complete inspection and confirm receipt of the products.
Product returns	We have the right to reject, replace or return products for a variety of reasons, including non-conformity with product quality, product specification or quantity with the order placed.
Product liability	Our suppliers take corresponding responsibility for the quality issues of the products.
Termination	We are entitled to terminate the purchase order when the supplier fails to perform and does not make timely corrections after receipt of our written notice.

We believe that our operation is not dependent on any particular supplier. During the Track Record Period, we maintained multiple suppliers to avoid overreliance on any of suppliers and we believe there is no significant difficulty to find suitable substitutes for our suppliers.

Raw Material Procurement

Our business requires the procurement of large volumes of raw materials and we procure from suppliers a variety of materials necessary for the manufacturing of our products. Most of our raw materials are procured from local suppliers in China. To optimize supply chain resources and effectively reduce overall procurement costs, we centrally purchase bulk materials at our Group level, while our subsidiaries are responsible for procuring other materials. This centralized procurement approach allows us to leverage negotiation and pricing advantages.

We generally enter into legally binding framework agreements with our suppliers, based on which we issue purchase orders for different batch of procurement, where we set price, volume and other conditions. Suppliers typically charge us a fixed purchasing price for their products and grant to us credit terms of 30 days to 90 days. The suppliers are typically responsible for the delivery of products to our designated location specified in each purchase order, and we accept goods upon completion of inspections. The duration of the framework supply agreements typically spans a period of one year. We generally do not set minimum purchase amount in relevant agreements. Suppliers typically allow us to return products with defects or other quality issues. Such agreements can be terminated upon mutual consent.

Market price of raw material like copper set significant impact on our business results and we have implemented several measures to mitigate the effects of procurement cost volatility and ensure stable raw material supplies: (i) we generally enter into long-term purchase agreements with suppliers to secure stable supply of key raw materials; (ii) we also maintained a diversified supplier base to avoid over-reliance on any single source and/or supplier (iii) we manage increases in costs arising from fluctuations in raw material prices through adjustments to our selling prices, thereby passing such cost fluctuations on to our customers. For example, with respect to our communication cable products and NEV power transmission products, the relevant customer contracts provide that the selling prices shall be with reference to fluctuations in copper prices. Most of our top five customers during the Track Record Period have such pricing adjustment terms with us. In addition, for other categories of products, where there are material fluctuations in raw material prices, we adjust the selling prices of subsequent products in a timely manner in accordance with changes in raw material costs; and (iv) we actively engage in the research and development of alternative materials suitable for use in our product manufacturing processes in order to reduce reliance on raw materials which are significantly subject to market price fluctuations.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any shortages, delays in delivery or quality issues with respect to supplies of our raw materials that had a material impact on our operations. We did not engage in any hedging activities. Based on the foregoing, our Directors are of the view that, during the Track Record Period, our pricing flexibility and procurement management measures were effective in mitigating the impact of raw material price fluctuations on our financial performance as evidenced by our stable gross profit margin of 30.2%, 31.3%, 30.5% and 31.3% for the three years ended December 31, 2022, 2023 and 2024, and the nine months ended September 30, 2025 respectively.

Inventory Management

Our inventory primarily comprises finished goods, raw materials and consumables, and work in progress. We manage our inventory levels based principally on expected demand, production schedules and volume of sales orders. In particular, our inventory management follows a "make-to-order with appropriate inventory" approach based on customer demand characteristics. We closely monitor inventory turnover days and inventory settlement record to determine safe level of stock. For regular and standard products, we maintain a safety stock level determined by market demand to ensure immediate fulfillment of customer needs. We make stock level review on monthly basis and hold meetings to determine secure level every six months, where our management team review sales volume and production volume in preceding six months to discuss whether to make necessary adjustment. For products with special structures or performance requirements, we adopt a made-to-order production model, manufacturing according to customer orders and delivering on schedule to meet customized requirements promptly. We regularly monitor our inventories to reduce the risk of overstocking. As of December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, we had inventories of RMB701.3 million, RMB710.3 million, RMB865.3 million and RMB1,139.1 million, respectively.

LICENSES, PERMITS AND APPROVALS

We are required to maintain various licenses, approvals and permits in order to operate our business. We continually monitor our compliance with these requirements in order to ensure that we have all such approvals, licenses and permits as are necessary to operate our business.

As of the Latest Practicable Date, as advised by our PRC Legal Adviser and Vietnam Legal Adviser, we had obtained all material licenses, approvals and permits necessary for our business operations in the PRC and Vietnam, and such business licenses had remained in full effect. We had not experienced any material difficulties in renewing material licenses, permits or approvals during the Track Record Period and do not expect there to be any material difficulties in renewing them upon their expiry.

The table below sets forth a summary of the material license, permits and approvals that we have obtained for our business operations as of the Latest Practicable Date:

Licenses/Permits/Approvals	Issuing Authority	Issue Date	Expiry Date[1]
Civil Nuclear Safety Equipment Design License (民用核安全設備設計許可證)	National Nuclear Safety Administration (國家核安全局)	June 28, 2023	June 30, 2028
Civil Nuclear Safety Equipment Manufacturing License (民用核安全設備製造許可證)	National Nuclear Safety Administration (國家核安全局)	June 28, 2023	June 30, 2028
National Industrial Product Production License (全國工業產品生產許可證)	Guangdong Administration for Market Regulation (廣東省市場監督管理局)	September 20, 2023	September 19, 2028
Radiation Safety License (輻射安全許可證)	Department of Ecology and Environment of Guangdong Province (廣東省生態環境廳)	August 23, 2022	May 7, 2026
Electricity Business License (電力業務許可證)	Shandong Energy Regulatory Office of National Energy Administration of the PRC (國家能源局山東監管辦公室)	September 29, 2017	September 28, 2037
Radiation Safety License (輻射安全許可證)	Department of Ecology and Environment of Guangdong Province (廣東省生態環境廳)	August 6, 2024	August 21, 2028

Licenses/Permits/Approvals	Issuing Authority	Issue Date	Expiry Date[1]
Radiation Safety License (輻射安全許可證)	Changzhou Municipal Bureau of Ecology and Environment (常州市生態環境局)	November 12, 2024	November 11, 2029
Radiation Safety License (輻射安全許可證)	Department of Ecology and Environment of Guangdong Province (廣東省生態環境廳)	November 18, 2024	May 13, 2026
Radiation Safety License (輻射安全許可證)	Shanghai Municipal Bureau of Ecology and Environment (上海市生態環境局)	November 7, 2024	June 28, 2026
Radiation Safety License (輻射安全許可證)	Department of Ecology and Environment of Guangdong Province (廣東省生態環境廳)	December 26, 2023	December 25, 2028
Radiation Safety License (輻射安全許可證)	Changzhou Municipal Bureau of Ecology and Environment (常州市生態環境局)	January 16, 2023	January 15, 2028
Investment Registration Certificate (投資執照)	Management Board of Bac Ninh Industrial Zones of Vietnam (越南北寧省各工業區管委會)	October 18, 2019	N/A
Environmental License (環境許可證)	Bac Ninh Provincial People's Committee of Vietnam (越南北寧省人民委員會)	March 27, 2025	March 26, 2035

Note:

(1) "N/A" represents licenses that do not have an expiration date and will remain valid unless revoked.

INTELLECTUAL PROPERTIES

Our success and competitive advantages depend in part on our ability to develop and protect our core technologies and intellectual property. We own a large portfolio of intellectual properties, including patents, registered trademarks, software copyrights and domain names in the PRC. Specifically, our R&D efforts have produced 540 invention patents, 1,490 utility model patents, 140 design patents, 730 registered trademarks and 82 software copyrights in the PRC as of September 30, 2025. As of the same date, we were also granted seven patents and 170 registered trademarks in overseas jurisdictions, including the U.S., Japan and Europe. See "Appendix IV — Statutory and General Information — Further Information about the Business of Our Company — 2. Intellectual Property Rights" in this prospectus for more information.

In particular, our product brands such as WOER, LTK and KTG have built a good reputation in the industry. Our registered trademark "WOER" has been recognized as a well-known trademark by the China Patent and Trademark Office. We are deeply committed to our main business and will continue to focus on the inheritance of brand culture. In the future, we plan to continue to deepen the influence of our existing brands, actively create other star products and strengthen our brand strategy.

We rely on a combination of patents, copyrights, trademark law, trade secret protection and confidentiality agreements with customers, suppliers and employees to protect our intellectual property rights. We have also adopted a comprehensive set of internal rules for intellectual property management. These guidelines set out the obligations of our employees and create a reporting mechanism in connection with the protection of our intellectual property. Our legal department is primarily responsible for protecting our intellectual properties. We proactively manage and expand our intellectual property portfolio and use confidentiality and non-compete agreements to protect our intellectual properties and trade secrets. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any disputes with, or litigation against, third parties in relation to IP rights that would cause material adverse impact to our business performance or financial results.

AWARDS AND RECOGNITION

Our leading market position and brand recognition are reflected in the numerous awards we have received. The following table sets forth a selection of the notable awards and recognition we received in the recent years:

Year of Award	Awards and Recognition	Issuing Authority/Institution
2023	National High and New Technology Enterprise (國家級高新技術企業)	Shenzhen Science and Technology Innovation Commission (深圳市科技創新委員會), Shenzhen Municipal Bureau of Finance (深圳市財政局), and Shenzhen Tax Service of the State Taxation Administration (國家稅務局深圳市稅務局)
2023	National Intellectual Property Demonstration Enterprise (國家知識產權示範企業)	China National Intellectual Property Administration (國家知識產權局)
2023	National Green Factory Certification (國家級綠色工廠)	Ministry of Industry and Information Technology of the People's Republic of China (中華人民共和國工業和信息化部)
2023	Accreditation from China National Accreditation Service for Conformity Assessment (CNAS實驗室認可)	China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會)
2023	Guangdong Manufacturing Industry Single Product Champion (廣東省製造業單項冠軍產品)	Department of Industry and Information Technology of Guangdong Province (廣東省工業和信息化廳)
2023	Shenzhen Artisan Cultivation Demonstration Unit (深圳工匠培育示範單位)	Shenzhen Hundred Excellent Craftsmen Expert Appraisal Committee (深圳百優工匠專家評定委員會), Federation of Shenzhen Industries (深圳工業總會)
2021	Shenzhen Key Enterprise Research Institute (深圳市重點企業研究院)	Shenzhen Science and Technology Innovation Commission (深圳市科技創新委員會)
2020	Shenzhen Famous Brand (深圳知名品牌)	Shenzhen Famous Brand Evaluation Committee (深圳知名品牌評價委員會)
2020	UL Recognized Witnessed Test Laboratory(1) (UL 認可目擊測試實驗室)	UL-CCIC Company Ltd(2)

Notes:

(1) Passing the audit of UL Witnessed Test Laboratory means that the testing of recognized items can be carried out in the authorized laboratory together with the witness of UL engineers, thus greatly shortening the period of delivering samples and waiting for testing, improving the efficiency of certification, shortening the R&D cycle, enhancing the market competitiveness of products, and seizing the first opportunity in the market. Getting the authorization of UL witnessed test laboratory means that our testing center has been more comprehensively upgraded in terms of laboratory management, equipment types, equipment precision and operation standard. We are the first enterprise in the heat-shrinkable industry to obtain UL 224 extruded insulation tubing standard witnessed laboratory authorization.

(2) UL, stands for Underwriters Laboratories, is an American organization that provides testing, certification, and safety standards for various products. Established in 1894, UL has grown to become a trusted authority in ensuring the safety and performance of consumer goods, industrial equipment, and workplace environments.

COMPETITION

We operate in a competitive market, and we compete with other manufacturers of electronic communications and electrical power transmission products. According to Frost & Sullivan, the telecoms cable industry in which we operate is highly competitive and fragmented with over 100 market participants globally. We are a leading telecoms cable manufacturer with high-speed copper cable coverage by global revenue in 2024, with a market share of 12.7% and the largest China-based telecoms cable manufacturer with high-speed copper cable coverage in the world in 2024. The global high-speed copper cable industry is relatively concentrated. We ranked second among high-speed copper cable manufacturers by global revenue in 2024, with a market share of 24.2%. In addition, the global and China's heat-shrinkable materials industry is relatively competitive, with over 800 and 300 companies, respectively. We ranked the first globally with a market share of approximately 20.6% and ranked the first domestically with a market share of approximately 58.5%. The NEV core power charging products market is highly fragmented, with numerous players offering a wide range of products and varying levels of expertise. In China, there are over 300 players operating in the market. We are a leading China-based NEV core power charging products manufacturer by revenue in 2024 in China, with a market share of 2.3%. The global cable accessories market is very fragmented, with over 500 companies around the world. We are a leading manufacturer in the global cable accessories market with a market share of 2.5% in 2024. Our ability to maintain and grow our market share depends on us competing effectively against our competitors. The competitive landscape is shaped by multiple factors, including the growth of our customers and their respective industries, advancements in technology, emergence of new materials or technology, production capacity, regulatory changes and general economic conditions. Despite high barriers to entry, new market participants may emerge, introducing innovative or cost-effective products that challenge existing players. See "Industry Overview" in this prospectus for details relating to our competitive landscape.

Our Directors believe that we will maintain our competitiveness over other competitors and our market position by strengthening and developing our competitive strengths. For more information, please see "— Competitive Strengths" in this section.

EMPLOYEES

As of September 30, 2025, we had 8,612 full-time employees, with approximately 94.1% of our employees located in Chinese mainland. The following table sets forth a breakdown of our employees by function as of September 30, 2025:

	As of September 30, 2025	
Function	**Number**	**%**
Manufacturing	6,223	72.3%
Sales & Marketing	815	9.5%
R&D	885	10.3%
Finance	162	1.9%
Administrative	527	6.1%
Total	**8,612**	**100%**

The following table sets forth a breakdown of our employees by geographic locations as of September 30, 2025:

	As of September 30, 2025	
Location	**Number**	**%**
Chinese mainland	8,102	94.1%
Overseas	510	5.9%
Total	**8,612**	**100%**

To streamline human resource management, we established a comprehensive set of internal management measures, outlining the procedures and criteria for recruitment, training, internal referrals, among others.

We use various recruitment methods, including campus recruitment, online recruitment, other external recruitment channels as well as internal referrals and transfers. We generally offer employees competitive

salaries, performance-based bonuses, and other incentives and continually refine our remuneration and incentive polices through market research. As required under PRC labor laws, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, housing provident funds and unemployment benefit plans, under which we make contributions at specific percentages of the salaries of our employees.

During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations, primarily because (i) the applicable PRC laws and regulations governing social insurance and housing provident funds are intricate and vary by region, which added complexity to our compliance efforts; and (ii) certain employees were unwilling to pay the social insurance and housing provident funds in full as it requires additional contributions from our employees.

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken the following internal control measures:

- we have designated our human resources department, internal audit and supervision department to review and monitor the reporting and contributions of social insurance and housing provident funds on a monthly basis;

- we are in the process of communicating and will continue to communicate with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base for the social insurance and housing provident funds, which also requires additional contributions from our employees;

- we have strengthened internal policies governing the matters in relation to social insurance and housing provident funds to ensure proper identification and reporting on similar matters; and

- we will consult our PRC legal advisor on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC laws and regulatory developments, including but not limited to PRC laws and regulations in relation to social insurance and housing provident funds, and will provide relevant employees with legal compliance trainings relating to the same.

For more details, see "Risk Factors — Risks Relating to Our Business and Industry — Any failure to make adequate contributions to various employee benefit plans as required by PRC regulations can result in penalties."

The Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) was enacted by the Supreme People' Court on 31 July 2025 and implemented on 1 September 2025. In light of (i) the absence of prior agreements excluding social insurance payment; and (ii) the PRC Legal Advisors' opinion that the interpretation does not expand penalty exposure or repeal existing laws, our Directors believe the aforementioned juridical interpretation would not have a material adverse effect on our business or financial results.

We have established a comprehensive system for employee training and development, including general training covering corporate culture, employee rights and responsibilities, workplace safety, data security and other logistics aspects, as well as specific training provided by company instructors, external courses, and expert lectures that improve employee knowledge and expertise in certain important areas related to our business. We are committed to making continual efforts to provide an engaging working environment for our employees.

In line with industry practice, we also engage labor dispatching agencies which provide workers for us based on our requirements from time to time for certain entry-level and non-technical positions. We regularly review the qualifications of labor dispatching agencies and specify the rights and obligations of labor dispatching agencies, dispatched workers and us in the dispatching agreements. As advised by our PRC Legal Adviser, we were in compliance with applicable laws and regulations related to the use of labor dispatching in all material aspects, including the statutory limit requirements of labor dispatch employee numbers, during the Track Record

Period and up to the Latest Practicable Date. For details of applicable laws and regulations, see "Regulation Overview — Laws and Regulations Relating to Employment and Labour Security - Laws and Regulations on Dispatched Workers."

Our employees in China and Vietnam are represented by labor unions. We believe that we maintain good working relationships with our employees and we did not experience any strikes, work stoppages, labor disputes or actions which had a material adverse effect on our business and operations during the Track Record Period and up to the Latest Practicable Date.

DATA PRIVACY AND CYBERSECURITY

In recent years, data privacy and cybersecurity have emerged as critical governance priorities for companies worldwide. In particular, the PRC legislative and government authorities regularly introduce new cybersecurity, data security and privacy laws and regulations. Consequently, our practices regarding the collection, process and transfer of various types of data may come under increased administrative scrutiny. See "Risk Factors — Risks Relating to Our Business and Industry — Any failure or perceived failure to comply with data privacy and security laws could subject us to potential liabilities."

We collect and store business data, management data and transaction data generated during or in connection with our business operations, including data related to our business and transactions with our customers, suppliers and other relevant parties. We generally do not collect or process individual customers' personal information since our customers are brand companies rather than individuals. During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any cross-border transmission of data (either outbound or inbound transmission from/ to the PRC) or provision of data to third parties. As advised by our PRC Legal Advisers, we have complied with the relevant PRC laws and regulations in respect of data security and privacy in all material respect during the Track Record Period and up to the Latest Practicable Date.

We have established a comprehensive data compliance system that consists of organizational structure and internal policies. In addition, we provide various data security trainings to our employees (including trainings during their on-boarding process) to ensure that our employees are well aware of our data security policies and their responsibilities in terms of data protection. We require our employees to pass our data security tests before they can commence working for us. We have a comprehensive data backup system to encrypt and store data on servers in different locations in order to minimize the risk of data loss. We also conduct data restoration tests to examine the status of the backup system on a regular basis.

Our Directors confirm that, as of the Latest Practicable Date, we were not subject to any material claims, lawsuits, penalties or administrative actions relating to non-compliance with applicable laws and regulations related to cybersecurity and data protection.

INSURANCE

We believe that our insurance coverage is in line with the industry practice and adequate to cover our key assets, facilities and liabilities, including but not limited to all property-related risks insurance, cargo transportation insurance and credit insurance. Our employee-related insurance includes pension insurance, maternity insurance, employment insurance, work-related injury insurance, medical insurance and housing funds, as required by PRC laws and regulation. We also purchase group accident insurance for our employees. As advised by our PRC Legal Advisers, different from manufacturers of end products that can be sold directly to consumers, our products are generally essential components to be subsequently assembled into end products by downstream clients, as a result of which, we are generally liable for quality issues based on relevant terms set out in purchasing agreements and applicable laws and regulations, such as Civil Code of the PRC and Product Quality Law of the PRC. Specifically, a company shall be strictly liable under the no-fault principle for any damage caused by defects in its products (including but without limitations, design, manufacturing, or warning defects). Relevant provisions in the purchasing agreements (e.g., those setting quality standards, inspection procedures, and allocation of liabilities) may supplement and delineate the scope of responsibility; however, any clause purporting to exclude or limit liability for personal injury or for losses arising from gross negligence is

void as a matter of mandatory law. During the Track Record Period, we have purchased product liability related insurance. According to F&S, this practice is in line with market practice. We procured insurance policies by type and amount that we consider sufficient, and evaluated such insurance policies from time to time based on our past experience, changes in production and industry developments. During the Track Record Period and up to the Latest Practicable Date, we have not made any material insurance claims in relation to our business. See "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may be insufficient to cover the risks or losses related to our business and operations" in this prospectus.

PROPERTIES

We are headquartered in Shenzhen, China, and own and lease certain land parcels and buildings in the PRC for our business operations. These owned properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules.

Owned Properties

As of September 30, 2025, our Group owned 102 land parcels with a total site area of approximately 1,028,161 sq.m. and 51 properties with a total gross floor area of 697,329 sq.m. in the PRC. These properties are primarily used as our production facilities, warehouses, dormitories and offices to support our business operations.

Our Group has no owned single property interest that forms part of our non-property activities that has a carrying amount of 15% or more of total assets pursuant to Rule 5.01B(2)(b) of the Listing Rules.

Our PRC Legal Adviser confirmed that, we had obtained the real property title certificates and other relevant land use rights certificates of the above land parcels and properties as of September 30, 2025.

Leased Properties

As of September 30, 2025, we had 41 leased properties in the PRC which have a gross floor area of 1,000 sq.m. and above, with an aggregate gross floor area of approximately 533,526 sq.m. Such leased properties are primarily used as our offices, production facilities, dormitories and warehouses.

As of the Latest Practicable Date, we have not completed the registration of the lease agreements for two of the above leased properties. As the registration of a lease agreement requires the cooperation between the lessor and lessee and lessors are typically unwilling to undertake the administrative burden due to the low risk of penalty, we were not able to complete the registration of lease agreements mentioned above. We have adopted internal policies that (i) request our employees to proactively coordinate with lessors to complete the registration for all of our lease agreements and (ii) require our employees to complete the registration of lease agreements in instances in which lessors are willing to cooperate in such procedures. We have taken proactive steps to register these lease agreements. Pursuant to the applicable laws and regulations in China, property lease agreements for leased properties must be registered with the relevant real estate administration bureaus in China.

If rectification is not made within the specified time, we may be subject to a fine ranging from RMB1,000 to RMB10,000 for our unregistered lease agreement. According to our PRC Legal Adviser, under the Civil Code of the PRC (《中華人民共和國民法典》), the non-registration of the lease agreement does not affect the validity and enforceability of the lease agreement. Our Directors are of the view that the failure to complete the filing of these lease agreements does not have any material or adverse effect on our business operations or financial conditions, because if we have to terminate the leases or relocate from such leased properties with defects, we are able to relocate to qualified alternative premises within a short period of time under comparable terms without incurring substantial additional costs.

As of the Latest Practicable Date, we did not have any single property with a book value accounting for 15% or more of our total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice,

this prospectus is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become involved in legal proceedings in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any claims, damages or losses which would have a material adverse effect on our financial position or results of operations as whole. As of the Latest Practicable Date, no material litigation, arbitration or administrative proceedings had been threatened against us. We may also bring lawsuits against third parties seeking damages for, among other things, failure to fulfill their obligations with respect to investment returns. There is no assurance that the outcome of such legal proceedings will not adversely affect our business, financial condition and results of operations.

For more details, see "Risk Factors—Risks Relating to Our Business and Industry—Any litigation, legal and contractual disputes, claims or administrative proceedings against us could be costly and time-consuming to defend or settle, and could result in negative publicity."

Regulatory Compliance

We are committed to complying with the laws and regulations applicable to our business. According to our PRC Legal Advisers, during the Track Record Period and up to the Latest Practicable Date, we did not have non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our business and operation as a whole. As advised by our PRC Legal Advisers, during the Track Record Period and up to the Latest Practicable Date, we have complied with the applicable PRC laws and regulations in all material respects.

TARIFFS

During the Track Record Period, we derived revenue primarily from China, but also achieved sales performance in overseas to satisfy growing demands for certain of our telecom cable products, electronic material products, NEV power charging products and electrical cable accessories products, mainly driven by development of automotive, robotics and electronics manufacturing sectors and power infrastructure projects in relevant local markets. The production and sales of our products, which involve crossborder transactions, could be subject to tariffs. During the Track Record Period and up to the Latest Practicable Date, our products exported to the U.S. were subject to tariffs primarily comprising (i) basic tariff: ranges from 3.1% to 6.5% for our products under the electronic material product category; ranges from 3% to 5.3% for our products under the telecoms cable product category; ranges from 2.6% to 5% for our products under the NEV power transmission product category; zero for our electrical cable accessories products category and (ii) additional tariff that are subject to changes as mentioned in details in section "— Recent Development of Tariff" below, resulting in a total tariff ranging from zero to 125%. As of the Latest Practicable Date, the total tariff of our products exported to the U.S. ranged from 10.0% to 16.5%.

Recent Development of Tariff

In 2025, U.S. tariff on Chinese export changed multiple times. On February 1 2025, an additional 10% tariff was put on Chinese products, which was raised to 20% on March 3, 2025. On April 2 2025, an additional tariff was further increased, changing the effective rate of Chinese goods to be 30%. On April 10 2025, the additional tariff on China was raised to 125%. On May 12 2025, additional tariff was temporarily reduced to 20%, and this reduced rate was extended for another 90 days on August 11 2025. On November 4, 2025, the additional tariff was further reduced to 10%, effective on November 10, 2025, and remaining in effect through November 10, 2026. (above-mentioned tariffs, collectively, the "**Additional US Tariffs**").

On May 28, 2025, the U.S. Court of International Trade ruled that the Additional US Tariffs exceeded the president's legal authority. The international tariff policies are rapidly evolving, and the final outcome, including whether the current US Tariffs can be implemented as proposed, is highly uncertain.

Impact of Tariff on our Business

Our Directors believe that the 2025 Additional US Tariffs, including the corresponding tariff policies introduced by other countries, assuming they are enforced as proposed, will not have a material and adverse impact on our business, results of operations and expansion plan, on the bases that (i) we make very limited direct exports to the U.S., and therefore has insignificant direct exposure to the tariffs imposed by the U.S.; (ii) downstream customers, who import the end products incorporating our products in the U.S., are responsible for the tariffs:

- ***We make very limited direct exports to the United States***

  During the Track Record Period, our direct sales to the U.S. customers amounted to RMB117.0 million, RMB114.4 million, RMB143.7 million and RMB169.5 million, which only accounted for 2.2%, 2.0%, 2.1% and 2.8% of our total revenue for the respective years.

  Given that our revenue contribution from direct sales to the U.S. is very limited, even if we experience a decrease in our direct sales to the U.S. as a result of the 2025 Additional US Tariffs, it will not result in a material and adverse change in our business and results of operations as a whole.

  In addition, during the Track Record Period up to the latest practicable date, the vast majority of our orders for products exported to the U.S. have proceeded smoothly, without being canceled or delayed. We have not yet experienced any material order cancellations or requested delay in shipment arrangement from U.S. customers from February 2025 and up to the Latest Practicable Date.

- ***Downstream customers who import the end products incorporating our products, are responsible for the tariffs***

  Accordingly to relevant laws and regulations, the downstream customers who import the end products into the United States are responsible to pay any tariffs imposed by the U.S. for importing goods into the U.S. During the Track Record Period and up to the Latest Practicable Date, our customers who further exported the end products into the U.S. were responsible for customs declarations and the payment of applicable tariffs. We are not able to directly track their customs declaration codes or their tariff payment status. Our non-U.S. customers may ultimately exported our products or end products incorporating our products to the U.S.. However, we are not able to track the sales of such customers. During the same periods, we did not receive any order cancellations or price adjustment from any of our U.S. or non-U.S. customers.

- ***We do not source any major raw materials originated from the U.S.***

  In addition, affected by the implementation of the 2025 Additional Tariffs, we observed market price escalations in certain raw materials originated from the U.S., During the Track Record Period, our raw materials originated from the U.S. represented less than 2.4% of our total procurement costs. In addition, we have maintained alternative suppliers from whom we are able to procure alternative raw materials (i.e. non-US originated products) that can meet our requirements on substantially similar pricing and terms. Nevertheless, prior to the imposition of these additional tariffs, we proactively maintained an inventory reserve of six-month supply and implemented a dynamic approach to adjusting our production and procurement plans on a monthly basis, taking into account variations in monthly usage. Consequently, we believe the adverse

impact on our competitiveness was also modest, as evidenced by our continuous growth. While this can change in the future, the factors we discuss here can effectively mitigate the uncertainty.

- ***We do not intend to significantly increase our direct sales in the U.S.***

  During the Track Record Period and up to the Latest Practicable Date, our revenue generated from the U.S. accounted for a small portion of our total revenue in each year/period, and we do not anticipate a significant increase in the proportion of revenue derived from the U.S.. We believe the additional U.S. tariffs imposed on us did not have a material adverse effect on our business operations or financial condition during the Track Record Period and up to the Latest Practicable Date, as evidenced by our continuous growth. In addition, we believe that, leveraging the significant technological advantages of our products exported to the U.S. within the industry, coupled with our stable and long-standing customer relationships, we will be able to effectively mitigate risks arising from tariff fluctuations. At the same time, through a strategic global footprint, we are able to relocate a portion of our production to countries and regions with lower tariff exposure, such as Vietnam, enabling flexible adjustments to production capacity and effective management of overall tariff costs. Our extensive operational expertise and industry experience enable us to make precise commercial judgments and informed decisions, as well as to adapt our strategies as necessary. We continuously monitor changes in global tariff policies to mitigate their impact on our operations. Based on the above, we believe that the additional U.S. tariffs as of the Latest Practicable Date will not have a material adverse impact on our business operations and financial performance in the future.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

As a leading high-tech enterprise in the high-speed data communication and electrical power transmission industry, we deeply integrate ESG principles into our corporate strategy and daily operations, and we are committed to enhancing energy efficiency and promoting sustainable development. We actively reduce energy consumption to support low-carbon goals while strictly adhering to green manufacturing standards and optimizing supply chain management to ensure our products meet environmental requirements throughout their lifecycle.

While driving industry progress, we prioritize social responsibility, uphold fair and transparent corporate governance, empower employee growth, and actively engage in community development. Guided by our corporate vision, we leverage technological innovation to implement ESG practices and advance the sustainable development of the new materials sector.

ESG Governance Framework

A sound and robust ESG governance framework serves as the cornerstone of our sustainable development. We have deeply embedded sustainability principles into our daily management and operations, establishing a top-down, three-tier ESG governance structure. At the highest level, the Board of Directors acts as the strategic decision-making body for ESG, responsible for setting sustainability policies and major initiatives, reviewing ESG performance reports, and overseeing ESG disclosure. Under the Board, the Strategy and Investment Committee evaluates ESG priorities and key issues, regularly reviews ESG progress and risk management updates from management, and provides expert recommendations. At the executive level, we have established a cross-departmental collaboration mechanism, with dedicated ESG liaisons in each functional division and subsidiary to ensure effective implementation of ESG initiatives.

Each year, members of the Board of Directors participate in various corporate governance training programs organized by the Shenzhen Stock Exchange, the China Association for Public Companies, and the Shenzhen Listed Companies Association, including training related to ESG. At the same time, board members actively focus on the company's environmental governance and the fulfillment of social responsibilities, continuously promoting the company's sustainable development.

Our annual and semi-annual reports must be reviewed by the Board of Directors. Both the annual and semiannual reports provide detailed disclosures on major environmental protection matters, the measures taken during the reporting period to reduce carbon emissions and their outcomes, as well as the company's performance in fulfilling its social responsibilities.

When making major strategic decisions, evaluating significant transactions, or assessing internal control effectiveness, our directors incorporate ESG responsibilities into their evaluations, identifying and mitigating ESG-related risks while proposing improvements for any control deficiencies. In risk management, the Board mandates that management annually updates the ESG risk matrix and discloses climate-related financial impacts using the TCFD framework.

ESG Risk Identification, Assessment, and Response Summary

By leveraging the MSCI ESG Key Issues Framework, SASB Materiality and industry-specific priority analysis, we have identified and consolidated material ESG issues relevant to our Group from a multi-stakeholder perspective. Corresponding mitigation measures have been developed as follows:

Category	Material Issues	Importance/Relevance to Us	Our Corresponding Measures
Environment	**Climate Change Mitigation**	Actively explore our business development opportunities, optimize operational costs, and gain competitive advantages.	Focus on the impact of climate change on national policies, industry development trends, and customer needs. Systematically identify and analyze the risks faced, as well as analyze the opportunities related to climate change.
	Greenhouse Gas Management	Enhance resource utilization efficiency by optimizing production processes through energy conservation and emission reduction.	Systematically advance the annual emission reduction plan each year, with energy transition, energy efficiency improvement, and process innovation as the core, to achieve emission reduction targets.
	Water Resource Management	Establish our positive green image by improving the efficiency and management processes of water resource utilization.	Strengthen water management, promote water-saving technological transformation, and improve the water recycling system.
	Waste Management	Reduce pollution and achieve sustainable resource use through waste sorting and recycling.	Strictly comply with local laws and regulations, and continuously optimize the waste management system.
	Energy Management	Promote energy-saving and consumption-reducing efforts, advance green production, and highlight the philosophy of green development.	Improve the energy management system, adopt energy-saving equipment and technologies, and enhance measures for energy use supervision.

Category	Material Issues	Importance/Relevance to Us	Our Corresponding Measures
Social	**Employee Rights**	Protect employee rights and improve their work enthusiasm and performance, thereby enhancing management efficiency.	Establish a comprehensive welfare system and employee care initiatives, fully safeguard the legitimate rights and interests of employees, and achieve common development between the enterprise and its employees.
	Occupational Health & Safety	Ensure employee safety and health, reduce the risk of accidents, and enhance production efficiency and corporate reputation.	Establish a sound safety production management system, develop standardized operating procedures, conduct regular risk assessments, and enhance employees' safety awareness and skills through regular training.
	Diversity & Equal Opportunity	Promote an inclusive culture to stimulate innovation and improve organizational performance.	Utilize diverse recruitment channels, establish standardized recruitment processes and evaluation criteria, and build a fair and transparent promotion mechanism.
	Community Engagement & Impact	Fulfill social responsibilities to enhance corporate image and gain social recognition and support.	Actively fulfill corporate social responsibility and strive to enhance the social value of the enterprise. Actively participate in the formulation of national and industry standards.
Governance	**Business Ethics**	Adhere to honest business practices to reduce compliance risks and establish a good corporate image.	Adhere to the core value of integrity in business operations. Establish internal audit and legal departments as part of the risk control functions. Implement anti-corruption management for employees, suppliers, and others. Set up a dedicated complaint channel to report violations of laws, regulations, and discipline.
	Corporate Governance	Refine governance structures to improve decision-making efficiency and protect the rights of shareholders and stakeholders.	Strictly comply with relevant laws and regulations, establish a standardized corporate governance structure, and continuously optimize the internal control environment and improve the internal control system through various rules and regulations, effectively safeguarding the interests of the company and its shareholders.

Category	Material Issues	Importance/Relevance to Us	Our Corresponding Measures
	Risk Management	Identify and control potential risks to ensure stable corporate operations and achieve sustainable development.	Strengthen the risk identification mechanisms of various departments, set clear risk warning indicators, and establish corresponding response measures.

Environmental Metrics & Management

We place environmental protection at the core of our sustainable development strategy, driving green operations and low-carbon transformation through a scientific environmental metrics system and systematic management measures. We continuously optimize energy and resource efficiency, reduce carbon emissions and environmental footprints in production and operations, and actively adopt clean technologies and renewable energy to implement green manufacturing principles.

Furthermore, we have established a comprehensive environmental management system. For example, one of our subsidiaries, Tianjin Wo'erfa Power Equipment Co., Ltd., invested approximately RMB389,000 in 2024 for pollution control facility construction and maintenance, waste treatment and resource recovery, and environmental monitoring and evaluation. These efforts ensure compliance
with national environmental regulations and international standards, further strengthening our environmental management as we advance toward a more sustainable green development model.

Emissions

As a core component of our corporate sustainability strategy, we have established scientific and effective management systems for all emission indicators—including exhaust gasses, solid waste, and industrial wastewater. While pursuing economic growth, we proactively fulfill our environmental and social responsibilities, contributing to the development of a green, low-carbon, and sustainable ecosystem. We have established policy documents and have actively implemented multiple measures for emissions management.

To systematically control hazardous materials and waste, we have established the "EHS Management System for Dangerous Chemicals," which clarifies management responsibilities and operational standards at each stage. The specific requirements for full - process control are as follows:

- The production workshop submits purchase applications for dangerous chemicals based on actual production needs to ensure that the requirements are compliant and precise.

- The purchasing department, in accordance with the approved requirements, is responsible for the procurement work and strictly reviews the qualifications of suppliers to control the safety of the supply chain from the source.

- When the warehouse receives dangerous chemicals, it must inspect each item. After the inspection is passed, it should promptly complete the registration of the goods entering the warehouse to ensure that the accounts and the physical goods are consistent.

- The Safety Committee Office is in overall charge of the registration of dangerous chemicals entering and leaving the warehouse, inventory management, and the daily safety management of the dangerous chemicals warehouse.

- After the use of dangerous chemicals, the resulting hazardous waste is collected in accordance with standards and temporarily stored in the designated hazardous waste warehouse. The hazardous waste warehouse is managed by the Safety Committee Office, which regularly entrusts units with legal qualifications to transport and dispose of the waste.

- Every six months, a professional organization must be commissioned to conduct lightning protection and anti - static detection of the dangerous chemicals warehouse and related facilities to ensure that the detection is qualified and to prevent environmental risks.

For general industrial solid waste, such as paper, metal scraps, plastic bags and other trimmings, we adhere to a 50% resource utilization and recyclable disposal rate to reduce carbon emissions resulting from waste disposal. After collection, these materials are recycled and treated by qualified companies.

Owing to these efforts, our emission data of exhaust gasses, wastewater, and waste during the Track Record Period are as follows:

Classification	Unit	2022	2023	2024	Nine Months ended September 30, 2025
Exhaust Gas					
Nox	kg	3,661,997	4,665,746	4,539,488	5,941,546
Sox	kg	3,051	3,886	3,781	4,950
PM	kg	1,946	3,588	7,096	1,737[(1)]
Wastewater					
Total Water Consumption	tons	399,837	369,254	412,794	445,890
Recycled Amount	tons	17,200	22,200	37,200	111,993
Waste					
Hazardous Waste	kg	110,985	130,586	156,720	203,164
Non-hazardous Waste	kg	6,244,787	7,858,409	10,104,652	3,433,111
Recycled Volume of Hazardous Waste	kg	38,474	43,866	419,769	203,164
Recycled Volume of Non-hazardous Waste	kg	1,444,693	2,079,440	2,715,142	2,227,549

Note:

(1) Huizhou LTK's workshop has implemented dust removal optimization for its equipment, enhancing dust removal capabilities and resulting in a significant reduction in PM emissions.

Resource Consumption

We prioritize resource consumption management. To that end, we have implemented various projects initiatives:

- **Waste Heat and Lighting Usage**: including recycling waste heat from the air compressor into the hot water system for use in dormitory shower, and improving workshop lighting and control mode.

- **Hopper Energy-saving Retrofit for Extruders**: Reutilizing waste heat generated by the barrel heating system of extruder main units, reducing workshop air conditioning electricity costs by approximately 10%;

- **SFP Core Wire Extrusion Equipment & Process Upgrade**: Enabled "one operator for two machines" production mode. Currently implemented across 20 core wire extrusion units, reducing labor costs by 50% per process; and

- **Dual-extrusion Single-machine System**: Achieved 50% reduction in operators while doubling production capacity, realizing large-scale standardized production.

We attach high importance to energy consumption management in production operations. By optimizing process flows, actively enhancing energy reuse, and reducing resource waste, we have established a scientific energy management system to ensure compliance with China's "Dual Carbon" policy and alignment with global low-carbon development trends.

During the Track Record Period, our resource consumption were as follows:

Resource Classification	Unit	2022	2023	2024	Nine Months ended September 30, 2025
Electricity	MWh	115,648	125,462	151,663	194,114
Water Resources	tons	382,637	347,054	375,594	445,890

During the Track Record Period, we also generated wind and solar power, serving as a testament to our commitment to sustainability:

Resource Classification	Unit	2022	2023	2024	Nine Months ended September 30, 2025
Wind Power Generation	MWh	283,081	313,914	295,684	206,251
Solar Power Generation	MWh	479	623	589	3,033

In April 2025, we installed a 3.48 MW photovoltaic power generation system on the roofs of the comprehensive building, Phase II, and Phase III. This effectively saved energy costs and contributed to reducing carbon emissions.

Based on current business operations and industry practices, in order to actively promote the sustainable transformation of the industry, we plan to reduce energy intensity by 3% annually in the future.

To ensure the effective implementation of our goals, we have developed a detailed energy management plan, which includes measures such as improving equipment energy efficiency, optimizing production processes, and integrating renewable energy sources. We have established and implemented an energy management system, conducted irregular inspections to promptly identify and address energy waste issues, and regularly assessed the performance of energy management. Through rigorous goal-setting and review and evaluation processes, we have comprehensively enhanced the efficiency of resource utilization.

We have set a series of energy-saving target plans. The specific schedule for the energy consumption per unit product is as follows:

Product Name	Unit	2025	2026
Electronic Products	tce/t	0.3388	0.3286
Electrical Products	tce/t	0.2072	0.2010
Total Specific Consumption	tce/t	0.3493	0.3389

In recent years, we have invested a significant amount of capital in order to ensure compliant production. We have undertaken a large number of energy-saving technological transformation projects for both major production equipment and auxiliary equipment. These projects include converting asynchronous motors of equipment to permanent magnet synchronous motors, retrofitting the heating systems of extruders and other equipment, replacing quantitative pump motors of rubber injection molding machines with servo motors, and phasing out old and high energy-consuming motors.

In order to ensure the company's future ESG compliance and further reduce energy consumption and emissions, we have planned the costs related to future ESG investment projects:

- We plan to install solar photovoltaic panels in the employee dormitories, with an estimated total investment of over RMB6 million.

- We plan to further improve the production process to reduce the output torque of the motors. The estimated investment for this project is RMB100,000, with a target annual energy savings of 13.55 tons of standard coal.

- We plan to retrofit the dry-expanding machine's heating system by replacing the electric heating wire cylinder on the equipment with an energy-saving electromagnetic heater. The estimated investment for this project is RMB800,000, with a target annual energy savings of 54.19 tons of standard coal.

Carbon Management

We prioritize carbon emission management and have implemented various measures to enable comprehensive emission control and continuous optimization of management practices.

Our carbon emission during the Track Record Period is as follows:

Classification	Unit	2022	2023	2024	Nine Months ended September 30, 2025
Scope 1	Metric tons of carbon dioxide equivalent	3,945.0	4,287.5	6,051.4	2,495.2
Scope 2	Metric tons of carbon dioxide equivalent	65,957.8	71,554.9	86,497.9	104,161.6
Scope 3	Metric tons of carbon dioxide equivalent	4,573.1	4,834.2	5,195.0	4,010.2

Note: One of the main sources of our Scope 3 emissions is packaging materials. Since most of our orders are concentrated in the second half of the year, our Scope 3 emissions are relatively low in the first half.

Based on current business operations and industry practices, and in active response to China's 2030 carbon neutrality goal, we plan to gradually reduce our carbon emission intensity and continuously reduce total carbon emissions, ultimately reaching carbon neutrality. This will be done on the basis of meeting our production and operation needs as well as ensuring sustainable development, through measures such as optimizing the energy structure, improving energy efficiency, enhancing production processes, and strengthening carbon emission management. In this way, we will make a positive contribution to combating climate change.

Using the number of employees as the intensity indicator measurement standard, our annual emission intensity during the Track Record Period are as follows:

Classification	Unit	2022	2023	2024
Emission Intensity	Tons of carbon dioxide equivalent per employee	9.8	12.0	13.0

Climate-Related Risks and Opportunities Identification

We recognize the profound impact of climate-related governance issues on business development, and actively transform challenges into opportunities to build a solid foundation for sustainable corporate growth. Through systematic identification and evaluation, we have assessed the specific potential impacts of climate-related risks on our operations as follows:

- **Climate Physical Risks**

  ***Short-Term Risks*:** Extreme weather events such as heatwaves and droughts may impact the surrounding ecosystem of wind farms, thereby challenging the stability of wind power generation. To minimize potential climate-related risks, our wind farms are strategically located in Laixi City, Qingdao. Benefiting from the region's maritime climate, Qingdao experiences fewer extreme weather events while maintaining abundant and stable wind resources. This ensures that wind power equipment operates under relatively mild climatic conditions, reducing the risk of damage caused by extreme temperature fluctuations and providing a stable energy foundation for wind power generation.

  ***Long-term risks*:** Climatic conditions, such as sustained high temperatures, may have a direct impact on the occupational safety and health of employees, such as an increased risk of heat stroke and a decrease in the comfort level of the working environment. This will force us to increase investment in workplace optimization and employee health management, which may significantly increase labor costs and affect employee productivity and satisfaction, posing a long-term challenge to our operations.

- **Climate Transition Risks**

  ***Policy and Compliance Risks*:** As global climate policies and environmental regulations tighten, companies must promptly adapt to meet stricter emission control requirements. Failure to comply may result in fines for excessive emissions, increased compliance costs, and adverse impacts on brand reputation.

***Market and Customer Demand Risks*:** Climate change will further drive the growth in customer demand for "green products." To maintain market competitiveness, companies need to actively promote green transformation and develop new types of polymer materials that are in line with the concept of sustainable development. If they fail to adapt to these changes, companies may face the risk of losing market share.

While addressing the challenges brought about by climate change, we are also actively exploring the climate-related opportunities embedded within it to drive our long-term sustainable development. The specific climate opportunities are as follows:

- **Clean Energy:** For example, some of our products are an essential part of wind power generation, helping to achieve clean energy output. The practice of driving green development through technological innovation not only reflects our environmental responsibility, but also establishes a virtuous cycle of sustainable development at the industrial chain level. This further improves the social environment and contributes to the achievement of the carbon peak and carbon neutrality "3060" goals.

- **Green Supply Chain:** With the strengthening of environmental regulatory policies, downstream customers may increasingly demand more stringent control over energy consumption and emissions in the supply chain production process, to align with market trends. Our greener production management will create new market opportunities. Our ability to meet customers' demands for high-performance products will not only help us expand our market share, but also advance the realization of sustainable development goals throughout the supply chain.

Employee Well-being

We attach great importance to the rights and welfare of employees, and are committed to building a scientific, reasonable, fair and just employment system. We strictly comply with relevant labor laws and regulations to ensure that employees' legitimate rights and interests are fully protected. Our compensation and benefits system aims to improve employee well-being through clear performance evaluation criteria and incentive policies, while also attracting and cultivating young talents through employee retention measures. During each year of the Track Record Period, around 30% of our employees were females, and around two thirds were 30-50 years old. Furthermore, we provide comprehensive employee benefits, including statutory and supplementary options, foster a supportive work environment with advanced facilities and training, and values employee rights through a robust trade union system with regular meetings and multiple feedback channels such as suggestion boxes, staff congresses, complaint mailboxes, and annual satisfaction surveys.

Occupational Safety

We attach great importance to the establishment of our occupational safety system. As of September 30, 2025, a total of over 4,800 occupational safety training sessions were implemented, with more than 65,000 cumulative employee participations. The total training duration was approximately 17,000 hours, and the average training duration per session was about over 3.6 hours. During the same period, no employee deaths occurred due to work-related causes. We have established a comprehensive safety and health management system that strictly adheres to laws and regulations. We have also obtained certifications for the ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System.

In daily management, we systematically identify hazardous positions and implement key control measures, including daily inspections of personal protective equipment ("**PPE**") wearing, posting hazard warning signs on machinery, installing protective covers, and setting safety distances. Meanwhile, we organize annual occupational disease medical examinations for employees, establish health records, and monitor their health status in real time.

Employee Development and Training

We uphold the people-oriented development philosophy, attaching great importance to and fully supporting employees' career development path planning and continuous improvement of professional skills. In order to

fully stimulate employees' potential for innovative thinking and promote their in-depth growth and extensive exploration in professional fields, we have specially established a series of carefully planned training programs. During the Track Record Period, we have coordinated and implemented more than 20,000 online and offline training sessions for employees. We have established clear recruitment and promotion systems to ensure fairness and support employees' career growth, including objective assessment criteria, a dual-channel career development path, and flexible job rotation opportunities. Our performance evaluation and incentive mechanisms are standardized and reward outstanding work, while our comprehensive training programs, which are supported by annual plans, special budgets, and mentorship initiatives, encourage continuous learning, professional certification, and personal development.

Sustainable Supply Chain

We integrate sustainable development into supply chain management. We have established systems such as the *Supplier Management Procedure* and the *Supplier Performance and Risk Management Measures* to strictly standardize the management of suppliers throughout the entire process, including development and selection, onboarding, certification, assessment, review, and elimination.

- During the supplier selection process, for materials subject to environmental requirements (such as environmental laws, regulations, and customer requirements), suppliers are required to provide test reports issued by authoritative third-party testing institutions, and the validity of these reports shall be verified.
- In the supplier evaluation process, "environmental protection and social responsibility" is incorporated into the supplier evaluation and scoring system, accounting for approximately 10% to 35% of the total score.
- After a supplier passes the evaluation, we will sign agreements with it, including the *Supplier Quality and Environmental Protection Agreement* and the *Supplier Product Hazardous Substance Control Agreement*, and upload these agreements to the SRM platform.
- We conduct monthly performance evaluations of suppliers based on criteria such as quality, delivery, service, and environmental protection. Every year, based on the suppliers' overall performance in the previous year, we formulate a list of qualified suppliers and an annual supplier audit plan, and conduct the annual supplier management work in accordance with these documents.
- For suppliers rated Grade D for two consecutive assessment cycles and failing to improve after guidance, we will not continue to cooperate with them and terminate the partnership. For suppliers that fail the annual review, if they still fail the re-review after guidance and improvement, the cooperation will be terminated.

Through scientific supplier screening criteria, strict scoring systems, and dynamic daily management mechanisms, we have built a green, efficient, and shared-responsibility supply chain ecosystem to support our long-term sustainable development. These management measures have not only improved supply chain efficiency and transparency but also comprehensively ensured supply chain stability and compliance with responsibilities, setting an industry benchmark for the brand in the fields of green development and social responsibility, and promoting the full implementation of the sustainable development strategy.

Community and Public Welfare

We have continuously engaged in public welfare undertakings, actively participating in areas such as voluntary blood donation, charitable donations, educational assistance, and rural development. We have received honors as "loving enterprises for voluntary blood donation" and organized employees to participate in voluntary blood donation activities multiple times. We have also donated funds and materials to village committees, nursing homes, charitable organizations, and other entities in various regions, and have won honors related there to. In addition, we have donated scholarships and computer equipment to schools, providing targeted support for educational undertakings and helping improve teaching conditions.

Anti-Corruption

To maintain an honest business environment and prevent illegal and unethical behaviors such as commercial bribery and duty-related embezzlement, we have established a sound anti-corruption system. Through regular training, supervision, and punishment mechanisms, we ensure that all employees strictly adhere to the norms of clean and honest professional conduct. We have established and strictly enforce regulations prohibiting commercial bribery, embezzlement, and improper interest transfer, with clear penalties for violations. We maintain a zero-tolerance policy toward corruption: employees found in violation are suspended, investigated, dismissed if confirmed, and reported to authorities if criminal acts are involved. To ensure compliance, we provide comprehensive training for all staff, require signed Clean Conduct Commitment Letters, and mandate regular self-inspections and rectifications.

Collaboration with Social Impact Organizations

As of September 30, 2025, we have cumulatively led and participated in the formulation of various national, industrial, and group standards. Among them, 29 national standards, and 39 industrial standards, have been promulgated and implemented, testifying to our industry leadership.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established, and currently maintain, risk management and internal control systems consisting of policies and procedures that we consider appropriate for our business operations. We are dedicated to continually improving these systems. We have adopted and implemented comprehensive risk management policies in various aspects of our business and operations such as information technology, financial reporting, and internal control. Furthermore, we conduct periodic review of the implementation of our risk management policies and internal control measures to ensure their effectiveness and sufficiency. We are dedicated to upholding the legal compliance of our operations and management, safeguarding assets and ensuring the accuracy and completeness of financial reports and related information. Our commitment extends to enhancing operational efficiency and effectiveness, thereby fostering the achievement of the company's strategic development goals.

Our Board of Directors is responsible for the establishment and regular updates of our internal control systems, ensuring they remain aligned with our strategic objectives, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiaries and functional departments. Our internal audit department jointly with our Board's Audit Committee regularly assesses and evaluates our internal controls, identifying areas of improvement and ensuring compliance with corporate policies.

BOARD OF DIRECTORS

Our Board currently comprise 9 Directors, comprising 5 executive Directors, 1 non-executive Director and 3 independent non-executive Directors, namely:

Name	Age	Position(s)	Date of appointment as Director[1]	Date of founding/ joining our Group	Role and responsibilities	Relationship with other Directors and senior management
Mr. Zhou Heping (周和平)	61	Executive Director, Chairperson of the Board	June 3, 2025	June 19, 1998	Responsible for the overall management, overall strategic planning, R&D and business development of our Company	Spouse of Ms. Yi Huarong
Ms. Yi Huarong (易華蓉)	45	Executive Director, vice Chairperson of the Board, general manager	November 2, 2022	August 25, 2014	Responsible for the overall management, overall strategic planning, and business development of our Company	Spouse of Mr. Zhou
Mr. Liu Zhanli (劉占理)	44	Executive Director	October 30, 2019	July 1, 2007	Responsible for daily operation of the Company	None
Mr. Xia Chunliang (夏春亮)	37	Executive Director	June 28, 2020	July 2, 2012	Responsible for R&D and daily operation of the Huizhou LTK	None
Ms. Deng Yan (鄧艷)	42	Executive Director	October 30, 2019	July 22, 2010	Responsible for overall management of financial matters of Woer New Energy	None
Dr. Li Wenyou (李文友)	60	Non-executive Director	June 29, 2020	June 29, 2020	Responsible for providing strategic advice to the management and corporate governance of the Company	None
Mr. Zeng Fanyue (曾凡躍)	62	Independent non-executive Director	November 2, 2022	September 20, 2010	Primarily responsible for providing independent advice and judgment to our Board	None

Name	Age	Position(s)	Date of appointment as Director[(1)]	Date of founding/ joining our Group	Role and responsibilities	Relationship with other Directors and senior management
Ms. Dai Bingjie (代冰潔)	34	Independent non-executive Director	November 2, 2022	November 2, 2022	Primarily responsible for providing independent advice and judgment to our Board	None
Mr. Wang Dong (王棟)	47	Independent non-executive Director	June 3, 2025	November 18, 2025	Primarily responsible for providing independent advice and judgment to our Board	None

Note:

(1) For the avoidance of doubt, the date of appointment as Director refers to the most recent appointment for director who had previously ceased to hold office.

The following sets forth the biographies of our Directors:

EXECUTIVE DIRECTORS

Mr. Zhou Heping (周和平), aged 61, founded the Company in June 1998. He served as the Chairperson of the Board from June 1998 to October 2019. He served as the chief technology officer of the Company since November 2019, and has served as an executive Director and chairperson of the Board since June 2025. He is responsible for the overall management, overall strategic planning, R&D and business development of our Company.

Mr. Zhou acquired a master's degree in science from Changchun Institute of Applied Chemistry Chinese Academy of Sciences in Jilin in July 1991. In December 2004, Mr. Zhou was awarded the title of Senior Engineer by the Human Resources and Social Security Department of Guangdong Province (formerly known as the "Department of Personnel of Guangdong Province").

Ms. Yi Huarong (易華蓉), aged 45, joined the Company in August 2014, and since then she has served as the person in charge of electronic product business operations, corporate culture management as well as investment business, respectively. Since November 2022 to present, she has served as the vice Chairlady of the Board and general manager of the Company. Since June 2025, she was re-designated as Executive Director. She is responsible for the overall management, overall strategic planning, and business development of our Company.

From July 2006 to June 2011, Ms. Yi served as a teacher at Guangdong University of Finance and Economics.

Ms. Yi obtained a bachelor's degree in engineering from Wuhan University in Hubei in June 2003, and further acquired a master's degree in engineering from Wuhan University in Hubei in December 2005.

Mr. Liu Zhanli (劉占理), aged 44, joined the Company in July 2007, and since then he has served as a product engineer, workshop technical director, and workshop production manager, respectively. From August 2019 to December 2021, he served as production manager and was responsible for the production management of the electronic labeling management department and the manufacturing department. From January 2022 to December 2023, he served as deputy director – production at Woer Heat Shrinkable Production and Manufacturing Center, and was responsible for the management of the thin tube manufacturing department and the labeling management department. Since January 2024, he served as the acting general manager of Shenzhen

Heat- Shrinkable, and was responsible for the overall business and operation management of Shenzhen Heat-Shrinkable. He is currently responsible for the daily operation of the Company. He has served as a Director of the Company since October 2019 and was re-designated as Executive Director in June 2025.

Mr. Liu obtained a bachelor's degree in science from Hebei Agricultural University in Hebei in June 2004, and further acquired a master's degree in engineering from Hebei University in Hebei in June 2007.

Mr. Xia Chunliang (夏春亮), aged 37, joined the Company in July 2012, and since then he has served as a R&D engineer, director of the electronic product development group and manager of the R&D management department, respectively. In his role as manager of the R&D management department from June 2017 to October 2022, he was responsible for, among other things, coordinating the work of the R&D management department, organizing the formulation of the R&D department's new product development plan and annual key project plan, optimizing the R&D project management system and managing the progress of R&D projects. Since September 2021, he has served as the chairman of Huizhou LTK, where he is responsible for the daily operation and technology R&D. He has served as a Director of the Company since June 2020 and was re-designated as Executive Director in June 2025.

Mr. Xia obtained a bachelor's degree in engineering from Shandong University of Science and Technology in Shandong in June 2010, and further acquired a master's degree in engineering from Shandong University of Science and Technology in Shandong in June 2012. In April 2021, Mr. Xia was awarded the title of Senior Engineer by the Human Resources and Social Security Bureau of Shenzhen Municipality (深圳市人力資源和社會保障局).

Ms. Deng Yan (鄧艷), aged 42, joined the Company in July 2010. From January 2017 to December 2020, she served as Woer New Energy and was responsible for financial analysis and financial management of Woer New Energy. From January 2021 to December 2023, she served successively as senior manager and deputy director of the Company's financial management center and was responsible for assisting the finance director of the Company in coordinating and overseeing the financial matters of the Group. Since January 2024, she served as finance director and secretary of the board of directors of Woer New Energy, and was responsible for the overall management of the financial matters of Woer New Energy. She has served as a Director of the Company since October 2019 and was re-designated as Executive Director in June 2025.

Ms. Deng obtained a bachelor's degree in economics from Southwest Jiaotong University in Sichuan in July 2007, and further acquired a master's degree in management from Southwest Jiaotong University in Sichuan in January 2010.

NON-EXECUTIVE DIRECTOR

Dr. Li Wenyou (李文友), aged 60, joined the Company as Director in June 2020. In June 2025, he was re-designated as Non-executive Director. He is responsible for providing strategic advice to the management and corporate governance of the Company.

From August 1988 and prior to his pursuit of his doctorate degree, Dr. Li served as a teacher at Taiyuan University of Technology. From May 1999 to present, he has served as a teacher at Nankai University, and currently serves as a professor at the College of Chemistry at Nankai University.

Dr. Li obtained a bachelor's degree in science from Hebei University in Hebei in July 1985, and obtained a mater of science degree at the Shaanxi Normal University of Shaanxi Province in June 1988. Dr. Li further acquired a doctorate degree in science from Xiamen University in Fujian in July 1997, and obtained a post-doctorate diploma in biomedical engineering from Southeast University in Jiangsu in May 1999.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zeng Fanyue (曾凡躍), aged 62, first joined the Company as an independent Director in September 2010. He ceased to be an independent Director upon the expiry of his term in October 2016 and having served as

an independent Director consecutively for six years, according to then applicable rules of the Shenzhen Stock Exchange, he was ineligible for re-election and reappointment as an independent Director of this Company within twelve months from the expiry date of his consecutive six-year term. Mr. Zeng was re-appointed as an independent Director in December 2018 to fill the vacancy resulting from the resignation of an independent Director, and ceased to serve as an independent Director upon the expiry of his term in October 2019 due to his other business commitment. He was reelected as an independent Director in November 2022 and has held this role since then. In June 2025, he was re-designated as an independent non-executive Director. He is responsible for providing independent advice and judgment to our Board.

Mr. Zeng has extensive experience in the fields of financial management, accounting and corporate governance. From December 2001 to April 2005, he served as the executive director (主任幹事) of Shenzhen Institute of Certified Public Accountants. From June 2005 to October 2007, he served as a senior manager of Deloitte Touche Tohmatsu Certified Public Accountants LLP. From November 2007 to October 2023, he served as the deputy general manager and consultant of finance department of China Merchants Shekou Industrial Zone Holdings Co., Ltd. Mr. Zeng has also served as an independent director of several listed companies. From July 2019 to May 2022, he served as an independent director of Shenzhen KTC Technology Co., Ltd. (a company listed on the main board of the Shenzhen Stock Exchange, stock code: 001308). Since December 2023, he has served as an independent director of Shenzhen Fuanna Bedding and Furnishing Co., Ltd. (a company listed on the main board of the Shenzhen Stock Exchange, stock code: 002327). Since January 2024, he has served as an independent director of Shenzhen Maxonic Automation Control Co., Ltd (a company listed on the ChiNext of the Shenzhen Stock Exchange, stock code: 300112).

Mr. Zeng obtained an associate's degree in accounting through long distance learning from Southwestern University of Finance and Economics in Sichuan in December 1990. He has been a certified public accountant recognized by the Ministry of Finance of the People's Republic of China since April 1995, and obtained the Intermediate Accountant Certificate granted by the Ministry of Finance of the People's Republic of China in October 1994.

Although Mr. Zeng, had previously served as an independent director of the Company from September 2010 to October 2016 and from December 2018 to October 2019. He did not serve on the Board from October 2019 to November 2022 which is more than three years. Pursuant to note 2 to the Rule 3.13A of the Listing Rule, he can be considered independent under the Listing Rule.

Ms. Dai Bingjie (代冰潔), aged 34, joined the Company as an independent Director in November 2022. In June 2025, she was re-designated as an independent non-executive Director. She is responsible for providing independent advice and judgment to our Board.

From July 2013 to present, she has served as a supply chain management personnel of Yichang Tongshida Transportation Development Co., Ltd. (宜昌通世達交通開發有限公司), a state-owned enterprise, where she was responsible for supply chain management.

Ms. Dai obtained an associate's degree in news editing and production from Zhixing College of Hubei University in Hubei in June 2011, and graduated from The Open University of China through distance learning in July 2025, majoring in law.

Mr. Wang Dong (王棟), aged 47, was appointed by the Company as an independent non-executive Director in June 2025, with his appointment effective from November 2025. He is responsible for providing independent advice and judgment to our Board.

From June 2011 to June 2019, he served as the deputy general manager of BOCOM International Holdings Company Limited and BOCOM International Securities Limited. From June 2019 to present, he has served as an executive committee member of Soochow Securities (Hong Kong) Financial Holdings Limited. From April 2020 to May 2022, he served as an independent non-executive director of Forgame Holdings Limited (a company listed on the main board of Hong Kong Stock Exchange, stock code: 00484).

Mr. Wang obtained a bachelor's degree in economics from Zhongnan University of Economics and Law in Hubei in June 2000, and obtained a master's degree in economics from Zhongnan University of Economics and Law in Hubei in June 2003, and further acquired an Executive MBA degree from China Europe International Business School in Shanghai in November 2018.

General

Each of our Directors has confirmed that:

(1) he/she obtained the legal advice referred to under Rule 3.09D of the Listing Rules on June 3, 2025, and understood his/her obligations as a director of a listed issuer;

(2) he/she does not have any existing or proposed service contract with our Group other than contracts expiring or determinable by the relevant member of our Group within one year without payment of compensation (other than statutory compensation);

(3) he/she has no interest in the Shares within the meaning of Part XV of the SFO;

(4) he/she has not been a director of any other publicly listed company during the three years immediately preceding the Latest Practicable Date;

(5) other than being a Director and/or member of our Company's senior management, he/she does not have any relationship with any other Directors, senior management or substantial shareholders of our Company; and

(6) he/she has not completed his/her respective education programs as disclosed in this section by way of attendance of long distance learning or online courses.

Each of our independent non-executive Directors has confirmed:

(1) his/her independence after taking into consideration each of the factors referred to under Rules 3.13(1) to 3.13(8) of the Listing Rules;

(2) that he/she does not have any past or present financial or other interest in the business of our Company or our subsidiaries, or any connection with any core connected person of our Company; and

(3) that there are no other factors which may affect his/her independence at the time of his/her appointment as our independent non-executive Director.

SENIOR MANAGEMENT

The following individuals hold senior managerial positions and are responsible for the day-to-day management and operation of our business. Details about the senior management team of the Company are provided below:

Name	Age	Position(s)	Date of appointment as senior management	Date of joining our Group	Role and responsibilities	Relationship with Directors and other senior management
Mr. Zhou Heping (周和平)	61	Executive Director, Chairperson of the Board	June 19, 1998	June 19, 1998	Responsible for the overall management, overall strategic planning, R&D and business development of our Company	Spouse of Ms. Yi Huarong

Name	Age	Position(s)	Date of appointment as senior management	Date of joining our Group	Role and responsibilities	Relationship with Directors and other senior management
Ms. Yi Huarong (易華蓉)	45	Executive Director, vice Chairperson of the Board, general manager	November 2, 2022	August 25, 2014	Responsible for the overall management, overall strategic planning, and business development of our Company	Spouse of Mr. Zhou
Mr. Xiang Keshuang (向克雙)	58	Vice general manager	September 27, 2010	February 16, 2003	Responsible for daily operation of the Company	None
Mr. Yao Chenhang (姚晨航)	48	Vice general manager and financial director	January 2, 2025	January 2, 2025	Responsible for overseeing the financial matters of the Group	None
Ms. Qiu Wei (邱微)	38	Board secretary	February 18, 2021	October 13, 2010	Responsible for corporate governance	None

The following sets forth the biographies of our senior management:

Mr. Zhou Heping (周和平) is our executive Director and chairperson of our Board. For further details, see " — Board of Directors — Executive Directors" in this section.

Ms. Yi Huarong (易華蓉) is our executive Director, and general manager. For further details, see " — Board of Directors — Executive Directors" in this section.

Mr. Xiang Keshuang (向克雙), aged 58, joined the Company in February 2003, and has served as the administration manager and director of the Company since then. From September 2010 to present, he has served as vice general manager of the Company.

Mr. Xiang obtained a bachelor's degree in agricultural economics and management from Yangtze University (formerly known as "Hubei Agricultural College") in Hubei in July 1989. In November 1997, he was awarded the qualification of an economist by the Ministry of Human Resources and Social Security of the People's Republic of China (formerly known as the "Ministry of Personnel of the People's Republic of China"). In July 1992, he was awarded the title of political analyst by Intermediate Evaluation Committee for Professional Positions of Enterprise Political Workers of the Provincial Farm Reclamation Corporation (省農墾總公司企業政工人員專業職務中級評審委員會).

Mr. **Yao Chenhang (姚晨航)**, aged 48, joined the Company in January 2025, and has served as the vice general manager and financial director since then. The position of financial director is equivalent to chief financial officer, and he is responsible for overseeing the financial matters of the Group.

Mr. Yao has extensive experience in the fields of capital operation and corporate governance. From September 2000 to August 2007, he served as an executive director at the investment banking division at Southwest Securities Company Limited (西南證券有限責任公司). From August 2007 to September 2017, he served as a general manager of the investment banking division headquarters of Hongta Securities Co., Ltd. (紅塔證券股份有限公司). From May 2020 to December 2024, he served as the managing director at Shenzhen Kunpeng Equity Investment Management Co., Ltd. (深圳市鯤鵬股權投資管理有限公司) and as the director and general manager at Shenzhen Kunpeng Guoxin Investment Co., Ltd. (深圳市鯤鵬國鑫投資有限公司).

Mr. Yao obtained a bachelor's degree in economics from Zhongnan University of Economics and Law in Hubei in June 2000, and further obtained a master's degree in laws from Wuhan University in Hubei in December 2006, and acquired an Executive MBA degree from China Europe International Business School in Shanghai in November 2017. He obtained the securities professional qualification (證券從業資格) and the sponsor representative qualification (保薦代表人資格) granted by the Securities Association of China and the secretary of the board of directors qualification (董事會秘書資格) granted by the Shenzhen Stock Exchange, and the fund professional qualification (基金從業資格) granted by the Asset Management Association of China.

Ms. Qiu Wei (邱微), aged 38, joined the Company in October 2010, and has served as financial specialist, securities specialist and securities affairs representative since then. From February 2021 to present, she has served as the secretary of the Board of the Company.

Ms. Qiu obtained a bachelor's degree in economics from Hunan University of Technology and Business in Hunan in July 2009, and obtained a master's degree in administration from Renmin University of China in Beijing in December 2021. In September 2017, she obtained the Intermediate Accountant Certificate granted by the Ministry of Human Resources and Social Security of the People's Republic of China. In July 2014, she obtained the secretary of the board of directors qualification (董事會秘書資格) granted by the Shenzhen Stock Exchange.

General

Each of our senior management members has confirmed that:

(1) he/she does not hold and has not held any other positions in our Group and any other members of our Group as of the Latest Practicable Date;

(2) other than being a Director and/or member of our Company's senior management, he/she does not have any relationship with any Directors, other members of senior management or substantial shareholders of our Company as of the Latest Practicable Date;

(3) he/she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the Latest Practicable Date; and

(4) he/she has not completed his/her respective education programs as disclosed in this section by way of attendance of long distance learning or online courses.

JOINT COMPANY SECRETARIES

Ms. Qiu Wei, the secretary of our Board, was appointed as one of our joint company secretaries on May 12, 2025. For the biographical details of Ms. Qiu, see "– Senior Management" in this section.

Mr. Tam Ka Lung (譚家龍), aged 47, was appointed as one of our joint company secretaries on May 12, 2025.

Mr. Tam graduated from the Hong Kong University of Science and Technology with a Bachelor of Business Administration (Hons) Accounting degree. Mr. Tam is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Tam has over 20 years' experience in auditing, financial management, company secretary and corporate governance, merger and acquisitions and IPO. Mr. Tam has worked in KPMG with last position as audit senior manager. He is currently the chief financial officer and company secretary of China Huajun Group Limited, a company listed in the Main Board of Hong Kong Stock Exchange (stock code: 377). He is the director of Danok Corporate Services Limited.

COMPLIANCE ADVISER

We have appointed Gram Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports;
- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual price movement and trading volume or other issues under Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, Gram Capital Limited will, in a timely manner, inform us of any amendment or supplement to the Listing Rules and new or amended laws and regulations in Hong Kong applicable to us.

The terms of the appointment shall commence on the Listing Date and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the Listing Date.

BOARD COMMITTEES

We have established the following committees on our Board: an audit committee, a remuneration and appraisal committee, a nomination committee, and a strategy and investment decision committee. The committees operate in accordance with the terms of reference established by our Board.

Audit Committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"). The Audit Committee consists of Mr. Zeng Fanyue, Mr. Wang Dong and Dr. Li Wenyou, with Mr. Zeng Fanyue being the chairperson of the committee. Mr. Zeng Fanyue holds the appropriate accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee are to assist our Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management systems, overseeing the audit process, and performing other duties and responsibilities as assigned by our Board, which includes amongst other things:

- proposing to our Board the appointment and replacement of external audit firms;
- supervising the implementation of our internal audit system;
- liaising between our internal audit department and external auditors;
- reviewing our financial information and related disclosures; and
- other duties conferred by our Board.

Remuneration and Appraisal Committee

We have established a remuneration and appraisal committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of Ms. Dai Bingjie, Mr. Zeng Fanyue and Ms. Yi Huarong, with Ms. Dai Bingjie being the chairperson of the committee.

The primary duties of the Remuneration and Appraisal Committee are to develop remuneration and appraisal policies of our Directors, evaluate the performance, make recommendations on the remuneration packages of our Directors and senior management and evaluate and make recommendations on employee benefits, which include amongst other things:

- establishing, reviewing and making recommendations to our Board on our policy and structure concerning remuneration and appraisal of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and appraisal;
- determining the terms of the specific remuneration package of each Director and members of senior management;
- reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time;
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and
- other duties conferred by our Board.

Nomination Committee

We have established a nomination committee with written terms of reference in compliance with paragraph B.3 of part 2 of the Corporate Governance Code. The Nomination Committee consists of Mr. Wang Dong, Ms. Dai Bingjie and Mr. Zhou, with Mr. Wang Dong being the chairperson of the committee.

The primary duties of the Nomination Committee are to make recommendations to our Board in relation to the appointment and removal of Directors which includes, amongst other things:

- reviewing the structure, size and composition of our Board on a regular basis, assisting our Board in maintaining a board skills matrix, and making recommendations to our Board regarding any proposed changes;
- identifying, selecting or making recommendations to our Board on the selection of individuals nominated for directorships;
- assessing the independence of independent non-executive Directors;
- making recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors;
- supporting our Company's regular evaluation of our Board's performance; and
- other duties conferred by our Board.

Strategy and Investment Decision Committee

Our Board has established a strategy and investment decision committee (the "Strategy and Investment Committee") with written terms of reference. The primary duties of the Strategy and Investment Decision

Committee are to research on making recommendations to our Board on our long-term development strategies, major decisions, and environmental, social and governance matters. The Strategy and Investment Decision Committee comprises Mr. Zhou, Ms. Yi Huarong and Mr. Zeng Fanyue, with Mr. Zhou as the chairperson.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the corporate governance requirements under the Corporate Governance Code after the Listing.

Board Diversity

We seek to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. We have adopted a board diversity policy (the "**Board Diversity Policy**") to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a range of diversity perspectives with reference to our Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry, regional experience and length of service. Furthermore, the Nomination Committee is responsible for reviewing the diversity of our Board, reviewing the Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the Board Diversity Policy remains effective.

Our Directors have a balanced mix of knowledge and skills, including but not limited to R&D, engineering, education, finance, accounting and corporate governance. They obtained degrees in various majors including chemistry, physics, engineering, finance, economics and accounting. Furthermore, our current Board has a relatively wide range of ages, ranging from 34 years old to 62 years old, and consists of 6 male members and 3 female members. Our Company has reviewed the membership, structure and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operation.

Our Company will, among others, (i) disclose the biographical details of each Director and (ii) report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report. In particular, our Company will take opportunities to increase the proportion of female members of our Board when selecting and recommending suitable candidates for Board appointments to help enhance gender diversity in accordance with stakeholder expectations and recommended best practices. Our Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that our Company will have a pipeline of female senior management and potential successors to our Board. We believe that such merit-based selection process with reference to our Board Diversity Policy and the nature of our business will be in the best interests of our Group and our Shareholders as a whole.

COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, he/she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

COMPENSATION OF DIRECTORS

We offer our Directors remuneration in the form of fees, salaries, allowances, benefits in kind, performance related bonuses, retirement benefit scheme contribution, and share-based compensation. Our Directors' remuneration is determined with reference to the relevant Director's experience and qualifications, level of responsibility, performance and the time devoted to our business, and the prevailing market conditions. Our independent non-executive Directors receive emolument based on their responsibilities.

The aggregate amounts of remuneration (including fees, salaries, allowances, benefits in kind, performance related bonuses, retirement benefit scheme contribution, and share-based compensation) which were paid or payable to our Directors for the three years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2025 were RMB4.2 million, RMB4.9 million, RMB4.6 million and RMB8.4 million, respectively.

It is estimated that the aggregate amount of remuneration (including fees, salaries, allowances, benefits in kind, performance related bonuses, retirement benefit scheme contribution, and share-based compensation) payable to our Directors for the financial year ending December 31, 2025 would be approximately RMB12.0 million under arrangements in force as of the date of this prospectus.

For the three years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2025, there were nil, one, one and two Directors among the five highest paid individuals, respectively. The aggregate amounts of remuneration (including fees, salaries, allowances, benefits in kind, performance related bonuses, retirement benefit scheme contribution, and share-based compensation) which were paid or payable by our Group to the remaining five, four, four and three individuals with the highest emoluments in our Group for the three years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2025 were RMB11.1 million, RMB9.4 million, RMB10.1 million and RMB4.4 million, respectively.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group, (ii) no compensation was paid to, or receivable by, our Directors, past Directors, or the five highest paid individuals for the loss of office as a director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group, and (iii) none of our Directors waived or agreed to waive any emoluments.

Except as disclosed above, no other payment has been paid, or is payable, by our Group to our Directors or the five highest paid individuals of our Group during the Track Record Period.

For additional information on remuneration of Directors during the Track Record Period as well as information on the five highest paid individuals, see notes 11 and 12 to the Accountants' Report.

So far as our Directors are aware, immediately following the completion of the Global Offering and assuming that the options granted under the 2025 Share Option Scheme are not exercised, the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital (excluding the 10,283,600 A Shares as treasury A Shares) carrying rights to vote in all circumstances at general meetings of our Company:

			As of the Latest Practicable Date and immediately prior to the Global Offering			Immediately after the Global Offering (assuming the options granted under the 2025 Share Option Scheme are not exercised)			
Name of Shareholder	**Capacity/ nature of interest**	**Description of Shares**	**Number of Shares(1)**	**Approximate percentage of interest in our Company(2)**	**Approximate percentage of voting rights in our Company(4)**	**Number of Shares(1)**	**Approximate percentage of interest in our Company(3)**	**Approximate percentage of interest in our A Shares(4)**	**Approximate percentage of voting rights in our Company(5)**
Mr. Zhou(6)	Beneficial Owner	A Shares	189,563,801	15.05%	15.17%	189,563,801	13.54%	15.17%	13.64%
	Interest in Controlled Corporation								
Ms. Yi Huarong(6)	Spousal interest	A Shares	189,563,801	15.05%	15.17%	189,563,801	13.54%	15.17%	13.64%
	Interest in Controlled Corporation								
Ms. Qiu Limin(7)	Beneficial Owner	A Shares	116,035,827	9.21%	9.29%	116,035,827	8.29%	9.29%	8.35%
	Interest in Controlled Corporation								

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 1,259,898,562 A Shares in issue as of the Latest Practicable Date.

(3) The calculation is based on the total number of 1,399,887,362 Shares in issue immediately following the completion of the Global Offering, including treasury A Shares but without taking into account any Shares which may be issued pursuant to the exercise of the options granted under the 2025 Share Option Scheme.

(4) The calculation is based on the total number of 1,259,898,562 A Shares in issue and excluding the 10,283,600 A Shares as treasury A Shares shares as of the Latest Practicable Date.

(5) The calculation is based on the total number of 1,389,603,762 Shares in issue immediately following the completion of the Global Offering excluding the treasury A Shares and without taking into account any Shares which may be issued pursuant to the exercise of the options granted under the 2025 Share Option Scheme.

(6) Our executive Director, Mr. Zhou, directly holds 139,563,801 A Shares. In addition, Mr. Zhou and Ms. Yi Huarong, our executive Director and Mr. Zhou's spouse, who are the only beneficial owners of the Tongyi Funds, are interested in 50,000,000 A Shares through the Tongyi Funds.

(7) To the best knowledge of the Company, Ms. Qiu Limin directly holds 8,772,371 A Shares. In addition, through Xuanyuan Private Fund Investment Management (Guangdong) Co., Ltd. - Xuanyuan Kexin No. 109 Private Securities Investment Fund (玄元私募基金投資管理（廣東）有限公司－玄元科新109號私募證券投資基金), Xuanyuan Private Fund Investment Management (Guangdong) Co., Ltd. - Xuanyuan Kexin No. 178 Private Securities Investment Fund (玄元私募基金投資管理（廣東）有限公司－玄元科新178號私募證券投資基金), Xuanyuan Private Fund Investment Management (Guangdong) Co., Ltd. - Xuanyuan Kexin No. 201 Private Securities Investment Fund (玄元私募基金投資管理（廣東）有限公司－玄元科新201號私募證券投資基金), Xuanyuan Private Fund Investment Management (Guangdong) Co., Ltd. - Xuanyuan Kexin No. 202 Private Securities Investment Fund (玄元私募基金投資管理（廣東）有限公司－玄元科新202號私募證券投資基金), Xuanyuan Private Fund Investment Management (Guangdong) Co., Ltd. - Xuanyuan Kexin No. 203 Private Securities Investment Fund (玄元私募基金投資管理（廣東）有限公司－玄元科新203號私募證券投資基金), Shenzhen Yingfu Huizhi Private Securities Fund Co., Ltd. - Yingfu Zengxin Tianli No. 12 Private Securities Investment Fund

(深圳盈富匯智私募證券基金有限公司－盈富增信添利12號私募證券投資基金), Shenzhen Yingfu Huizhi Private Securities Fund Co., Ltd. - Yingfu Zengxin Tianli No. 13 Private Securities Investment Fund (深圳盈富匯智私募證券基金有限公司－盈富增信添利13號私募證券投資基金), Zhuhai Abama Private Fund Investment Management Co., Ltd. - Abama Yuanshare Dividend No. 88 Private Securities Investment Fund (珠海阿巴馬私募基金投資管理有限公司－阿巴馬元享紅利88號私募證券投資基金), and Zhuhai Abama Private Fund Investment Management Co., Ltd. - Abama Yuanshare Dividend No. 89 Private Securities Investment Fund (珠海阿巴馬私募基金投資管理有限公司－阿巴馬元享紅利89號私募證券投資基金), she is interested in 107,263,456 A Shares. To the best knowledge of the Company, the aforementioned investment funds are controlled by Ms. Qiu Limin. To the best knowledge of the Company, Ms. Qiu Limin is an Independent Third Party.

For details of the substantial shareholders who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group other than our Company, see "Further Information about Our Directors and Substantial Shareholders—1. Disclosure of Interests" in Appendix IV to this prospectus.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the options granted under the 2025 Share Option Scheme are not exercised), without taking into account the Offer Shares that may be taken up under the Global Offering, have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company (excluding the 10,283,600 A Shares as treasury A Shares in case of our Company).

This section presents certain information regarding our share capital prior to and upon the completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered share capital of our Company was RMB1,259,898,562, comprising 1,259,898,562 A Shares (including 10,283,600 A Shares as treasury A Shares) with a nominal value of RMB1.00 each, all of which are listed on the Shenzhen Stock Exchange.

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital
		(%)
A Shares	1,259,898,562[1]	100.00

Note: (1) These A Shares include 10,283,600 A Shares which are held by our Company as treasury A Shares.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately upon completion of the Global Offering, assuming the options granted under the 2025 Share Option Scheme are not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital
		(%)
A Shares	1,259,898,562	90.00
H Shares to be issued pursuant to the Global Offering	139,988,800	10.00
Total	1,399,887,362	**100.00**

Note: (1) These A Shares include 10,283,600 A Shares which are held by our Company as treasury A Shares.

SHARE CLASSES

Upon the completion of the Global Offering, the Shares will consist of A Shares and H Shares. The A Shares and H Shares are all ordinary Shares in the share capital of the Company. Apart from certain qualified domestic institutional investors in Chinese mainland, the qualified investors in Chinese mainland under the Shenzhen-Hong Kong Stock Connect (if our H Shares are eligible securities for that purpose) and other persons who are entitled to hold our H Shares pursuant to relevant PRC Law or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons in Chinese mainland.

Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between Chinese mainland and Hong Kong. Our A Shares can be subscribed for and traded by investors in Chinese mainland, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by investors in Chinese mainland in accordance with the rules and limits of Shenzhen-Hong Kong Stock Connect.

A Shares and H Shares are regarded as one class of Shares under the Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. Dividends in respect of our Shares may be paid by us in Renminbi or Hong Kong dollars. In addition to cash, dividends may be distributed in the form of Shares.

As of the Latest Practicable Date, 10,283,600 A Shares were held by our Company as treasury A Shares, which shall only be used by our Company in connection with employees' share incentive scheme(s) of our Company. Upon adoption of any share scheme(s) of our Company which will be funded by such treasury A Shares, such as the 2025 Restricted Share Scheme, such treasury A Shares may be transferred out of treasury for the purpose of and pursuant to such share scheme(s) of our Company and our Company will comply with applicable requirements under Rule 19A.39E of the Hong Kong Listing Rules as and when appropriate and required.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE GLOBAL OFFERING

We have obtained approval from our A Shareholders to issue H Shares and seek the listing of the H Shares on the Hong Kong Stock Exchange. Such approval was obtained at the general meeting of our Company held on June 3, 2025 and is subject to the following conditions:

(i) Size of the Offer

The proposed number of H Shares to be offered initially shall not exceed 139,988,800 H Shares (that is, not exceeding 10% of the total issued number of shares as enlarged by the H Shares to be issued pursuant to the Global Offering).

(ii) Method of Offering

The method of offering shall be by way of a public offer for subscription in Hong Kong and an international offering to institutional and professional investors.

(iii) Target Investors

The H Shares shall be issued to Hong Kong public investors, other overseas investors who meet the relevant requirements, qualified domestic investors eligible to invest in overseas securities according to PRC Law and other investors who comply with the relevant regulatory requirements.

(iv) Price Determination Basis

The issue price of the H Shares will be determined after due consideration of the interests of existing Shareholders, the acceptance of investors and issuance risks and in accordance with international practices through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(v) Valid Period

The issue of H Shares and listing of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the Shareholders' meeting was held on June 3, 2025.

There is no other approved offering plans for any other shares except for the Global Offering.

2025 SHARE OPTION SCHEME

We have adopted the 2025 Share Option Scheme, the principal terms of which are summarized in the section headed "5. Employee Incentive Schemes" in Appendix IV to this prospectus.

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstances under which our Shareholders' general meetings are required, see "Shareholders and Shareholders' Meeting" in Appendix III.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**" and collectively, the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**" and collectively, the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 200 H Shares) that may be purchased for an aggregate amount of approximately US$124.3 million or HK$968.9 million, calculated based on the conversion rate of US$1.00 to HK$7.79735 (the "**Cornerstone Placing**"). The aggregate amount of the investment contributed by the Cornerstone Investors does not include brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee which the Cornerstone Investors will pay in respect of the International Offer Shares to be subscribed by them.

Based on the Offer Price of HK$20.09 per H Share, being the maximum Offer Price, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 48,228,800 Offer Shares, representing approximately (i) 34.45% of the H Shares offered pursuant to the Global Offering; and (ii) 3.45% of our total issued share capital immediately upon completion of the Global Offering (without taking into account any A Shares to be issued upon exercise of the share options granted under the 2025 Share Option Scheme).

Our Company is of the view that the Cornerstone Investment will help raise the profile of our Company and to signify that such investors have confidence in our business and prospect. Further, we believe that we will benefit from the cornerstone investment, taking into account the business sectors they primarily focus on. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group's business network or through introduction by the Company's business partners or Overall Coordinators.

The Cornerstone Placing will form part of the International Offering, and save as otherwise obtained consent by the Stock Exchange, the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue and all the H Shares to be subscribed by the cornerstone investors will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors will not have any Board representation in our Company; and none of the Cornerstone Investors will become a Substantial Shareholder of our Company. The Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by each of the Cornerstone Investors, there are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's Shares commence on the Stock Exchange. As such, there will be no deferred settlement of payment of the investment amounts. Since there is no over-allotment option in the International Offering, there will be no delayed delivery or deferred settlement of Offer Shares to be subscribed by the Cornerstone Investors.

To the best of the knowledge, information and belief of our Company, (i) the Cornerstone Investors are independent of the Company, its connected persons and their respective associates; (ii) none of the Cornerstone Investor is accustomed to take and has not taken instructions from the Company, our Directors, chief executive, the single largest shareholder, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors is directly or indirectly financed by the Company, our Directors, chief executive, the single largest shareholder, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates.

To the best knowledge of our Company and as confirmed by each of the Cornerstone Investors, each of the Cornerstone Investors and their beneficial owners is independent from each other and make independent investment decisions, and their subscription under the Cornerstone Placing would be financed by its own internal financial resources or the assets managed for its investors (in the case of Cornerstone Investors which are funds or investment managers) and it has sufficient funds to settle its respective investment under the Cornerstone Placing. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around February 12, 2026.

The table below sets forth the details of the Cornerstone Placing, assuming an Offer Price of HK$20.09, being the maximum Offer Price, without taking into account any A Shares to be issued upon exercise of the share options granted under the 2025 Share Option Scheme:

Cornerstone Investors	Total Investment Amount[1] [2] (US$ in million)	Number of Offer Shares[3]	Approximate % of the Offer Shares	Approximate % of the issued share capital[4]
HHLR Advisors, Ltd. ("**HHLRA**")	25.0	9,703,000	6.93%	0.69%
Shanghai Greenwoods and Huatai Capital Investment Limited ("**HTCI**") (in connection with Greenwoods OTC Swaps)	18.0	6,986,000	4.99%	0.50%
Jump Trading Pacific Pte. Ltd. ("**Jump Trading**")	3.0	1,164,200	0.83%	0.08%
Huizhou Huilian Investment Partnership (Limited Partnership) (惠州市惠聯投資合夥企業（有限合夥）)("**Huizhou Huilian**")	25.7	9,960,800	7.12%	0.71%
JCC and Guotai Junan Investments (Hong Kong) Limited (in connection with JCC OTC Swaps)	3.0	1,164,200	0.83%	0.08%
Shen Zhen New World Investment (H.K) Limited (深圳市新世界投資（香港）有限公司) ("**Shenzhen New World**")	7.7	2,986,400	2.13%	0.21%
BEST CHEER DEVELOPMENT LIMITED (高時發展有限公司) ("**Best Cheer**")	4.4	1,692,200	1.21%	0.12%
RIME Capital Limited ("**RIME**")	1.0	398,200	0.28%	0.03%
SCV Alpha LP ("**SCV Alpha**")	3.5	1,344,800	0.96%	0.10%
Yield Royal Investment Holding (Singapore) PTE. LTD. ("**Yield Royal**")	3.0	1,164,200	0.83%	0.08%
Guohui (HK) Holdings Co., Limited （國惠（香港）控股有限公司）("**Guohui HK**")	5.0	1,940,600	1.39%	0.14%
Pu Xin Guotai Junan Investments (Hong Kong) Limited (in connection with Pu Xin OTC Swaps)	5.0	1,941,200	1.39%	0.14%
CAPCHEM (HONGKONG) CO., LIMITED (新宙邦(香港)有限公司) ("**Capchem Hong Kong**")	7.1	2,737,600	1.96%	0.20%
Enhanced Investment Products Limited ("**EIP**")	5.0	1,940,600	1.39%	0.14%
Factorial Master Fund ("**Factorial**")	2.0	776,200	0.55%	0.06%

Cornerstone Investors	Total Investment Amount[(1) (2)] (US$ in million)	Number of Offer Shares[(3)]	Approximate % of the Offer Shares	Approximate % of the issued share capital[(4)]
Qianhai Starlight Capital SPC ("**Qianhai Starlight**")	6.0	2,328,600	1.66%	0.17%
Total	**124.3**	**48,228,800**	**34.45%**	**3.45%**

Notes

(1) the translations between among each of RMB, U.S. dollars and Hong Kong dollars were made based on the exchange rate as disclosed in the section headed "Information about this Prospectus and the Global Offering" in this prospectus. The actual investment amount may vary due to the exchange rate prescribed in the relevant Cornerstone Investment Agreements.

(2) exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy.

(3) rounded down to the nearest whole board lot of 200 H Shares. The actual number of Offer Shares allocated to each Cornerstone Investor may vary due to the actual exchange rates determined pursuant to the terms of the Cornerstone Investment Agreements.

(4) assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by our Cornerstone Investors in connection with the Cornerstone Placing.

HHLRA

HHLRA, part of the Hillhouse Group, is an exempted company incorporated in the Cayman Islands that acts as the investment manager of investment funds (collectively the "**HHLRA Funds**"), which are limited partnerships formed under the laws of the Cayman Islands. There is no individual limited partner investor who holds an economic interest of 30% or more in the HHLRA Funds.

HHLRA collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across industrial, consumer, healthcare and business services sectors. HHLRA manages capital for global institutions, including non-profit foundations, endowments, and pensions. HHLRA is entering the Cornerstone Investment Agreement with the Company in its capacity as an investment manager and on behalf of the HHLRA Funds.

Shanghai Greenwoods and HTCI (in connection with Greenwoods OTC Swaps)

HTCI and Huatai Securities Company Limited ("**HTSC**") will enter into a series of cross border delta-one OTC swap transactions (collectively, the "**Greenwoods OTC Swaps**") with each other and their ultimate clients (the "**HTCI Ultimate Clients (Greenwoods)**"), pursuant to which HTCI will hold the beneficial interest of the Offer Shares on a non-discretionary basis to hedge the Greenwoods OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the HTCI Ultimate Clients (Greenwoods), subject to customary fees and commissions. The Greenwoods OTC Swaps will be fully funded by the HTCI Ultimate Clients (Greenwoods). During the terms of the Greenwoods OTC Swaps, all economic returns of the Offer Shares subscribed by HTCI will be ultimately passed to the HTCI Ultimate Clients (Greenwoods) and all economic loss shall be borne by the HTCI Ultimate Clients (Greenwoods) through the Greenwoods OTC Swaps, and HTCI will not take part in any economic return or bear any economic loss in relation to the Offer Shares, subject to customary fees and commissions. The Greenwoods OTC Swaps are linked to the Offer Shares and the HTCI Ultimate Clients (Greenwoods) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into among HTCI, the Company, the Joint Sponsors and the Sponsor-overall Coordinators, and ending on the date which is six months from the Listing Date, request to early terminate the Greenwoods OTC Swaps at their own discretions, upon which HTCI may dispose of the Offer Shares on the secondary market and the HTCI Ultimate Clients (Greenwoods) will receive a final settlement amount of the

Greenwoods OTC Swaps in cash in accordance with the terms and conditions of the Greenwoods OTC Swaps. Despite that HTCI will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Greenwoods OTC Swaps. To the best of HTCI's knowledge after having made all reasonable inquiries, each of the HTCI Ultimate Clients (Greenwoods) is an independent third party of (i) the Company, the connected persons or associates thereof, and (ii) HTCI, and the companies which are members of the same group of Huatai Financial Holdings (Hong Kong) Limited ("**Huatai**"), and no single ultimate beneficial owner holds 30% or more interests in each of the HTCI Ultimate Clients (Greenwoods).

During the life of the Greenwoods OTC Swaps, HTCI may continue to hold the Offer Shares in its custodian account, or to hold some or all of the Offer Shares in a prime brokerage account for stock borrowing purpose, which is consistent with market practice to lower its finance cost, provided that the economic interests are ultimately passed to the HTCI Ultimate Clients (Greenwoods).

Both HTCI and Huatai are indirect wholly-owned subsidiaries of HTSC, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601688), the H shares of which are listed on the Stock Exchange (stock code: 6886), and the global depositary receipts of which are listed on the London Stock Exchange (LON: HTSC). The HTCI Ultimate Clients (Greenwoods) are certain domestic private funds (including a total of no more than seven funds) managed by Shanghai Greenwoods Asset Management Co., Ltd. (上海景林資產管理有限公司) ("**Shanghai Greenwoods**") in its capacity as a fund manager. Shanghai Greenwoods is a private fund management company with the registration under the Asset Management Association of China (AMAC). Shanghai Greenwoods is one of the largest and earliest PRC domestic asset managers mainly specializing in investing into companies in the Greater China region. Shanghai Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds managed by Shanghai Greenwoods include institutional investors and high-net-worth individuals professional investors. Mr. Jiang Jinzhi, an Independent Third Party, is the chairman and an ultimate beneficial owner of Shanghai Greenwoods. No other beneficial owners hold 30% or more interest in Shanghai Greenwoods. As confirmed by Shanghai Greenwoods, the subscription of the Offer Shares as cornerstone investor will be made by Shanghai Greenwoods in its capacity as the fund manager of domestic private funds through total return swap mechanism.

Jump Trading

Jump Trading is part of Jump Trading Group. Founded in 1999, Jump Trading Group is one of the largest global financial trading groups. Jump Trading Group is headquartered in Chicago and has offices in Chicago, New York, London, Hong Kong, Shanghai, Singapore, India, Amsterdam in addition to other major financial centers. As part of its investment activities, Jump Trading Group, Capital Markets Investment Team engages and invests in high-quality companies through equity raisings, and relies on the firm's best-in-class execution and strong corporate governance to make strategic investments. The Capital Markets Investments team is based in Hong Kong and consists of seasoned investment professionals with strong focus and understanding of company fundamentals. The team focuses and invests extensively across the Asia Pacific region. Jump Trading is controlled by two revocable trusts. No single ultimate beneficial owner holds 30% or more interests in Jump Trading.

Huizhou Huilian

Huizhou Huilian, a limited partnership established under the laws of the PRC on December 19, 2025. As of the Latest Practicable Date, Huizhou Huilian is held as 1.89% by Huizhou Guohe Investment Co., Ltd. (惠州市國合投資有限公司) ("**Huizhou Guohe**") as a general partner, 54.91% by Huizhou Huicheng District State Owned Capital Investment and Operation Co., Ltd. (惠州市惠城區國有資本投資運營集團有限公司) ("**Huicheng Group**") as a limited partner, and 43.20% by Huizhou Industrial Investment Development Master Fund Co., Ltd. (惠州產業投資發展母基金有限公司) ("**Huizhou Industrial**") as a limited partner.

Huizhou Guohe is held as 90.00% by Huizhou Industrial and 10.00% Huizhou Huicheng District Investment Management Co., Ltd. (惠州市惠城區投資管理有限公司) ("**Huicheng Investment**"). Huicheng Investment is wholly owned by Huicheng Group. Huizhou Industrial is ultimately controlled by State-owned Assets

Supervision and Administration Commission of the People's Government of Huizhou Municipality (惠州市人民政府國有資產監督管理委員會). Huicheng Group is wholly owned by Huizhou Huicheng District State-owned Assets Supervision and Administration Commission (惠州市惠城區國有資產監督管理局).

JCC and Guotai Junan Investments (Hong Kong) Limited (in connection with JCC OTC Swaps)

Guotai Junan Investments (Hong Kong) Limited ("**GTINV**") and Guotai Haitong Securities Co., Ltd ("**GTHT**") will enter into a series of cross border delta-one OTC swap transactions (the "**JCC OTC Swaps**") with each other and with JCC (Beijing) Investment Co., Ltd. (江西銅業（北京）國際投資有限公司) (the "**GTHT Ultimate Client (JCC)**"), pursuant to which GTINV will hold the Offer Shares on a non-discretionary basis to hedge the OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the GTHT Ultimate Client (JCC), subject to customary fees and commissions. The OTC Swaps will be fully funded by the GTHT Ultimate Client (JCC). During the terms of the OTC Swaps, all economic returns of the Offer Shares subscribed by GTINV will be passed to the GTHT Ultimate Client (JCC) and all economic loss shall be borne by the GTHT Ultimate Client (JCC) through the OTC Swaps, and GTINV will not take part in any economic return or bear any economic loss in relation to the Offer Shares. The OTC Swaps are linked to the Offer Shares and the GTHT Ultimate Client (JCC) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into between GTINV and the Company and ending on the date which is six months from the Listing Date, request to early terminate the OTC Swaps at their own discretions, upon which GTINV may dispose of the Offer Shares and settle the OTC Swaps in cash in accordance with the terms and conditions of the OTC Swaps. Despite that GTINV will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the OTC Swaps according to its internal policy. To the best of GTINV's knowledge having made all reasonable inquiries, the GTHT Ultimate Client (JCC) is an independent third party of GTINV, GTHT and the companies which are members of the same group of GTHT.

Guotai Junan Investments (Hong Kong) Limited is a Hong Kong incorporated company. Its principal business activities are trading and investments. It is indirectly wholly owned by Guotai Haitong Securities Co., Ltd., a leading securities firm in China with its shares dually listed in both Shanghai (SSE:601211) and Hong Kong (HKEX:2611).

GTHT Ultimate Client (JCC) was founded in Beijing on March 7, 2012. With a paid-in capital of RMB 2.1 billion, GTHT Ultimate Client (JCC) focuses on the copper industry ecosystem of its parent group and engages in two core business segments: equity investment and securities Fund of Funds (FOF) investment. As of the end of 2024, GTHT Ultimate Client (JCC) has managed various assets worth nearly RMB 4 billion. GTHT Ultimate Client (JCC) is indirectly wholly owned by Jiangxi Copper Corporation Limited, and ultimately controlled by Jiangxi Provincial Government.

Shenzhen New World

Shenzhen New World is a Hong Kong incorporated company, primarily engaged in property investment and management, with an investment strategy focused mainly on investing in technology companies, which is indirectly owned as to 66.67% and 25% by Shenzhen New World Group Co., Ltd. (深圳市新世界集團有限公司) ("**Shenzhen New World Group**") and Huang Wei (黃偉), respectively. Shenzhen New World Group is, directly and indirectly, owned as to 73.3% by Huang Wei (黃偉).

Best Cheer

Best Cheer is incorporated in Hong Kong in 1989 with limited liability, a company primarily engaged in stone trading and investment holdings in multiple stone production bases across the PRC and indirectly wholly owned by Mr. Ko Chung Lun (高忠麟), an Independent Third Party.

RIME

RIME is incorporated in Hong Kong with limited liability and licensed by the SFC to carry on type 1, 4, 9 regulated activities. The firm is ultimately owned by Ms. Zhuo Ying, who owns 64% shares of RIME and is an Independent Third Party. RIME is a discretionary investment manager of Sino Opulence Multi-Value Strategy Fund SPC ("**Sino Opulence SPC**") and Sino Opulence SPC is a segregated portfolio company holding various portfolios. RIME Capital has agreed to procure Sino Opulence Multi-Value Strategy Fund SPC-Stable Growth Fund SP (the "**Sino Opulence Fund**"), which is a fund portfolio under Sino Opulence SPC to subscribe for the Offer Shares. Sino Opulence SPC is ultimately controlled by Ms. Zhuo Ying. The largest limited partner of Sino Opulence Fund is Leo Group Co., Ltd., a company listed on the Shenzhen Stock Exchange. There is no other ultimate beneficial owner holding 30% or more interest in Sino Opulence Fund.

SCV Alpha

SCV Alpha is a limited partnership incorporated in Cayman Islands. SCV Alpha has one limited partner, Doo Financial HK Limited. Doo Financial HK Limited is indirectly owned as to 100% by Mr. Chen Junjie, who is an Independent Third Party. Its general partner, SCV Alpha Ltd., is wholly owned by SV China Holdco Ltd., which is wholly owned by SBVA Corp. SBVA Corp. is formerly known as SoftBank Ventures Asia Corp., which was established in 2000 and was then an early-stage venture capital institution wholly owned by SoftBank Group Corp. It was subsequently acquired by The Edgeof Korea Co., Ltd. in June 2023 and was renamed as SBVA Corp. As of the Latest Practicable Date, SBVA Corp. is wholly owned by The Edgeof Korea Co., Ltd., which is owned as to 87.71% by THE EDGEOF, PTE. LTD. THE EDGEOF, PTE. LTD. is indirectly owned as to 60% by Mr. Taejang Son, who is an Independent Third Party. There is no other ultimate beneficial owner holding 30% or more interest in THE EDGEOF, PTE. LTD. and SCV Alpha.

Yield Royal

Yield Royal is a company incorporated in Singapore and is primarily engaged in international commodity trading and conducts global capital market investments. It boasts a team of experienced industry and regional experts who leverage their specialized expertise and focused approach to identify leading targets for long-term investment. Currently, its investments span various industries, including TMT, advanced manufacturing, new economy, and bio-pharmaceuticals, among others. Yield Royal possesses strong resilience against market cycle fluctuations and aims to achieve long-term and stable value returns. Leveraging on Southeast Asia's unique geographical advantages, the company will continue to pursue a twin-engine strategy combining capital support and resource integration, empowering high-quality enterprises from the Asia-Pacific region and mainland China to accelerate their global expansion.

The entire issued share capital of Yield Royal is owned by Gallatlion Resources Pte. Ltd., a private company limited by shares incorporated under the laws of Singapore, which in turn is wholly owned by Ms. Chang Hongna, an independent third party.

Guohui HK

Guohui HK is a company incorporated in Hong Kong with limited liability and is wholly owned by Shandong Development Investment Holding Group Co., Ltd. (山東發展投資控股集團有限公司), which is owned as to approximately 97.88% by the State-owned Assets Supervision and Administration Commission of Shandong Province (山東省人民政府國有資產監督管理委員會).

Pu Xin Guotai Junan Investments (Hong Kong) Limited (in connection with Pu Xin OTC Swaps)

Guotai Junan Investments (Hong Kong) Limited ("**GTINV**") and Guotai Haitong Securities Co., Ltd ("**GTHT**") will enter into a series of cross border delta-one OTC swap transactions (the "**Pu Xin OTC Swaps**") with each other and with Sichuan Pu Xin Industry-Finance Investment Co., Ltd.（四川璞信產融投資有限責任公司）(the "**GTHT Ultimate Client (Pu Xin)**"), pursuant to which GTINV will hold the Offer Shares on a non-discretionary basis to hedge the Pu Xin OTC Swaps while the economic risks and returns of the underlying

Offer Shares are passed to the GTHT Ultimate Client Pu Xin, subject to customary fees and commissions. The Pu Xin OTC Swaps will be fully funded by the GTHT Ultimate Client (Pu Xin). During the terms of thePu Xin OTC Swaps, all economic returns of the Offer Shares subscribed by GTINV will be passed to the GTHT Ultimate Client (Pu Xin) and all economic loss shall be borne by the GTHT Ultimate Client (Pu Xin) through the Pu Xin OTC Swaps, and GTINV will not take part in any economic return or bear any economic loss in relation to the Offer Shares. The Pu Xin OTC Swaps are linked to the Offer Shares and the GTHT Ultimate Client (Pu Xin) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into between GTINV and the Company and ending on the date which is six months from the Listing Date, request to early terminate the Pu Xin OTC Swaps at their own discretions, upon which GTINV may dispose of the Offer Shares and settle the Pu Xin OTC Swaps in cash in accordance with the terms and conditions of the Pu Xin OTC Swaps. Despite that GTINV will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Pu Xin OTC Swaps according to its internal policy. To the best of GTINV's knowledge having made all reasonable inquiries, the GTHT Ultimate Client (Pu Xin) is an independent third party of GTINV, GTHT and the companies which are members of the same group of GTHT.

Guotai Junan Investments (Hong Kong) Limited is a Hong Kong incorporated company. Its principal business activities are trading and investments. It is indirectly wholly owned by Guotai Haitong Securities Co., Ltd., a leading securities firm in China with its shares dually listed in both Shanghai (SSE:601211) and Hong Kong (HKEX:2611).

The GTHT Ultimate Client (Pu Xin) is owned as to (i) 63.78% by Luzhou Laojiao Group Co., Ltd. (瀘州老窖集團有限責任公司) ("**LZLJ Group**"), and (ii) 36.22% by Luzhou Laojiao Capital Holding Co., Ltd. (瀘州老窖資本控股有限責任公司), which is in turn wholly owned by LZLJ Group. LZLJ Group is directly and indirectly held as to 90% in aggregate by Luzhou Municipal State-owned Assets Supervision and Administration Commission (瀘州市國有資產監督管理委員會). There is no other ultimate beneficial owner holding 30% or more interest in the GTHT Ultimate Client (Pu Xin).

Capchem Hong Kong

Capchem Hong Kong is a limited liability company incorporated in Hong Kong on January 28, 2008, and is a wholly owned subsidiary of Shenzhen Capchem Technology Co., Ltd. (深圳新宙邦科技股份有限公司) ("**Shenzhen Capchem**"). Capchem Hong Kong is principally engaged in trading and investment activities. Shenzhen Capchem is a company listed on the Shenzhen Stock Exchange (Stock Code: 300037.SZ). It is committed to creating a better future through electronic chemicals and functional materials. It is principally engaged in the research and development, manufacturing, and sales of battery chemicals, organic fluorochemicals and electronic information chemicals.

There is no single ultimate beneficial owner who holds 30% or more of the equity interests in Capchem Hong Kong.

EIP

EIP is a fund management company established in Hong Kong and regulated by the Hong Kong Securities and Futures Commission, managing offshore private investment funds that invest assets on behalf of institutions and private professional investors. EIP, founded in 2002, invests in a variety of investment strategies with the target of bringing consistent and sustainable long-term returns to investors. EIP is majority owned by Vectis Trust, which is a discretionary trust set up by EIP's founder, Tobias Bland, as the settlor for the benefit of his family members. No other investor holds 30% or more interests in EIP. EIP represents in its capacity as the investment manager of two Funds in respect of the Global Offering: (1) E.I.P. China Multi-Strategy Fund SP a segregated portfolio of E.I.P. Funds (Cayman Islands) SPC. The investor of the E.I.P. China Multi-Strategy Fund SP holding 30% or more of its interests is a Europe based fund of funds, managed by a European asset management firm which has more than 20 years of investment history and manages multibillion dollars of assets, with offices globally in Europe, Asia and North America. The Europe based fund of funds is a unit-trust with a well-diversified investor base and its largest investor has much less than 30% interest in E.I.P. China Multi-Strategy Fund SP. (2) EIP Hong Zhong Fund is a sub-fund of EIP Funds OFC. The investor of the EIP Hong Zhong Fund holding 30% or more of its interest is a Hong Kong based fund of fund, which does not have any investors holding more than 30% interest in it.

Factorial

Factorial is managed by Factorial Management Limited ("**FML**") in its capacity as the investment manager on a discretionary basis. FML is domiciled in Hong Kong and is licensed by the SFC for the regulated activity of asset management (Type 9 license). FML is wholly owned by its founder and chief investment officer, Mr. Barun Agarwal, an Independent Third Party. Save for Mr. Barun Agarwal, no other ultimate beneficial owner of each of Factorial and FML holds 10% or more of beneficial interest.

Qianhai Starlight

Qianhai Starlight was established in 2021. It is a private fund focused on the secondary market and specialized in in-depth fundamental research. Adhering to value investment principles, the company provides professional private fund services to high-net-worth clients. Furthermore, the company adopts an entrepreneurial mindset towards investment, maintaining long-term positions in outstanding companies based on profound industry research.

Mr. Chen Xuran is the major shareholder and Ultimate Beneficial Owner (UBO) of Qianhai Starlight, holding a 90% equity interest. It is confirmed that Mr. Chen Xuran is an independent third party.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;

(ii) the Offer Price having been agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);

(iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(iv) no laws shall have been enacted or promulgated which prohibits the consummation of the transactions contemplated in the Global Offering or the respective Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(v) the respective agreements, representations, warranties, undertakings, confirmations and acknowledgements of the Cornerstone Investors under the respective Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the Closing (as defined in the Cornerstone Investment Agreement)) accurate and true in all respects and not misleading and that there is no breach of the respective Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that without the prior written consent of our Company, the Joint Sponsors and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to the respective Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investor, including the Lock-up Period restriction.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes included in the Accountants' Report in Appendix I to this prospectus. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. You should not place undue reliance on any such statements. Our actual future results and timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors," "Forward-Looking Statements" and elsewhere in this prospectus.

For the purpose of this section, unless the context otherwise requires, reference to the years of 2022, 2023 2024 and the nine months ended September 30, 2025 refer to the years ended December 31, 2022, 2023 2024 and the nine months ended September 30, 2025, respectively.

OVERVIEW

We are one of the largest manufacturers of heat-shrinkable materials and telecoms cable products in the world, enjoying rapid growth in line with strong expansion of high-speed data communication and electrical power transmission industries in recent years. Our products play essential roles in wide variety of application scenarios across both telecoms and electrical power transmission industries.

Key Achievements in relation to Telecoms Cable Industry

Along value chain of relevant industries, we stay in the midstream sector, being a manufacturer of products used by downstream consumers, including (i) computing centers, cloud computing, HPC and 5G equipment that use telecoms cables; and (ii) enterprises engaging in industries like power, aerospace, electronics, telecommunications, petrochemical, medical, shipbuilding and rail transportation who demands heat-shrinkable tubes and related products manufactured through extrusion, irradiation crosslinking, and thermal shaping.

- High-speed copper cables are critical components of high-speed data communication. These products enable high-speed connection between the functional modules in computing centers, increasing intra-cluster data transfer efficiency while ensuring optimized energy consumption and reliability. This effectively promoted the rapid deployment of quality infrastructure, driving the expansive application of LLMs across different industries.

- Our high-speed copper cables have been certified and admitted for usage in the computing servers of several globally leading AI enterprises with strong GPU designing or manufacturing capabilities. These cables ensure stable and quality signal transmission between GPUs to unleash their full designed potential. According to F&S, we are the second largest manufacturer and the largest China-based manufacturer of high-speed copper cables on global revenue in 2024, claiming 24.2% of the global market share.

- According to F&S, we ranked first in the global heat-shrinkable materials industry, with a 20.6% global market share in terms of global revenue in 2024; and we pioneered the industrialization of heat-shrinkable materials in China, holding a 58.5% China market share in terms of China revenue in 2024 and maintaining a leading position. When heated during installation, our tubings would shrink to conform to virtually any shape, providing dependable insulation, mechanical robustness, strain relief, as well as esthetic appeal. These products can also withstand challenges in harsh environments, such as collision and abrasion, pollution and contamination, UV-light, as well as extreme temperature and humidity conditions.

Key Achievements in relation to Electrical Power Transmission Industries

Along value chain of relevant industries, we stay in the midstream sector, being a manufacturer of products used by downstream consumers, including (i) charging facility operators, NEV manufacturers and energy management platforms that use AC and DC charging guns products and (ii) companies engaging in the power and transportation sectors who demands for cable accessories products that can effectively ensure safe and quality performance in diverse environmental and application requirement.

- Our NEV power transmission products provide high-performance electrical products to NEVs. These products have been widely adopted by leading automakers in China and around the world, as well as ultra-fast charging station operators enjoying strong market share in China. According to F&S, we are the largest NEV DC charging gun manufacturer in terms of China revenue in 2024, with a China market share of 41.7%.

- Through offering electrical cable accessories products, we provide customers with power transmission solutions for critical energy infrastructure, including high-voltage power grids and nuclear power plants, featuring high performance, high safety and strong reliability. As of the Latest Practicable Date, our products had been adopted by many leading power enterprises in China, including two largest power grid operators, a leading nuclear power plant operator and a leading power producer. According to F&S, we ranked first among manufacturers of cable accessories in terms of China revenue in 2024, claiming a China market share of 10.6%.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations, and financial condition are influenced by various factors impacting the industries in which we operate. These factors include macroeconomic conditions, regulatory developments, and market competition.

In addition to these general factors, our results of operations are affected by the following specific factors:

Market Demand

As we possess a leading position in the high-speed data communication and electrical power transmission industry, the robust growth in the various key markets, such as heat-shrinkable materials, data communication cables and DC charging guns, drives demand for our solutions. Therefore, shifts in the growth trends of these markets could affect customer demand for our products and materially affect our results of operations.

According to F&S, among these markets,

- The global high-speed copper cable market expanded from RMB0.4 billion in 2020 to RMB1.2 billion in 2024, reflecting a CAGR of 30.4%. It is projected to grow further from RMB1.9 billion in 2025 to RMB4.9 billion by 2029 at a CAGR of 26.9%.

- For the heat-shrinkable materials industry, its global market grew at a CAGR of 5.7% from RMB10.1 billion in 2020 to RMB12.6 billion in 2024, and is expected to grow at a CAGR of 5.4% from 2025 to RMB16.5 billion in 2029. Its market size in China increased at a CAGR of 7.7% from RMB2.7 billion in 2020 to RMB3.6 billion in 2024, and is expected to increase at a CAGR of 7.2% to RMB5.1 billion by 2029.

- The market size of China's DC charging gun industry increased from RMB0.2 billion in 2020 to RMB1.2 billion in 2024 at a CAGR of 58.6%, and is expected to reach RMB4.1 billion in 2029 at a CAGR of 24.7% from 2025.

Our main products play a key role in these growing sectors. Changes in market dynamics, such as increased competition or reduced demand, could adversely impact our business performance.

R&D Capabilities and Operational Efficiency

Our ability to deliver innovative, high-performance solutions tailored to customer needs is critical to sustaining our competitive advantage and achieving long-term growth. We have strategically invested in R&D to advance technologies for data communication and power transmission, focusing on areas such as high-speed copper cables, liquid-cooled charging guns, and high-voltage cable accessories. Our R&D efforts are also closely integrated with our customers to ensure alignment with their current and future needs. Such endeavors not only strengthen customer relationships but also create high switching costs, as customers rely on our customized solutions.

To support our innovation efforts, we have established comprehensive R&D facilities, including UL-certified laboratories, and formed partnerships with leading academic institutions. As of September 30, 2025, we had a dedicated R&D team of over 880 members, representing 10.3% of our total workforce. In 2022, 2023, 2024 and the nine months ended September 30, 2025, our research and development expenses amounted to RMB305.8 million, RMB310.0 million, RMB348.7 million and RMB325.7 million, respectively, making up 5.7%, 5.4%, 5.0% and 5.4% of our revenue in the same years/periods, respectively.

In addition to R&D, our operational efficiency plays a key role in optimizing costs and enhancing profitability. Through the adoption of advanced manufacturing technologies, such as automated production lines, robotics, and IoT solutions, we have achieved significant improvements in production quality and cost-effectiveness. For instance, our proprietary MES system enables real-time monitoring of production processes, ensuring consistent product quality and operational efficiency, helping us control our costs without compromising on quality.

Product Mix

Our financial performance is influenced by the mix of products we sell, as unit prices and average selling prices vary across and even within our businesses and product lines. For example, for telecoms cable products in our electronic communications business, the average selling price for medical-grade cables, can be significantly higher than those for consumer electronics cables, reflecting the difference in the complexity of their R&D and manufacturing processes. See "Business—Our Business—Electronic Communications Business—Telecoms Cable Products." Even for the same product series, the average selling price may also have significant variance. See "Business—Our Business—Electrical Power Transmission Product Business—Electrical cable accessories products."

Given the rapid development and robust growth in the downstream markets, such dynamic customer demands will influence each of our products' sales volume and change the product mix, requiring our agile response. Therefore, we have been constantly monitoring and evaluating our product mix and dynamically adjusting the same to not just increase our profitability but also optimally position us to fulfill anticipated customer demands.

Raw Material Costs

The raw materials for our key products primarily include EVA (ethylene-vinyl acetate, a key polymer used in the production of heat-shrinkable materials), copper, and rubber. Fluctuations in the prices of these raw materials directly affect our production costs and product pricing, which in turn has a significant impact on our operations. For example, according to F&S,

- The global EVA price increased from RMB12.9 thousand per metric ton in 2020 to RMB22.2 thousand per metric ton in 2022, before decreasing to RMB11.3 thousand per metric ton in 2024;
- The global copper price increased from RMB42.6 thousand per metric ton in 2020 to RMB66.0 thousand per metric ton in 2024; and
- The global rubber price increased from RMB12.0 thousand per metric ton in 2020 to RMB15.7 thousand per metric ton in 2024.

In view of such fluctuation, we consider market benchmarks for relevant raw materials, such as those published on the relevant industry association websites, e.g., Shanghai Futures Exchange, in sourcing raw materials and in determining the pricing of our products. To mitigate the impact of price fluctuations, we implement cost-control measures, such as strategic sourcing, bulk purchasing, and dynamic pricing mechanisms, which help us maintain competitiveness and preserve margins.

In addition, our vertically integrated business model enables us to capture value at multiple stages of production, optimize costs, and maintain supply chain stability, as we can benefit from the entire value chain, from product development to production. For instance, our manufacturing bases allow us to process raw materials across these locations, maintain high production efficiency, and ensure timely delivery.

Furthermore, our integrated operation also provides us with the flexibility to respond to changing market conditions, as different products require different raw material profile. For example, as our telecoms cable products and electronic material products achieve comprehensive coverage of electronic communications, we have been able to also benefit from the growth in electrical power transmission through our corresponding solutions, such as NEV power transmission products, electrical cable accessories products and wind power business.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout the Track Record Period.

The preparation of the historical financial information in conformity with IFRS Accounting Standards requires the use of certain material accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information, are disclosed in Note 5 to the Accountants' Report included in Appendix I to this prospectus.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Note 4 to "Appendix I — Accountants' Report" to this prospectus sets forth certain material accounting policy information, which are important for understanding our financial conditions and results of operations.

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

Revenue Recognition

Revenue from sales of goods

We sell telecoms cables, electronic materials products, NEV power transmission products and electrical cable accessories products directly to customers in accordance with the contracts entered into with the customers. Revenue is recognized when control of the products has been transferred to the customer, at the point the goods are delivered to the customer. Delivery occurs when the products have been accepted by the customer. The

typical credit term is within 90 days effective from the date when the goods are accepted by the customers. When the customer pays in advance for the orders, the transaction price received by us is recognized as a contract liability until the goods have been delivered to the customer.

Revenue from sales of wind power

Revenue from the sales of wind power represents the amount of tariffs billed for electricity generated and transmitted to the respective power companies. Revenue is recognized when the electricity is transmitted as the consideration becomes unconditional at this point in time.

Others

Revenue from provision of the implementation services of MOM and MES

We recognizes revenue from the services rendered for software implementation over time, using an input method to measure progress towards complete satisfaction of the service, because our performance creates or enhances an asset that the customer controls as the asset is created or enhanced and the customer simultaneously receives and consumes the benefits provided by us. The input method recognizes revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than assets under construction as described below. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets in functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with our accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When we make payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as ''right-of-use assets'' in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognized so as to write off the cost of assets other than assets under installation less their residual values over their estimated useful lives, using the straight-line method, as follows:

Buildings	20 – 40 years
Plant and machinery	3 – 10 years
Motor vehicles	3 – 10 years
Electricity generation and related equipment	20 years
Leasehold improvements	2 – 5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

We transfer a property to investment property when its use has changed as evidenced by the end of owner-occupation.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Impairment on property, plant and equipment, right-of-use assets, intangible assets other than goodwill and investment properties

At the end of the reporting period, we review the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful and investment properties to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, intangible assets and investment properties are estimated individually. When it is not possible to estimate the recoverable amount individually, we estimate the recoverable amount of the cash- generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash- generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash- generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of cash- generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade and bills receivables and contract assets arising from contracts with customers which are initially measured in accordance with IFRS 15 ''Revenue from Contracts with Customers" ("**IFRS 15**"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL except that at initial recognition of a financial asset we may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or fair value through other comprehensive income ("**FVTOCI**") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income, gains and losses" line item.

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI on initial recognition are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the fair value reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the fair value reserve.

Dividends from these investments in equity instruments are recognized in profit or loss when our right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income, gains and losses" line item in profit or loss.

*Impairment of financial assets subject to impairment assessment under IFRS 9 "Financial Instruments" ("**IFRS 9**")*

We performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and bills receivables, other receivables, restricted and pledged bank deposits and bank balances and cash), and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on our historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

We always recognizes lifetime ECL for trade and bills receivables and contract assets. The ECL on these assets are assessed individually.

For all other instruments, we measure the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case we recognize lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, we compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, we consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, we presume that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless we have reasonable and supportable information that demonstrates otherwise.

We regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount become past due.

Definition of default

For internal credit risk management, we consider an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including us, in full (without taking into account any collaterals held by us).

Irrespective of the above, we consider that default has occurred when a financial asset is more than 1 year past due unless we have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off policy

We write off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under our recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss

given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. We use a practical expedient in estimating ECL on trade and bills receivables and contract assets using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to us in accordance with the contract and the cash flows that we expect to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade and bills receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, we take into consideration the following characteristics when formulating the grouping:

- past-due status;
- nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

We measure ECL for the remaining trade and bills receivables and contract assets on an individual basis.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

We recognize an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables, contract assets and other receivables where the corresponding adjustment is recognized through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Other income, gains and losses' line item (note 7) as part of the net foreign exchange gains/ (losses);
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Other income, gains and losses' line item as part of the gain/(loss) from changes in fair value of financial assets (note 7); and
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the fair value reserve.

Derecognition of financial assets

We derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in equity instrument which we have elected on initial recognition to measure at FVTOCI, the cumulative gains or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is transferred to retained profits.

Material Accounting Judgments and Estimate

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of property, plant and equipment, right-of-use assets, intangible assets and investment properties

Property, plant and equipment, right-of-use assets, intangible assets and investment properties are stated at costs less accumulated depreciation/amortization and impairment, if any. In determining whether an asset is impaired, we have to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicator that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), we estimate the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the cash flows projections, growth rate and discount rate are subject to greater uncertainties due to uncertainty on how the international conflicts and tensions/volatility or disruptions in financial, foreign currency or commodity markets may progress and evolve.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value-in-use calculation requires us to estimate the future cash flows expected to arise from the cash-generating unit (or group of cash-generating units) and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss/further impairment loss may arise. Furthermore, the estimated cash flows and discount rate are subject to change due to ongoing uncertain macroeconomic and geopolitical environment, which includes the persistent effects of climate changes, higher interest rates and inflation, elections in major economies and international conflicts and tensions. The information about the impairment of goodwill are disclosed in Note 17 to "Appendix I — Accountant's Report".

Provision of ECL for trade and other receivables and contract assets

Trade and other receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually. In addition, we uses practical expedient in estimating ECL on trade and bills receivables and contract assets which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration our historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL on our trade and other receivables and contract assets are disclosed in Note 37(b) to "Appendix I — Accountants' Report".

Fair value measurement of financial instruments

As at December 31, 2022, 2023, 2024 and September 30, 2025, we had (i) unlisted equity investments classified as equity instruments at FVTOCI, (ii) equity investments listed in National Equities Exchange and Quotations ("**NEEQ**") classified as equity instruments at FVTOCI, and (iii) investments in wealth management products classified as financial assets at FVTPL, which are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See Note 37(d) to "Appendix I — Accountants' Report" for further disclosures.

Inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sales. These estimates are based on the current market condition and the historical experience of distributing and selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles or other changes in market condition. The Group will reassess the estimations at each statement of financial position date.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

RESULTS OF OPERATIONS

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)									
							(Unaudited)			
Revenue	**5,336,649**	**100.0**	**5,718,841**	**100.0**	**6,920,102**	**100.0**	**4,815,515**	**100.0**	**6,076,678**	**100.0**
Cost of sales	(3,724,687)	(69.8)	(3,930,200)	(68.7)	(4,809,739)	(69.5)	(3,320,800)	(69.0)	(4,198,941)	(69.1)
Gross profit	**1,611,962**	**30.2**	**1,788,641**	**31.3**	**2,110,363**	**30.5**	**1,494,715**	**31.0**	**1,877,737**	**30.9**
Other income, gains and losses	91,145	1.7	88,339	1.5	91,919	1.3	62,902	1.3	48,884	0.8
Selling expenses	(314,238)	(5.9)	(323,933)	(5.7)	(353,553)	(5.1)	(243,306)	(5.1)	(283,870)	(4.7)
Administrative expenses	(248,248)	(4.7)	(297,873)	(5.2)	(345,659)	(5.0)	(215,713)	(4.5)	(235,310)	(3.9)
Research and development expenses	(305,808)	(5.7)	(309,962)	(5.4)	(348,694)	(5.0)	(243,104)	(5.0)	(325,688)	(5.4)
Share of results of associates	6,060	0.1	9,877	0.2	9,807	0.1	9,288	0.2	4,164	0.1
Finance costs	(89,595)	(1.7)	(66,778)	(1.2)	(60,439)	(0.9)	(44,933)	(0.9)	(39,273)	(0.6)
Impairment losses on financial assets, net	(23,922)	(0.4)	(15,434)	(0.3)	(29,881)	(0.4)	(7,504)	(0.2)	(9,922)	(0.2)
Listing expense	—	—	—	—	—	—	—	—	(636)	(0.0)
Profit before taxation	**727,356**	**13.6**	**872,877**	**15.2**	**1,073,863**	**15.5**	**812,345**	**16.8**	**1,036,086**	**17.0**
Income tax expense	(67,109)	(1.3)	(115,150)	(2.0)	(153,360)	(2.2)	(103,102)	(2.1)	(152,783)	(2.5)
Profit for the year	**660,247**	**12.3**	**757,727**	**13.2**	**920,503**	**13.3**	**709,243**	**14.7**	**883,303**	**14.5**

Revenue

During the Track Record Period, we principally derived revenue from two businesses, namely:

- **Electronic Communications Business**, including
  - ***Telecoms cable products***: primarily high-speed copper cables, automobile data communications cables, and industrial automation equipment and robot cables.
  - ***Electronic material products***: primarily single-wall tubings, dual-wall tubings, tapes, and heat-shrinkable busbar insulation tubings.
- **Electrical Power Transmission Product Business**, including
  - ***NEV power transmission products***: primarily DC charging guns for NEVs, high-voltage cables, high-voltage connectors, and AC and DC charging socket.
  - ***Electrical cable accessories products***: primarily nuclear-grade heat-shrinkable cable accessory, high-voltage cable accessory, and cold-shrinkable and heat-shrinkable cable accessory.
- **Other Business**, including
  - ***Wind power business***: primarily electricity from wind power stations.
  - ***Others***: primarily provision of implementation services of MOM and MES platforms.

See "Business – Our Business" of this prospectus for further details.

Revenue by Product and Business Line

The table below sets forth the breakdown of our revenue by product and business line for the years/periods indicated:

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)									
							(Unaudited)			
Electronic Communications Business										
Telecoms cable products	1,362,366	25.5	1,164,501	20.4	1,702,272	24.6	1,196,963	24.8	1,894,591	31.2
Electronic material products	2,104,868	39.5	2,198,264	38.4	2,599,375	37.6	1,839,163	38.2	2,043,908	33.6
Subtotal	**3,467,234**	**65.0**	**3,362,765**	**58.8**	**4,301,647**	**62.2**	**3,036,126**	**63.0**	**3,938,499**	**64.8**
Electrical Power Transmission Product Business										
NEV power transmission products	823,878	15.4	1,082,420	18.9	1,381,421	20.0	917,071	19.1	1,159,471	19.1
Electrical cable accessories products	781,147	14.6	953,522	16.7	926,973	13.4	631,904	13.1	741,032	12.2
Subtotal	**1,605,025**	**30.0**	**2,035,942**	**35.6**	**2,308,394**	**33.4**	**1,548,975**	**32.2**	**1,900,503**	**31.3**
Other Business										
Wind power business	146,768	2.8	158,713	2.8	151,724	2.2	116,470	2.4	101,154	1.7
Others*	117,622	2.2	161,421	2.8	158,337	2.2	113,944	2.4	136,522	2.2
Subtotal	**264,390**	**5.0**	**320,134**	**5.6**	**310,061**	**4.4**	**230,414**	**4.8**	**237,676**	**3.9**
Total	**5,336,649**	**100.0**	**5,718,841**	**100.0**	**6,920,102**	**100.0**	**4,815,515**	**100.0**	**6,076,678**	**100.0**

Note:

* Others mainly include revenue from provision of implementation services of MOM and MES platforms.

During the Track Record Period, our revenue was primarily influenced by the following factors:

- **Telecoms cable products**: The revenue generated from this product line decreased from 2022 to 2023, primarily because of the decrease in its sales volume, as we, having identified evolving market trend, proactively adjusted our product mix to focus on premium products that we believe have strong growth potential in emerging application scenarios and pivoted away from the production and sale of other products. From 2023 to 2024, our revenue from this product line increased primarily driven by the success in our product mix adjustment, where we increased the sales of premium products, e.g., high-speed copper cables. The revenue generated from this product line increased from the nine month ended September 30, 2024 to the nine month ended September 30, 2025, primarily due to the growth in sales of our signature products, such as high-speed cobber cables and automotive communication cables. This growth is attributed to the advancements in interconnection technology driven by developments in artificial intelligence and high-performance computing, which have led to increased demand for our products.

- **Electronic material products**: Revenue growth of this product line throughout the Track Record Period was primarily driven by the increase in its sales volume, which in turn results from strong

demand from customers in the automotive, electronics, and medical industries, e.g., dual-wall tubing used in NEV and medical equipment.

- **NEV power transmission products**: Revenue growth of this product line throughout the Track Record Period was attributable to increase in customer demand, which was in turn primarily driven by the rapid expansion of charging infrastructure that gave rise to an increase in the sales volume of key products, including charging guns.

- **Electrical cable accessories products**: Revenue from this product line grew from 2022 to 2023 and decreased from 2023 to 2024, which was in line with the fluctuation in sales volume, reflecting changing market demand arising from grid and station construction. Revenue from this product line further increased from the nine months ended September 30, 2024 to the nine months ended September 30, 2025, primarily due to the increased market demand for our products, supported by national policies.

- **Wind power business**: Revenue from this business line remained stable, contributing 2.8%, 2.8%, 2.2%, 2.4% and 1.7% of total revenue in each year and period during the Track Record Period. This reflects steady wind electricity generation.

During the Track Record Period, the sales volume of our products was primarily influenced by:

- **Demand in Key End Markets**, including growth in application scenarios such as computing centers, NEVs, cloud computing, power and charging infrastructure. These trends directly increased orders for our products, such as high-speed copper cables, dual wall tubing, and cable accessories.

- **Regulatory and Policy Support**, notably China's emphasis on alternative energy and technological self-reliance under the 14th Five-Year Plan, which spurred investments in charging infrastructure, smart grid systems, and wind power.

- **Production Capacity**, underpinned by our manufacturing bases both in and outside China and optimization of manufacturing processes. This enabled efficient large-scale production that allows us to meet the growing customer demand of our premium products, such as high-speed copper cables.

The average selling price of our products was shaped by:

- **Raw Material Cost Volatility**, particularly fluctuation in EVA, copper and rubber prices, which necessitated pricing adjustments in response to or in anticipation of such fluctuation.

- **Product Mix Optimization**, with premium products such as 224G single-channel high-speed copper cables and 800A liquid-cooled charging guns featuring high average selling prices.

- **Technology-Driven Differentiation**, including proprietary formulations (e.g., flame-retardant medical-grade polymers) and internationally recognized certifications (e.g., UL, TÜV), which justified price resilience in competitive markets.

For the sales volume and selling price of our products during the Track Record Period, please see "Business — Our Business."

Revenue by Geographical Location

Geographical location is solely based on the places of registration of our direct customers, which may not align with the delivery destinations or end markets of our products for the years/periods indicated. The table below sets forth the breakdown of our revenue by geographical location for the years/periods indicated:

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	(RMB)	%	(RMB)	%	(RMB)	%	(RMB)	%	(RMB)	%
	(in thousands, except for percentages)									
							(Unaudited)			
Chinese mainland	4,688,295	87.9	4,990,212	87.3	6,108,050	88.3	4,258,989	88.4	5,326,830	87.7
Outside Chinese mainland										
Asia	338,579	6.3	399,395	7.0	434,835	6.3	329,241	6.8	411,050	6.7
Vietnam	64,779	1.2	66,607	1.2	117,992	1.7	71,418	1.5	96,894	1.6
India	66,586	1.2	94,417	1.7	104,975	1.5	77,907	1.6	106,317	1.7
Singapore	66,412	1.2	55,284	1.0	56,907	0.8	40,359	0.8	47,862	0.8
Others	140,802	2.7	183,087	3.1	154,961	2.3	139,557	2.9	159,977	2.6
EU	119,835	2.2	135,756	2.4	145,177	2.1	93,653	2.0	111,837	1.9
Spain	18,352	0.3	28,222	0.5	26,835	0.4	14,345	0.3	18,764	0.3
UK	9,410	0.2	15,643	0.3	15,113	0.2	11,546	0.2	17,942	0.3
Germany	19,629	0.4	19,748	0.3	17,253	0.2	13,262	0.3	16,350	0.3
Others	72,444	1.3	72,143	1.3	85,976	1.3	54,500	1.2	58,781	1.0
U.S.	117,005	2.2	114,360	2.0	143,701	2.1	75,565	1.6	169,516	2.8
Others	72,935	1.4	79,118	1.3	88,339	1.2	58,067	1.2	57,445	0.9
Subtotal	648,354	12.1	728,629	12.7	812,052	11.7	556,526	11.6	749,848	12.3
Total	**5,336,649**	**100.0**	**5,718,841**	**100.0**	**6,920,102**	**100.0**	**4,815,515**	**100.0**	**6,076,678**	**100.0**

During the Track Record Period, we derived the largest share of our revenue from Chinese mainland, particularly Southern and Eastern China. Such significant revenue contribution was primarily driven by demand in the automotive, robotics and electronics manufacturing sectors and power infrastructure projects.

For the market outside Chinese mainland, revenue grew in tandem with our total revenue and therefore contributed to a steady portion of our total revenue. Revenue growth during the Track Record Period was primarily attributable to the increase in the sale of electronic materials products in key markets, including India, U.S., Singapore and Vietnam.

Transfer Pricing Arrangement

We carry out intra-Group transactions among our subsidiaries in the PRC and overseas. We have engaged transfer pricing advisors to perform transfer pricing review on our cross-border intra-Group transactions during the Track Record Period to conduct benchmarking studies on the intra-Group transactions and ensure compliance with the relevant transfer pricing regulations and guidelines. To the best knowledge of our Directors, our Directors are of the view that we complied with the relevant transfer pricing regulations and guidelines during the Track Record Period and up to the Latest Practicable Date.

Cost of Sales

Our cost of sales primarily consists of: (i) raw material costs, primarily including the cost of EVA, which is a key raw material for our electronic materials products for cross-linked polymers), copper materials, which is critical for NEV power transmission products and telecoms cables, and auxiliary chemicals such as flame-retardant additives and crosslinking agents; (ii) labor costs, associated with production personnel across our manufacturing bases, (iii) overheads, comprising utilities, repair and maintenance fees and leasing expenses, (iv) depreciation and amortization costs primarily associated with our production plants and machinery and (v) other costs, primarily taxes and transportation costs.

The table below sets forth the breakdown of our cost of sales by nature for the years/periods indicated:

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)									
							(Unaudited)			
Raw materials	2,778,208	74.6	2,865,565	72.9	3,493,149	72.6	2,399,694	72.3	3,025,118	72.1
Resins, plastics and rubber materials	1,172,435	31.5	1,135,025	28.9	1,303,037	27.1	878,760	26.5	1,072,770	25.5
Copper	817,884	22.0	929,820	23.7	1,159,914	24.1	823,897	24.8	1,107,001	26.4
Other(1)	787,889	21.1	800,720	20.3	1,030,198	21.4	697,037	21.0	845,347	20.2
Direct labor	442,476	11.9	475,895	12.1	627,589	13.0	430,198	13.0	569,441	13.6
Overheads	147,442	4.0	166,347	4.2	194,670	4.1	147,475	4.4	168,724	4.1
Depreciation and amortization	96,474	2.5	112,596	2.9	119,070	2.5	76,427	2.3	103,800	2.5
Others(2)	260,087	7.0	309,797	7.9	375,261	7.8	267,006	8.0	331,858	7.7
Total	**3,724,687**	**100.0**	**3,930,200**	**100.0**	**4,809,739**	**100.0**	**3,320,800**	**100.0**	**4,198,941**	**100.0**

Note:

(1) primarily include other metal accessories, packaging materials, auxiliary materials and hardware products.

(2) primarily include taxes, logistics costs, outsourcing processing fees, impairment losses for inventories and other miscellaneous costs.

The table below sets out cost breakdown by business segments for the years/periods indicated.

	Years ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Cost of Sales										
Electronic Communications Business										
Telecoms cable products										
High-speed copper cables	57,742	1.6	59,759	1.5	170,875	3.6	110,671	3.4	407,152	9.7
Consumer electronics and industrial cable products	1,044,725	28.0	931,255	23.7	1,252,596	26.0	887,990	26.7	1,087,490	25.9
Subtotal	1,102,467	29.6	991,014	25.2	1,423,471	29.6	998,661	30.1	1,494,642	35.6
Electronic material products	1,418,713	38.1	1,410,951	36.0	1,584,253	33.0	1,187,579	35.8	1,231,844	29.3
Electrical Power Transmission Product Business										
NEV power transmission products										
NEV charging products	403,399	10.8	551,475	14.0	710,148	14.8	442,150	13.3	650,298	15.5
Power battery safety protection products	180,286	4.9	244,562	6.3	350,066	7.2	246,625	7.4	259,286	6.2
Subtotal	583,685	15.7	796,037	20.3	1,060,214	22.0	688,775	20.7	909,584	21.7
Electrical cable accessories products	481,186	12.9	559,975	14.2	584,692	12.2	369,520	11.1	471,293	11.2
Subtotal	1,064,871	28.6	1,356,012	34.5	1,644,906	34.2	1,058,295	31.8	1,380,877	32.9
Other Business										
Wind Power business	48,500	1.3	48,780	1.2	49,971	1.0	37,155	1.1	39,027	0.9
Others	90,136	2.4	123,443	3.1	107,138	2.2	39,110	1.2	52,551	1.3
Subtotal	138,636	3.7	172,223	4.3	157,109	3.2	76,265	2.3	91,578	2.2
Total	**3,724,687**	**100.0**	**3,930,200**	**100.0**	**4,809,739**	**100.0**	**3,320,800**	**100.0**	**4,198,941**	**100.0**

During the Track Record Period, cost of raw material was the largest component of our cost of sales, accounting for over 70% in each year and period. To mitigate the impact of raw material price fluctuations on our

cost of sales, we adopted strategic procurement practices and establish long-term supplier agreements during the Track Record Period. For details, see "Business – Raw Material Procurement". By fostering stable and long-term relationships with raw materials suppliers, we were able to negotiate favorable terms that allow us to obtain essential materials at competitive prices, even amidst fluctuations in the raw material market. The continuous increase in our cost of sales during the Track Record Period was primarily due to the increased sales volume of our products. Our cost of labor, overheads and depreciation and amortization as a percentage of our total cost of sales remained relatively stable during the Track Record Period.

For illustrative purposes only, assuming that all other factors affecting our financial performance remain constant (including assuming that material price fluctuations cannot be passed on to customers), the sensitivity analysis of the impact of fluctuations in the average price of raw materials being 1% and 5% (the actual average fluctuation may be smaller as we use various types of materials in our production) on our profit before income tax during the Track Record Period is as follows:

	Year Ended December 31,			Nine Months ended September 30,	
	2022	2023	2024	2024	2025
	(in RMB in thousands)				
				(Unaudited)	
Fluctuations in the average price of direct materials					
-/+1%	27,782	28,656	34,931	23,997	30,251
-/+5%	138,910	143,278	174,657	119,985	151,256

The average price fluctuations of raw materials illustrated above only account for variations in a single factor, whereas our operating performance is influenced by numerous factors. For details on our measures to address material price fluctuations and supply risks, please see "Business—Raw Material Procurement".

Gross Profit and Gross Profit Margin

The table below sets forth the breakdown of our gross profit and gross profit margin by product and business line for the years/periods indicated:

	Year Ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	%	RMB	%	RMB	%	RMB		%	
	(in RMB in thousands, except for percentages)									
							(Unaudited)			
Electronic Communications Business										
Telecoms cable product	259,899	19.1	173,487	14.9	278,801	16.4	198,302	16.6	399,949	21.1
Electronic material products	686,155	32.6	787,313	35.8	1,015,122	39.1	651,584	35.4	812,064	39.7
Electrical power transmission product business										
NEV power transmission products	240,193	29.2	286,383	26.5	321,207	23.3	228,296	24.9	249,887	21.6
Electrical cable accessories products	299,961	38.4	393,547	41.3	342,281	36.9	262,384	41.5	269,739	36.4
Other Business										
Winder power business	98,268	67.0	109,933	69.3	101,753	67.1	79,315	68.1	62,127	61.4
Others*	27,486	23.4	37,978	23.5	51,199	32.3	74,834	65.7	83,971	61.5
Total	**1,611,962**	**30.2**	**1,788,641**	**31.3**	**2,110,363**	**30.5**	**1,494,715**	**31.0**	**1,877,737**	**30.9**

Note:

* Others mainly include gross profit and gross profit margin from provision of implementation services of MOM and MES platforms.

During the Track Record Period, our gross profit showed continuous growth, and our gross profit margin remained relatively stable. The gross profit margin was primarily influenced by (i) improving unit economics

attributable to our continuous R&D, increase in automation and operating efficiency, (ii) product mix optimization, and (iii) raw material price trends.

During the Track Record Period, raw material costs for EVA and copper remained in fluctuation. EVA price decreased from RMB22.2 thousand per metric ton in 2022 to RMB9.9 thousand per metric ton in the nine months ended September 30, 2025, whereas copper price increased from RMB59.2 thousand per metric ton in 2022 to RMB89.2 thousand per metric ton in the nine months ended September 30, 2025. While price decreases may improve our margin, price increases may adversely affect our margin. As such, to protect our margin against price increases, we have adopted strategic procurement practices and long-term supplier agreements, which helped mitigate upward price pressures. For details, please see "Business — Our Suppliers — Raw Material Procurement" in this Prospectus.

Other Income, Gains and Losses

Our other income and gains primarily include (i) government grants, mainly representing incentives received from governments, including non-recurring grants such as tax refunds, operating subsidies and various industry-specific subsidies to reward our effort in technological innovation, on which no unfulfilled condition was recognized, (ii) additional VAT deductible, representing the amount that the tax authority allows advanced manufacturing enterprises to deduct an additional 5% of their deductible input VAT payables, (iii) interest income from our deposits in banks, and (iv) net exchange gains.

	Year ended December 31,			Nine Months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 *(Unaudited)*	RMB'000
Other income					
Government grants	57,635	40,997	30,814	19,033	18,618
Additional VAT deductible	–	16,200	28,826	19,218	15,967
Interest income	7,781	12,368	16,747	9,137	6,417
Gross rental income	4,205	4,380	6,430	4,984	5,490
Dividend income received from equity instruments at FVTOCI	3,200	1,663	3,313	1,819	1,000
VAT refund	3,352	2,790	2,130	1,560	1,716
Subtotal	76,173	78,398	88,260	55,751	49,208
Other gains and losses					
Loss on disposal of property, plant and equipment, net	(3,025)	(2,582)	(7,632)	(1,569)	(505)
Loss on disposal of right-of-use assets	(8)	–	–	–	–
Gain on early termination of leases	20	–	–	–	–
Gain from changes in fair value of financial assets at FVTPL	93	590	6,330	3,652	2,744
Impairment loss on property, plant and equipment	(1,652)	(83)	(5,228)	(435)	(110)
Exchange gains, net	14,683	4,291	8,530	2,912	(760)
Others	4,861	7,725	1,659	2,591	(1,693)
Subtotal	14,972	9,941	3,659	7,151	(324)
Total	91,145	88,339	91,919	62,902	48,884

Selling Expenses

Our selling expenses primarily include (i) salaries, compensation, and benefits for our selling and marketing employees, (ii) business development expenses, and (iii) transportation and travel expenses. Others primarily include depreciation and amortization and utility expenses.

The table below sets forth the breakdown of our selling expenses for the years/periods indicated:

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in RMB in thousands, except for percentages)									
							(Unaudited)			
Employee compensation	176,031	56.0	174,599	53.9	184,449	52.2	130,948	53.8	143,191	50.4
Business development expenses	29,840	9.5	43,528	13.4	48,676	13.8	33,042	13.6	46,636	16.4
Transportation and travel expenses	24,475	7.8	28,536	8.8	29,668	8.4	21,712	8.9	18,663	6.6
Consulting and advisory fees	18,823	6.0	24,959	7.7	30,138	8.5	18,237	7.5	30,673	10.8
Sales service expenses	17,506	5.6	10,353	3.2	12,980	3.7	9,241	3.8	13,656	4.8
Advertising and promotion expenses	21,163	6.7	15,157	4.7	19,438	5.5	7,503	3.1	5,717	2.0
Office and rental expenses	9,180	2.9	8,321	2.6	7,391	2.1	5,110	2.1	8,807	3.1
Others	17,220	5.5	18,480	5.7	20,813	5.8	17,513	7.2	16,527	5.9
Total	**314,238**	**100.0**	**323,933**	**100.0**	**353,553**	**100.0**	**243,306**	**100.0**	**283,870**	**100.0**

The increase in our selling expenses during the Track Record Period was primarily attributable to our increase in operating scale and sales. The decrease of our selling expenses as a percentage of our revenue during the Track Record Period was primarily attributable to economies of scale, as we derived an increasing amount of revenue from major customers who already have an established relationship with us, increasing the effectiveness of our selling expenses.

Administrative Expenses

Our administrative expenses primarily comprise (i) salaries, compensation, and benefits for our employees in administrative functions, (ii) office and rental expenses, which include renovation, utilities and material expenses incurred, and (iii) depreciation and amortization.

The table below sets forth the breakdown of the administrative expenses for the years/periods indicated:

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in RMB in thousands, except for percentages)									
							(Unaudited)			
Employee compensation	122,415	49.3	141,204	47.4	160,088	46.3	112,340	52.1	125,286	53.2
Office and rental expenses	29,586	11.9	29,867	10.0	43,181	12.4	25,430	11.8	33,825	14.3
Depreciation and amortization	27,230	10.9	35,559	11.9	38,556	11.2	31,789	14.8	29,928	12.7
Impairment losses on goodwill	—	—	28,665	9.6	36,479	10.6	—	—	—	—
Consulting and advisory fees	18,910	7.6	15,670	5.3	15,659	4.5	13,050	6.0	9,183	3.9
Transportation and travel expenses	5,009	2.1	5,990	2.0	6,277	1.8	4,751	2.2	4,486	2.0
Bank service fees	4,122	1.7	3,969	1.3	5,465	1.6	3,179	1.5	3,479	1.5
Catering expenses	3,543	1.4	3,855	1.3	4,603	1.3	3,237	1.5	2,941	1.2
Property insurance expenses	5,714	2.3	9,250	3.1	5,986	1.7	1,657	0.8	1,964	0.8
Product testing and certification fees	3,754	1.5	1,641	0.6	1,750	0.5	1,218	0.6	1,451	0.6
Others	27,965	11.3	22,203	7.5	27,615	8.1	19,062	8.7	22,767	9.8
Total	**248,248**	**100.0**	**297,873**	**100.0**	**345,659**	**100.0**	**215,713**	**100.0**	**235,310**	**100.0**

The increase in our administrative expenses during the Track Record Period was primarily attributable to our increase in operating scale and sales. Our administrative expenses as a percentage of our revenue during the Track Record Period was relatively stable.

Research and Development Expenses

Our research and development expenses primarily comprise (i) employee compensation for our research and development employees, (ii) testing materials and utilities consumed during the research and development process, and (iii) depreciation and amortization for equipment associated with our research and development activities.

The table below sets forth the breakdown of the research and development expenses for the years/periods indicated:

	Year Ended December 31,						Nine Months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in RMB in thousands, except for percentages)									
							(Unaudited)			
Employee compensation	168,631	55.1	181,090	58.4	190,062	54.5	135,333	55.7	175,014	53.7
Testing materials & utilities	68,147	22.3	67,477	21.8	92,926	26.6	61,854	25.5	88,107	27.1
Depreciation and amortization	33,105	10.8	14,799	4.7	21,466	6.1	14,153	5.8	16,969	5.2
Product testing and certification fees	9,872	3.2	12,875	4.2	18,023	5.2	13,634	5.6	22,278	6.8
Patent fees and consulting fees	6,842	2.2	7,916	2.6	9,515	2.7	5,079	2.1	4,802	1.5
Others	19,211	6.4	25,805	8.3	16,702	4.9	13,051	5.3	18,518	5.7
Total	**305,808**	**100.0**	**309,962**	**100.0**	**348,694**	**100.0**	**243,104**	**100.0**	**325,688**	**100.0**

The increase in our research and development expenses during the Track Record Period was primarily attributable to our intensifying R&D efforts, which required adequately compensating our employees, procuring raw materials and conducting relevant testing and certification.

Share of Results of Associates

Our share of results of associates represents our proportionate share of the net profit or loss of the associates in which we have significant influence but do not exercise control. In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, share of results of associates amounted to RMB6.1 million, RMB9.9 million, RMB9.8 million and RMB9.3 million and RMB4.2 million.

Finance Costs

Our finance costs mainly include interest on bank borrowings and interest on lease liabilities. Finance costs amounted to RMB89.6 million, RMB66.8 million, RMB60.4 million RMB44.9 million and RMB39.3 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Impairment Losses on Financial Assets, Net

Impairment losses on financial assets, net primarily represent provisions for expected credit losses on trade receivables, contract assets, and other receivables. Impairment losses on financial assets, net amounted to RMB23.9 million, RMB15.4 million, RMB29.9 million RMB7.5 million and RMB9.9 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Income Tax Expenses

Our income tax expenses comprise current tax and deferred tax. See Note 10 to the Accountants' Report in Appendix I to this prospectus. We are subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which the members of our Group are domiciled and operate.

Pursuant to the existing legislation, interpretations and practices, the income tax provision of some of our entities in Chinese mainland was calculated at the statutory tax rate of 25% on the assessable profits during the Track Record Period. Several of our subsidiaries in Chinese mainland were qualified as high-tech enterprises. Accordingly, they enjoyed a preferential income tax rate of 15% for the Track Record Period. Several subsidiaries in PRC were qualified as small and micro-sized enterprises, which also enjoyed preferential tax rates.

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits for the Track Record Period. The income tax rate for companies incorporated in Vietnam is generally 20%, except those which are subject to tax concession. Income tax expenses amounted to RMB67.1 million, RMB115.2 million, RMB153.4 million RMB103.1 million and RMB152.8 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. As of the Latest Practicable Date and during the Track Record Period, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

Profit for the Year

During the Track Record Period, we experienced significant growth in net profit, which increased from RMB660.2 million in 2022 to RMB757.7 million in 2023 and further to RMB920.5 million in 2024. Our net profit increased from RMB709.2 million for the nine months ended September 30, 2024 to RMB883.3 million for the nine months ended September 30, 2025. The increase in our net profit are primarily driven by the increase in our revenue as we expanded our product portfolio to meet growing demands for our products across different industry lines. Such increase are also contributed to optimization of our costs management mainly due to improving unit economics attributable to our continuous R&D, increase in automation and operating efficiency and product mix optimization, particularly as we expanded sales of high-speed copper cables and NEV related products.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

Nine Month Ended September 30, 2025 Compared to Nine Month Ended September 30, 2024

Revenue

Our revenue increased by 26.2% from RMB4,815.5 million in the nine months ended September 30, 2024 to RMB6,076.7 million in the nine months ended September 30, 2025. Such increase was primarily attributable to the increase in revenue from (i) telecoms cable products, (ii) electronic materials products, (iii) NEV power transmission products and (iv) electrical cable accessories products.

The increase in revenue from our telecoms cable products line from RMB1,197.0 million in the nine months ended September 30, 2024 to RMB1,894.6 million in the nine months ended September 30, 2025 was mainly due to the increase in sales volume, primarily that of high-speed copper cables, increasing from 58.2 million meters to 247.0 million meters. This increase in sales volume is attributed to the advancements in interconnection technology driven by developments in artificial intelligence and high-performance computing, which have led to increased demand for our products.

The increase in revenue from our electronic materials product line from RMB1,839.2 million in the nine months ended September 30, 2024 to RMB2,043.9 million in the nine months ended September 30, 2025 was mainly due to the increase in sales volume, especially that of our heat-shrinkable tubing increasing from 2,724.1 million meters to 2,897.7 million meters and dual-wall tubing from 356.5 million meters to 436.3 million meters. Such an increase in sales volume was primarily attributable to the growth in market demand, stemming from the rapid development of relevant industries, as well as our increased supply capacity due to the automation upgrades of our production equipment and improved utilization rates.

The increase in revenue from our NEV power transmission product line from RMB917.1 million in the nine months ended September 30, 2024 to RMB1,159.5 million in the nine months ended September 30, 2025 was mainly due to the increase in sales volume, primarily that of NEV charging products from 1.6 million units to 1.9 million units. Such an increase in sales volume was primarily attributable to the increased market demand for our products, driven by the rapid growth in production and sales of new energy vehicles, as well as the support of industry policies for charging infrastructure.

The increase in revenue from telecoms cable accessories products from RMB631.9 million in the nine months ended September 30, 2024 to RMB741.0 million in the nine months ended September 30, 2025 was mainly due to the increase in sales volume, increasing from 8.0 million sets to 9.3 million sets. Such an increase in sales volume was primarily attributable to the growth in market demand for new energy, supported by national policy initiatives, as well as ongoing investments in the power grid that have led to an increase in demand for traditional power equipment.

Cost of sales

Our cost of sales increased by 26.4% from RMB3,320.8 million in the nine months ended September 30, 2024 to RMB4,198.9 million in the nine months ended September 30, 2025, primarily due to the increase in costs of raw materials, direct labor costs and other costs in the nine months ended September 30, 2025.

Gross profit

Our gross profit increased from RMB1,494.7 million in the nine months ended September 30, 2024 to RMB1,877.7 million in the nine months ended September 30, 2025, largely in line with our growth in revenue, as we benefited from the increase in our economies of scale and operating efficiency. Such an increase was primarily attributable to the increase in gross profit from (i) telecom scable products, and (ii) electronic materials product. Our gross profit margin was 31.0% and 30.9% in the nine months ended September 30, 2024 and 2025, respectively.

Our gross profit from our electronic materials product line increased from RMB651.6 million in the nine months ended September 30, 2024 to RMB812.1 million in the nine months ended September 30, 2025, and our gross profit margin from the same product line increased from 35.4% to 39.7%, primarily because of the increased sales proportion of higher-margin electronic materials products, as well as improved cost control and economies of scale resulting from increased production volume.

Our gross profit from our telecoms cable product line increased from RMB198.3 million in the nine months ended September 30, 2024 to RMB399.9 million in the nine months ended September 30, 2025, and our gross profit margin from the same product line increased from 16.6% to 21.1%, primarily due to the increase in sales volume of higher value-added products, including high-speed copper cables.

Our gross profit from our NEV power transmission product line increased from RMB228.3 million in the nine months ended September 30, 2024 to RMB249.9 million in the nine months ended September 30, 2025, while our gross profit margin from the same product line decreased from 24.9% to 21.6%, primarily due to the increased sales proportion of lower-margin NEV charging products, as well as intensified competition across the NEV industry , which exerted downward pressure on overall pricing and margins.

Our gross profit from our electrical cable accessories products increased from RMB262.4 million in the nine months ended September 30, 2024 to RMB269.7 million in the nine months ended September 30, 2025, while our gross profit margin from the same product line decreased from 41.5% to 36.4%, primarily due to changes in product mix and pricing dynamics amid intensified market competition.

Our gross profit from our wind power business decreased from RMB79.3 million in the nine months ended September 30, 2024 to RMB62.1 million in the nine months ended September 30, 2025, and our gross profit margin from the same business decreased from 68.1% to 61.4%, primarily due to less favorable wind conditions during the period, which resulted in lower electricity generation, while the fixed cost base of our wind power facilities remained relatively stable.

Our gross profit from our other business increased from RMB74.8 million in the nine months ended September 30, 2024 to RMB84.0 million in the nine months ended September 30, 2025, while our gross profit margin from the same product line decreased from 65.7% to 61.5%, primarily due to changes in product mix.

Other Income, Gains and Losses

Our other income and gains decreased from RMB62.9 million in the nine months ended September 30, 2024 to RMB48.9 million in the nine months ended September 30, 2025. This decrease was mainly due to the decrease in: (i) interest income, which decreased from RMB9.1 million in the nine months ended September 30, 2024 to RMB6.4 million in the nine months ended September 30, 2025 (ii) additional value added tax deductible, which decreased from RMB19.2 million in the nine months ended September 30, 2024 to RMB16.0 million in the nine months ended September 30, 2025.

Selling expenses

Our selling expenses increased by 16.7% from RMB243.3 million in the nine months ended September 30, 2024 to RMB283.9 million in the nine months ended September 30, 2025. This increase was mainly due to the increase in: (i) employee compensation, primarily due to the expansion of our sales and service teams and the growth in salaries, wages, and bonuses for the sales staff; and (ii) business development expenses, generally in line with the expansion of our sales volume.

Administrative expenses

Our administrative expenses increased by 9.1% from RMB215.7 million in the nine months ended September 30, 2024 to RMB235.3 million in the nine months ended September 30, 2025. This increase was mainly due to the increase in: (i) employee compensation, primarily due to headcount growth and salary increases for administrative staff; (ii) office and rental expenses, primarily due to the expansion of office space and related outfitting costs; and (iii) depreciation and amortization, primarily generated from our newly operational production bases in Wuhan and Huizhou.

Research and development expenses

Our research and development expenses increased by 34.0% from RMB243.1 million in the nine months ended September 30, 2024 to RMB325.7 million in the nine months ended September 30, 2025. This increase was mainly due to the increase in: (i) employee compensation, primarily due to the growth in the number of R&D personnel, along with increases in salaries and bonuses; (ii) testing materials and utilities, primarily as a result of increased usage of materials for new product development and testing; and (iii) depreciation and amortization, primarily due to the increase in R&D testing activities and the corresponding rise in the use of equipment, leading to higher depreciation expenses.

Share of Results of Associates

Share of results of associates decreased from RMB9.3 million in the nine months ended September 30, 2024, to RMB4.2 million in the nine months ended September 30, 2025, primarily due to our subsidiary Shenzhen Heat-Shrinkable made an additional investment in its associate company, obtained control, and, as a result, the entity was no longer accounted for using the equity method but was consolidated as a subsidiary.

Finance Costs

Our finance costs decreased from RMB44.9 million in the nine months ended September 30, 2024, to RMB39.3 million in the nine months ended September 30, 2025, primarily due to a general decline in loan interest rates.

Impairment Losses on Financial Assets, Net

Impairment losses on financial assets, net increased from RMB7.5 million in the nine months ended September 30, 2024, to RMB9.9 million in the nine months ended September 30, 2025, mainly due to mainly due to the increase in impairment provisions for trade receivables resulting from the growth in revenue and the corresponding increase of our accounts receivable balance.

Income Tax Expense

Our income tax expense increased from RMB103.1 million in the nine months ended September 30, 2024, to RMB152.8 million in the nine months ended September 30, 2025, mainly due to the increase in profit before income tax.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 24.5% from RMB709.2 million in the nine months ended September 30, 2024, to RMB883.3 million in the nine months ended September 30, 2025.

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

Revenue

Our revenue increased from RMB5,718.8 million in 2023 to RMB6,920.1 million in 2024. Such increase was primarily attributable to the increase in revenue from (i) telecoms cable products, (ii) electronic materials products, and (iii) NEV power transmission products, partially offset by a decrease in revenue from electrical cable accessories products.

The increase in revenue from our telecoms cable product line from RMB1,164.5 million to RMB1,702.3 million was mainly due to the increase in sales volume, primarily that of high-speed copper cables, increasing from 27.8 million meters to 100.0 million meters, and the increase in the average selling price of industrial cables from RMB0.6/meter to RMB0.7/meter. Such an increase in sales volume was primarily attributable to our success in our proactive product mix adjustment, where we increased the sales of premium products, e.g., high-speed copper cables, due to the market's rapid increase in demand of computing infrastructure.

The increase in revenue from our electronic materials product line from RMB2,198.3 million to RMB2,599.4 million was mainly due to the increase in sales volume, especially that of our heat-shrinkable tubing increasing from 3,566.3 million meters to 3,799.9 million meters and dual-wall tubing from 406.6 million meters to 503.3 million meters. Such an increase in sales volume was primarily attributable to strong demand from customers in the automotive, electronics, and medical industries.

The increase in revenue from our NEV power transmission product line from RMB1,082.4 million to RMB1,381.4 million was mainly due to the increase in sales volume, primarily that of AC/DC charging sockets from 0.4 million units to 0.8 million units, and the increase in the average selling price of power battery safety protection products from RMB1.49/piece to RMB1.54/piece. Such an increase in sales volume was primarily driven by strong demand from customers in the NEV industry, which was in turn attributable to policy support, technological development and growing market acceptance.

The decrease in revenue from our electrical cable accessories products from RMB953.5 million to RMB927.0 million was mainly due to the decrease in sales volume, primarily that of cold-shrinkable and heatshrinkable cable accessories decreasing from 9.3 million sets to 9.1 million sets. Such a decrease in sales volume was primarily attributable to the fluctuation in the demand arising from grid and station construction in 2024.

Cost of Sales

Our cost of sales increased from RMB3,930.2 million in 2023 to RMB4,809.7 million in 2024, primarily due to the increase in costs of raw materials and direct labor in 2024.

Gross Profit and Gross Profit Margin

Our gross profit increased from RMB1,788.6 million in 2023 to RMB2,110.4 million in 2024, largely in line with our growth in revenue, as we benefited from the increase in our economies of scale and operating efficiency and the decrease in the price of certain raw materials, primarily EVA. Such an increase was primarily attributable to the increase in gross profit from (i) electronic materials products, (ii) telecoms cable products and (iii) NEV power transmission products, partially offset by the decrease in gross profit of electrical cable accessories products. Our gross profit margin slightly decreased from 31.3% in 2023 to 30.5% in 2024.

Our gross profit from our electronic materials product line increased from RMB787.3 million in 2023 to RMB1,015.1 million in 2024, and our gross profit margin from the same product line increased from 35.8% to 39.1%, primarily because of the increased sales proportion of high-margin medical electronic material products, driven by our enriched medical electronic material portfolio, such as medical silicone tubes and guidewire tubes, the increase in the average selling price of our electronic material products from RMB 0.53/meter to RMB 0.58/meter due to rising market demand, and decrease in raw material price, primarily EVA.

Our gross profit from our telecoms cable product line increased from RMB173.5 million in 2023 to RMB278.8 million in 2024, and our gross profit margin from the same product line increased from 14.9% to 16.4%, primarily because of the decline in average production costs, which was driven by the economies of scale achieved through a significant increase in the sales of high-speed copper cables from 27.8 million meters to 100.0 million meters, leading to cost allocation across a larger output base and a subsequent reduction in unit costs.

Our gross profit from our NEV power transmission product line increased from RMB286.4 million in 2023 to RMB321.2 million in 2024, and our gross profit margin from the same product line decreased from 26.5% to 23.3%, primarily because of the change in our product mix, in which the sale of charging guns with lower margin increased due to rapid increase in market demand and in turn increased its revenue contribution in this product line and the increased in the average costs of power battery safety protection products resulted from process optimization to meet customer requirements.

Our gross profit from our electrical cable accessories products decreased from RMB393.5 million in 2023 to RMB342.3 million in 2024, and our gross profit margin from the same product line decreased from 41.3% to 36.9%, primarily because of our proactive selling price reductions aimed at attracting more customers and maintaining competitiveness, amid shrinking demand and intensified competition in the new energy sector in 2024.

Our gross profit from our wind power business decreased from RMB109.9 million in 2023 to RMB101.8 million in 2024, and our gross profit margin from the same product line decreased from 69.3% to 67.1%, primarily due to the impact of weather conditions, which resulted in reduced wind-generated electricity and, with costs for the power stations remaining relatively stable, consequently led to a decrease in gross profit.

Our gross profit from our others increased from RMB38.0 million in 2023 to RMB51.2 million in 2024, and our gross profit margin from the same product line increased from 23.5% to 32.3%, primarily because of the increased proportion of our sales of standard MES and MOM platforms. These standard platforms, which are standardized and already fully established were distributed directly as finished products without further processing and therefore at comparatively lower cost, and accordingly achieved a higher gross profit margin compared to platforms that require customized research and development.

Other Income, Gains and Losses

Other income, gains and losses increased from RMB88.3 million in 2023 to RMB91.9 million in 2024. This increase was mainly due to the increase in: (i) additional VAT deductible, which increased from RMB16.2 million in 2023 to RMB28.8 million in 2024; (ii) gain from changes in fair value of financial assets at FVTPL, which increased from RMB0.6 million in 2023 to RMB6.3 million in 2024, and (iii) interest income, which increased from RMB12.4 million in 2023 to RMB16.7 million in 2024, primarily due to higher cash balances and improved returns on deposits.

Such an increase was mitigated primarily by a decrease in government grants from RMB41.0 million in 2023 to RMB30.8 million in 2024, as fewer subsidies were received during the year.

Selling Expenses

Selling expenses increased from RMB323.9 million in 2023 to RMB353.6 million in 2024. This increase was mainly due to the increase in: (i) employee compensation, which increased from RMB174.6 million in 2023 to RMB184.4 million in 2024, primarily due to the expansion of our sales team and rising salary in line with our business growth; (ii) consulting and advisory fees, which increased from RMB25.0 million in 2023 to RMB30.1 million in 2024, as we utilized more external consulting services given our business needs for selling and promoting activities; and (iii) business development expenses, which increased from RMB43.5 million in 2023 to RMB48.7 million in 2024, reflecting our increase in business scale and customer base.

Administrative Expenses

Administrative expenses increased from RMB297.9 million in 2023 to RMB345.7 million in 2024. This increase was mainly due to the increase in: (i) employee compensation, which increased from RMB141.2 million in 2023 to RMB160.1 million in 2024, primarily due to the growing size of our administrative team and rising salary, (ii) office and rental expenses, which increased from RMB29.9 million to RMB43.2 million, primarily due to increase in rental expenses and utilities to support our administrative functions, and (iii) impairment losses on goodwill, which increased from RMB28.7 million in 2023 to RMB36.5 million in 2024, reflecting the reassessment of goodwill associated with the acquisition of Shenzhen Orbit based on its performance after acquisition.

Research and Development Expenses

Our research and development expenses increased from RMB310.0 million in 2023 to RMB348.7 million in 2024. This increase was mainly due to the increase in: (i) testing materials and utilities, which increased from RMB67.5 million in 2023 to RMB92.9 million in 2024, primarily as a result of increased usage of materials for new product development and testing, (ii) employee compensation, which increased from RMB181.1 million in 2023 to RMB190.1 million in 2024, primarily due to the expansion of our R&D team and salary adjustments, (iii) depreciation and amortization, which increased from RMB14.8 million in 2023 to RMB21.5 million in 2024, primarily due to the amortization of software and IT system and the depreciation of R&D equipments; and (iv) product testing and certification fees, which increased from RMB12.9 million in 2023 to RMB18.0 million in 2024, reflecting the growing scale of testing requirements for newly developed products.

Share of Results of Associates

Share of results of associates remained stable at RMB9.9 million in 2023 and RMB9.8 million in 2024.

Finance Costs

Our finance costs remained stable at RMB66.8 million in 2023 and RMB60.4 million in 2024.

Impairment Losses on Financial Assets, Net

Impairment losses on financial assets, net increased from RMB15.4 million in 2023 to RMB29.9 million in 2024, mainly due to the increase in our trade receivables balance as of December 31, 2024 as a result of our revenue increase in 2024.

Income Tax Expense

Our income tax expense increased from RMB115.2 million in 2023 to RMB153.4 million in 2024, mainly due to the increase in profit before income tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased from RMB757.7 million in 2023 to RMB920.5 million in 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased from RMB5,336.6 million in 2022 to RMB5,718.8 million in 2023. Such an increase was primarily attributable to the increase in revenue from (i) NEV power transmission products, (ii) electrical cable accessories products, and (iii) electronic materials products, partially offset by a decrease in revenue from telecoms cable products.

The increase in revenue from our NEV power transmission product line from RMB823.9 million in 2022 to RMB1,082.4 million in 2023 was mainly due to the increase in sales volume, primarily that of charging guns increasing from 388.3 thousand units to 745.1 thousand units, and the increase in the average selling price of power battery safety protection products from RMB1.2/piece to RMB1.5/piece. Such an increase in sales volume was primarily driven by strong demand from customers in the NEV industry, which was in turn attributable to policy support, technological development and increasing market acceptance.

The increase in revenue from our electrical cable accessories products from RMB781.1 million in 2022 to RMB953.5 million in 2023 was mainly due to the increase in sales volume, primarily that of cold-shrinkable and heatshrinkable cable accessories increasing from 8.7 million sets to 9.3 million sets cable accessories. Such an increase in sales volume was primarily attributable to the increase in the demand arising from grid and station construction in 2023.

The increase in revenue from our electronic materials product line from RMB2,104.9 million in 2022 to RMB2,198.3 million in 2023 was mainly due to the increase in sales volume, primarily that of heat-shrinkable tubing increasing from 3.1 million meters to 3.6 million meters. Such an increase in sales volume was primarily attributable to strong demand from customers in the automotive industry.

The decrease in revenue from telecoms cable products from RMB1,362.4 million in 2022 to RMB1,164.5 million in 2023 was mainly due to the decrease in sales volume, primarily that of electronic wires and cables from 86.9 million meters to 64.7 million meters. Such a decrease in sales volume of electronic wires and cables was primarily attributable to our proactive product mix adjustment where we, having identified evolving market trend, proactively focused on the research and manufacturing of premium products that we believe have strong growth potential in emerging application scenarios and pivoted away from the production and sale of other products.

Cost of Sales

Our cost of sales increased from RMB3,724.7 million in 2022 to RMB3,930.2 million in 2023, primarily due to the increase in costs of raw materials and direct labor in 2023.

Gross Profit and Gross Profit Margin

Our gross profit increased from RMB1,612.0 million in 2022 to RMB1,788.6 million in 2023, largely in line with our growth in revenue, as we benefit from the increase in our economies of scale and operating efficiency and the decrease in the price of certain raw materials, primarily EVA. Such an increase was primarily attributable to the increase in gross profit from (i) electronic materials products, (ii) electrical cable accessories products, and (iii) NEV power transmission products, partially offset by the decrease in gross profit from telecoms cable products. Our gross profit margin slightly increased from 30.2% in 2022 to 31.3% in 2023.

Our gross profit from our electronic materials product line increased from RMB686.2 million in 2022 to RMB787.3 million in 2023, and our gross profit margin from the same product line increased from 32.6% to 35.8%, primarily because of the increased sales proportion of high-margin medical electronic material products, driven by growing acceptance and increased purchase of our self-developed medical heat-shrinkable tubing among healthcare enterprise clients and decrease in raw material price, primarily EVA.

Our gross profit from our electrical cable accessories products increased from RMB300.0 million in 2022 to RMB393.5 million in 2023, and our gross profit margin from the same product line increased from 38.4% to 41.3%, primarily because of the increased sales proportion of high-margin cable accessories products for solar and wind power applications, driven by national policy incentives that accelerated grid upgrades and new energy base construction, thereby boosting demand for high-resistant cable accessories and decrease in raw material price, primarily rubber.

Our gross profit from our NEV power transmission product line increased from RMB240.2 million in 2022 to RMB286.4 million in 2023, and our gross profit margin from the same product line decreased from 29.2% to 26.5%, primarily because of the change in our product mix, in which the sale of charging guns increased due to rapid increase in market demand and in turn increased its revenue contribution in this product line.

Our gross profit from our telecoms cable product line decreased from RMB259.9 million in 2022 to RMB173.5 million in 2023, and our gross profit margin from the same product line decreased from 19.1% to 14.9%, primarily because of our product mix optimization, where we, having identified evolving market trend, proactively focused on the research and manufacturing of premium products that we believe have strong growth potential in emerging application scenarios and pivoted away from the production and sale of other products, resulting in a decrease in utilization rate, allowing us to subsequently increase the sales of premium products in 2024.

Our gross profit from our wind power business increased from RMB98.3 million in 2022 to RMB109.9 million in 2023, and our gross profit margin from the same product line increased from 67.0% to 69.3%, primarily due to the impact of weather conditions, which resulted in increased wind-generated electricity and, with costs for the power stations remaining relatively stable, consequently led to an increase in gross profit.

Our gross profit from our others increased from RMB27.5 million in 2022 to RMB38.0 million in 2023, and our gross profit margin from the same product line remain stable 23.4% and 23.5%, respectively.

Other Income, Gains and Losses

Other income, gains and losses decreased from RMB91.1 million in 2022 to RMB88.3 million in 2023. This decrease was mainly due to: (i) government grants, which decreased from RMB57.6 million in 2022 to RMB41.0 million in 2023, as fewer subsidies were received during the year; and (ii) net exchange gains, which decreased from RMB14.7 million in 2022 to RMB4.3 million in 2023.

Such a decrease was mitigated primarily by an increase in additional VAT deductible from nil to RMB16.2 million that we are entitled to given our status as an advanced manufacturing enterprise.

Selling Expenses

Selling expenses increased from RMB314.2 million in 2022 to RMB324.0 million in 2023. This increase was mainly due to the increase in: (i) business development expenses, which increased from RMB29.8 million in 2022 to RMB43.5 million in 2023, reflecting or increase in business scale and customer base; (ii) consulting and advisory fees, which increased from RMB18.8 million in 2022 to RMB25.0 million in 2023, as we obtained more external consultant advice to support our increase in business scale and implement our development strategies; and (iii) transportation and travel expenses, which increased from RMB24.5 million in 2022 to RMB28.5 million in 2023, reflecting higher logistics and travel costs associated with business expansion.

These increases were partially offset by a decrease in sales service expenses from RMB17.5 million in 2022 to RMB10.4 million in 2023, as we incurred less expenses for installation.

Administrative Expenses

Administrative expenses increased from RMB248.2 million in 2022 to RMB297.9 million in 2023. This increase was mainly due to the increase in: (i) impairment losses on goodwill, which increased from nil in 2022 to RMB28.7 million in 2023, reflecting the reassessment of goodwill associated with the acquisition of Shenzhen Orbit based on its performance after acquisition; (ii) employee compensation, which increased from RMB122.4 million in 2022 to RMB141.2 million in 2023, primarily due to the expansion of our administrative team and rising salary, and (iii) depreciation and amortization, which increased from RMB27.2 million in 2022 to RMB35.6 million in 2023, primarily as a result of additional investments in fixed assets to support business operations.

These increases were partially offset by a decrease in consulting and advisory fees, which decreased from RMB18.9 million in 2022 to RMB15.7 million in 2023, as fewer external consulting services were utilized given our business needs.

Research and Development Expenses

Our research and development expenses increased from RMB305.8 million in 2022 to RMB310.0 million in 2023. This increase was mainly due to: (i) employee compensation, which increased from RMB168.6 million in 2022 to RMB181.1 million in 2023, primarily due to the expansion of our R&D team and rising salary; and (ii) product testing and certification fees, which increased from RMB9.9 million in 2022 to RMB12.9 million in 2023, as we conducted more testing and certifications for new products.

These increases were partially offset by a decrease in depreciation and amortization, which decreased from RMB33.1 million in 2022 to RMB14.8 million in 2023, primarily due to amortization of intangible assets.

Share of Results of Associates

Share of results of associates increased from RMB6.1 million in 2022 to RMB9.9 million in 2023, due to the increase in net profit of our associates.

Finance Costs

Our finance costs decreased from RMB89.6 million in 2022 to RMB66.8 million in 2023. This decrease was primarily due to interest expenses on bank borrowings, which decreased from RMB66.8 million in 2022 to RMB58.2 million in 2023 mainly attributable to the decrease in interest rate. This was partially offset by an increase in interest expenses on lease liabilities, which increased from RMB1.2 million in 2022 to RMB2.2 million in 2023, due to the addition of new lease agreements.

Impairment Losses on Financial Assets, Net

Impairment losses on financial assets, net decreased from RMB23.9 million in 2022 to RMB15.4 million in 2023, mainly due to the change of expected credit loss allowance on trade and other receivables and contract assets.

Income Tax Expense

Our income tax expense increased from RMB67.1 million in 2022 to RMB115.2 million in 2023, mainly due to the increase in profit before income tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased from RMB660.2 million in 2022 to RMB757.7 million in 2023.

DISCUSSION OF SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this prospectus:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	2,721,815	2,837,427	3,055,160	3,620,300
Right-of-use assets	317,937	295,850	487,622	715,318
Goodwill	759,972	731,307	694,828	694,828
Intangible assets	17,724	36,064	25,874	21,459
Investment properties	14,342	15,700	14,321	13,251
Interests in associates	48,424	54,464	57,373	51,231
Equity instruments at fair value through other comprehensive income	161,122	186,346	175,843	125,406
Deferred tax assets	73,247	55,276	61,081	65,830
Contract assets	8,216	4,189	8,016	5,282
Trade and other receivables	62,480	45,716	113,318	243,242
Total non-current assets	**4,185,279**	**4,262,339**	**4,693,436**	**5,556,147**
CURRENT ASSETS				
Inventories	701,251	710,277	865,307	1,139,055
Contract assets	18,728	20,163	32,205	36,251
Trade and other receivables	2,541,348	2,920,745	3,465,350	3,791,039
Tax recoverable	7,566	1,303	596	7,393
Financial assets at fair value through profit or loss	—	60,245	145,169	120,000
Restricted bank deposits	23	4,154	1,264	1,863
Pledged bank deposits	64,721	62,140	59,489	32,989
Bank balances and cash	799,820	939,070	967,510	951,647
Total current assets	**4,133,457**	**4,718,097**	**5,536,890**	**6,080,237**
CURRENT LIABILITIES				
Trade and other payables	1,324,804	1,516,042	1,899,931	2,321,996
Tax payables	46,440	63,457	89,497	84,703
Bank and other borrowings	1,332,271	1,059,933	774,452	1,485,716
Lease liabilities	16,372	4,937	32,980	39,710
Contract liabilities	71,106	90,284	79,306	83,804
Deferred income	8,426	8,325	8,474	7,942
Total current liabilities	**2,799,419**	**2,742,978**	**2,884,640**	**4,023,871**
NET CURRENT ASSETS	**1,334,038**	**1,975,119**	**2,652,250**	**2,056,366**
TOTAL ASSETS LESS CURRENT LIABILITIES	**5,519,317**	**6,237,458**	**7,345,686**	**7,612,513**
NON-CURRENT LIABILITIES				
Deferred tax liabilities	57,075	53,718	62,398	87,492
Bank and other borrowings	554,675	622,632	901,473	826,638
Lease liabilities	37,543	32,338	193,410	178,433
Deferred income	70,630	66,266	60,076	54,254
Total non-current liabilities	**719,923**	**774,954**	**1,217,357**	**1,146,817**
Net assets	**4,799,394**	**5,462,504**	**6,128,329**	**6,465,696**
EQUITY				
Share capital	1,259,899	1,259,899	1,259,899	1,259,899
Reserves	3,082,723	3,647,648	4,274,906	4,913,621
Total equity attributable to owners of the Company	4,342,622	4,907,547	5,534,805	6,173,520
Non-controlling interests	456,772	554,957	593,524	292,176
Total equity	**4,799,394**	**5,462,504**	**6,128,329**	**6,465,696**

Property, Plant and Equipment

Property, plant, and equipment primarily consisted of buildings, plant and machinery, electricity generation and related equipment, leasehold improvements, motor vehicles and construction in progress. The following table sets forth the breakdown of our property, plant, and equipment as of the dates indicated:

	As of December 31,			As of September 30, 2025
	2022	2023	2024	
	RMB'000	RMB'000	RMB'000	RMB'000
Buildings	1,057,590	1,058,584	1,166,889	1,131,339
Plant and machinery	605,651	638,124	738,844	1,107,903
Electricity generation and related equipment	726,613	691,631	665,779	674,259
Leasehold improvements	67,373	90,338	95,023	104,447
Motor vehicles	9,107	8,443	8,887	8,093
Construction in progress	255,481	350,307	379,738	594,259
Total	**2,721,815**	**2,837,427**	**3,055,160**	**3,620,300**

Property, plant, and equipment increased from RMB2,721.8 million as of December 31, 2022, to RMB2,837.4 million as of December 31, 2023, primarily due to an increase in construction in progress and plant and machinery, which reflected the expansion of our production capacity to meet customer demand. It subsequently increased to RMB3,055.2 million as of December 31, 2024 primarily due to an increase in buildings and plant and machinery, which reflected the expansion of our production capacity to meet customer demand. It further increased to RMB3,620.3 million as of September 30, 2025, primarily due to an increase in construction in progress, reflecting our investment in the manufacturing bases, and an increase in plant and machinery, reflecting the addition of equipment, mainly to expand our production capacity to meet the rapid growth of our business. For details on our manufacturing bases, see "Business — Our Business — Our Production — Our Manufacturing Bases."

Right-of-Use Assets

Right-of-use assets primarily consisted of land use rights and leased properties.

Our right-of-use assets decreased from RMB317.9 million as of December 31, 2022, to RMB295.9 million as of December 31, 2023, mainly due to depreciation of RMB21.6 million.

Our right-of-use assets increased from RMB295.9 million as of December 31, 2023, to RMB487.6 million as of December 31, 2024. This increase was primarily due to (i) additions of RMB172.8 million, reflecting new leases for office premises, warehouses, and factories to support our expanded business operations; and (ii) a lease modification that added RMB53.5 million. These increases were partially offset by depreciation of RMB34.6 million during the year.

Our right-of-use assets increased from RMB487.6 million as of December 31, 2024 to RMB715.3 million as of September 30, 2025, primarily due to (i) additions to land use rights of RMB249.1 million, primarily attributable to new lease agreements executed by subsidiaries, and (ii) the consolidation of land use rights of RMB4.3 million resulting from the acquisition of a subsidiary.

Goodwill

Our goodwill arose from our acquisition of Shenzhen Orbit and CYG ELECTRONICS. The cost of our goodwill remained unchanged at RMB694.8 million as of December 31, 2022, 2023, 2024 and September 30, 2025. The carrying amount of goodwill decreased from RMB760.0 million as of December 31, 2022 to RMB731.3 million as of December 31, 2023, and further decreased to RMB694.8 million as of December 31, 2024. The carrying amount of goodwill remains unchanged at RMB694.8 million as of September 30, 2025.

These decreases were primarily due to the recognition of impairment losses of RMB28.7 million for 2023 and RMB36.5 million for 2024. We incurred such impairment losses because the recoverable amount based on the value-in-use of the cash-generating unit of Shenzhen Orbit was lower than its carrying amount. Goodwill allocated to CYG Electronics remained unchanged at RMB694.8 million as of December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025. For details of the impairment test for our goodwill during the Track Record Period, please refer to Note 17 to the Accountants' Report in Appendix I to this prospectus.

For the purpose of impairment testing, the carrying amount of goodwill (net of accumulated impairment losses) is allocated to the **CGUs** as follows:

	At December 31,			At September30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Shenzhen Orbit ("**Shenzhen Orbit CGU**")	65,144	36,479	–	–
CYG Electronics **("CYG Electronics CGU")**	694,828	694,828	694,828	694,828
	759,972	731,307	694,828	694,828

In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective CGUs for the purposes of impairment assessment.

The recoverable amounts of the CGUs are determined based on value-in-use calculations based on cash flow forecasts derived from the estimated future cash flows covering a 5-year period and with the beyond budgeted period using zero growth rate approved by the directors of the Company.

The key assumptions used in the estimation of value in use are as below:

	At December 31,			At September 30,
	2022	2023	2024	2025
Shenzhen Orbit CGU				
Revenue (average growth rate)	16.36%	9.33%	3.00%	N/A
Pre-tax discount rate	14.87%	13.25%	13.00%	N/A
CYG Electronics CGU				
Revenue (average growth rate)	3.63%	3.53%	3.56%	2.58%
Pre-tax discount rate	12.70%	12.90%	12.80%	12.76%

The directors of the Company have determined the values assigned to each of the key assumptions as follows:

- Average revenue growth rate over the five-year forecast period is based on past performance and management's expectation of market development; and

- Pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the CGUs.

Impact of possible changes in key assumptions

The recoverable amount of Shenzhen Orbit CGU was estimated to exceed its carrying amount as at December 31, 2022 by approximately RMB3,793,000. The recoverable amount of Shenzhen Orbit CGU was estimated to be lower than its carrying amount as at December 31, 2023 and 2024 and impairment of goodwill of RMB28,665,000 and RMB36,479,000 were recognized for the years ended December 31, 2023 and 2024 respectively. No other impairment of assets of Shenzhen Orbit CGU is considered necessary.

The recoverable amount of CYG Electronics CGU is estimated to exceed its carrying amount at December 31, 2022, 2023 and 2024 and September 30, 2025 by approximately RMB116,018,000, RMB317,513,000, RMB526,004,000 and RMB1,148,655,000 respectively.

Management have undertaken sensitivity analysis on the impairment test of goodwill. The recoverable amount of each CGU would equal its carrying amount (net of impairment loss) if each key assumption was to change as follows with all other variables held constant:

	At December 31,			At September 30,
	2022	2023	2024	2025
Shenzhen Orbit CGU				
Revenue (average growth rate)	16.22%	Note (i)	N/A	N/A
Pre-tax discount rate	15.49%	Note (ii)	N/A	N/A
CYG Electronics CGU				
Revenue (average growth rate)	3.47%	3.13%	2.98%	1.90%
Pre-tax discount rate	13.45%	14.92%	15.98%	17.84%

Notes:

(i) As at December 31, 2023, if the revenue average growth rate was changed to 8.33%, while other parameters remain constant, the recoverable amount of Shenzhen Orbit CGU would be reduced to RMB28,999,000 and a further impairment of goodwill of RMB21,691,000 would be recognized.

(ii) As at December 31, 2023, if the discount rate was changed to 14.25%, while other parameters remain constant, the recoverable amount of Shenzhen Orbit CGU would be reduced to RMB58,921,000 and a further impairment of goodwill of RMB3,737,000 would be recognized.

(iii) Apart from the considerations described in determining the value-in-use of the CGUs above, the management of the Group believe that no reasonably possible change in any of the above key assumptions would cause the CGU's recoverable amount to fall below its carrying amount.

Intangible Assets

Our intangible assets primarily consisted of trademarks, patents and software. Our intangible assets increased from RMB17.7 million as of December 31, 2022 to RMB36.1 million as of December 31, 2023, primarily due to the addition of our internally generated patent assets. Our intangible assets decreased to RMB25.9 million as of December 31, 2024, primarily due to amortization. Our intangible assets further decreased to RMB21.5 million as of September 30, 2025, primarily due to amortization resulting in a reduction in the carrying amount of intangible assets. Please also see Note 18 to the Accountants' Report in Appendix I to this prospectus.

Investment Properties

Our investment properties primarily consisted of buildings and structures held for investment purposes. Investment properties increased from RMB14.3 million as of December 31, 2022 to RMB15.7 million as of December 31, 2023, primarily because we leased out certain of our vacant properties due to production capacity relocation. Investment properties decreased to RMB14.3 million as of December 31, 2024 primarily due to amortization. Investment properties further decreased to RMB13.3 million, primarily due to amortization resulting in a reduction in the carrying amount of investment properties. Please also see Note 19 to the Accountants' Report in Appendix I to this prospectus.

Interests in Associates

We have invested in a number of associates. As of December 31, 2022, 2023, 2024 and September 30, 2025, the carrying amounts of our interests in associates amounted to RMB48.4 million, RMB54.5 million, RMB57.4 million and RMB51.2 million, respectively.

Equity Instruments at Fair Value through Other Comprehensive Income

Equity instruments at fair value through other comprehensive income primarily consisted of investments in listed and unlisted equity. Such investments were classified with Level 1 and Level 3 fair value measurement as appropriate. Equity instruments at fair value through other comprehensive income increased from RMB161.1 million as of December 31, 2022 to RMB186.3 million as of December 31, 2023, mainly due to the increase in the fair value of such equity instruments. Equity instruments at fair value through other comprehensive income slightly decreased to RMB175.8 million as of December 31, 2024 mainly due to the decrease in the fair value of such equity instruments. Equity instruments at fair value through other comprehensive income further decreased to RMB125.4 million as of September 30, 2025, primarily due to the disposal of certain equity instruments during the period.

Deferred Tax Assets

Our deferred tax assets decreased from RMB73.2 million as of December 31, 2022 to RMB55.3 million as of December 31, 2023, mainly due to a reduction in changes in fair value and the tax-accounting difference of lease liabilities. It increased to RMB61.1 million as of December 31, 2024, mainly due to a reduction in changes in fair value and the tax-accounting difference of lease liabilities. It further increased to RMB65.8 million as of September 30, 2025, mainly due to the increase in deferred tax assets recognized in connection with higher impairment provisions on trade receivables and inventories, which were primarily attributable to the growth in revenue during the period.

Inventories

Our inventories primarily consisted of finished goods, raw materials and consumables, and work in progress. The following table sets forth the breakdown of our inventories as of the date indicted:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials and consumables	244,221	238,081	292,617	466,146
Work in progress	23,673	22,889	27,532	35,934
Finished goods	433,357	449,307	545,158	636,975
Total	**701,251**	**710,277**	**865,307**	**1,139,055**
(Inventory written-down recognized for the years/period)	13,766	17,514	25,378	28,948

Our inventories increased from RMB701.3 million as of December 31, 2022, to RMB710.3 million as of December 31, 2023, primarily attributable to an increase in finished goods from RMB433.4 million to RMB449.3 million to meet growing customer demand, partially offset by a decrease in raw materials and consumables from RMB244.2 million to RMB238.1 million due to the decrease in raw material price, primarily EVA. Our inventories further increased from RMB710.3 million as of December 31, 2023, to RMB865.3 million as of December 31, 2024. Such increase was primarily attributable to (i) an increase in finished goods due to increased production to support sales growth; and (ii) an increase in raw materials and consumables, reflecting higher procurement in anticipation of production needs. Our inventories increased from RMB865.3 million as of December 31, 2024 to RMB1,139.1 million as of September 30, 2025, primarily attributable to (i) an increase in raw materials and consumables, due to the enhancement of raw material reserves to meet growing market demand and mitigate the potential impact of fluctuations in raw materials supply; and (ii) an increase in finished goods due to increased production to support the expansion of our business.

The following is an aging analysis of our inventories as of the dates indicated.

	As of December 31,			As of September 30,
	2022	2023	2024	2025
Within 1 year	672,456	680,108	847,010	1,106,875
Over 1 year	28,795	30,169	18,297	32,180
Total	701,251	710,277	865,307	1,139,055

The following table sets forth a summary of our inventories turnover days for the years/periods indicated:

	Year Ended December 31,			Nine Months ended September 30,
	2022	2023	2024	2025
Inventories turnover days*	63.6	65.5	59.9	65.2

Note:

* Inventories turnover days were calculated based on the arithmetic mean of opening and closing balance of inventories for the relevant year/period, divided by our cost of sales for the same year/period and multiplied by (i) 365 days for 2022, 2023 and 366 for 2024, and (ii) 273 days for the nine months ended September 30, 2025.

Our inventories turnover days were 63.6 days, 65.5 days, 59.9 days and 65.2 days in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. The increase of our inventories turnover days from 2022 to 2023 was mainly due to our increase in inventory reserves to meet higher sales demand given our revenue growth. The decrease of our inventories turnover days from 2023 to 2024 was mainly due to our rapid increase in revenue in 2024, where the growth in cost of sales significantly outpaced the growth in inventory.

As of December 31, 2025, RMB741.1 million, or 62.3% of our inventories outstanding as of September 30, 2025, was subsequently utilized. Based on our assessments during the Track Record Period, we have made adequate provisions for our inventories to account for potential uncertainties.

Trade and Other Receivables

Our trade and other receivables primarily represented trade receivables and bills receivables, which represents receivables arising from the sales of products and provision of services to our customers, and other receivables, primarily comprising accounts deposits and security deposits and prepaid expenses. All bills received by us have a maturity period of less than one year. The following table sets forth the breakdown of our trade and other receivables as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	1,904,347	2,300,451	2,652,617	2,926,705
Bills receivables	537,350	549,187	701,546	746,894
Other receivables	294,835	265,963	399,824	542,296
(Less): Expected credit loss allowance	(132,704)	(149,140)	(175,319)	(181,614)
Trade and Other Receivables, net	**2,603,828**	**2,966,461**	**3,578,668**	**4,034,281**

Our gross trade and bill receivables increased from RMB2,441.7 million as of December 31, 2022 to RMB2,849.6 million as of December 31, 2023, and further increased to RMB3,354.2 million as of December 31, 2024 and to RMB3,673.6 million as of September 30, 2025, which was generally in line with the increase in our revenue for the same years and periods.

Expected credit loss allowance on trade and other receivables increased from RMB132.7 million as of December 31, 2022, to RMB149.1 million as of December 31, 2023, and further to RMB175.3 million as of December 31, 2024, reflecting higher trade receivables given our revenue increase. The expected credit loss allowance on trade and other receivables increased to RMB181.6 million as of September 30, 2025.

The following table sets forth an aging analysis of the net trade receivables based on the date of revenue recognition, as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	1,173,661	1,449,662	1,683,335	1,924,852
Over 3 months but within 6 months	317,606	308,621	300,948	520,598
Over 6 months but within 9 months	68,779	89,921	88,908	103,426
9 months to 1 year	110,403	168,923	212,088	62,069
1 year to 2 years	105,712	121,374	153,021	114,997
2 years to 3 years	6,390	21,463	51,445	29,859
Trade receivables, net	**1,782,551**	**2,159,964**	**2,489,745**	**2,755,801**

The following table sets forth a summary of our trade receivables turnover days for the years/periods indicated:

	Year Ended December 31,			Nine Months ended September 30,
	2022	2023	2024	2025
Trade receivables turnover days*	120.5	125.8	123.0	117.8

Note:

* Trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables less allowance for impairment for the relevant years/period, divided by the revenue for the same year/period and multiplied by (i) 365 days for 2022, 2023 and 366 for 2024, and (ii) 273 days for the nine months ended September 30, 2025.

Our trade receivables turnover days were 120.5 days, 125.8 days, 123.0 days and 117.8 days in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively, remaining relatively stable throughout the Track Record Period.

During the Track Record Period, many of our customers are large companies engaging in power generation and/or transmission industries, or companies with leading industry positions, who enjoy strong pricing power and are generally hold good credit worthiness and financial position. As a result, we may grant them extended credit period which further contributed to the long trade receivable turnover days.

We closely monitor development of our outstanding receivable and take proactive measures to minimize credit risks, as well as liquidity risks associated therein. In particular, our senior management regularly reviews the recoverability of our outstanding balances and, when appropriate, provides for impairment of these trade receivables. We also made individual assessment on the recoverability of our trade receivables for certain customers based on historical settlement record. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with us and other indicators of severe financial difficulties. We adopt stringent internal measures to enhance the collection and management of trade receivables. We fully recognize the fact that many of our customers are large companies engaging in power generation and/or transmission industries, or companies with leading industry positions. To the best knowledge of our Directors, they enjoy strong pricing power and are generally hold good credit worthiness and financial position. However, we set the collection of trade receivable as performance appraisal indicators to our sales team and relevant management members, and encourage them to actively approach clients to speed up payment.

As of December 31, 2025, RMB 2,001.7 million or 68.4% of our trade receivables outstanding as of September 30, 2025, was subsequently settled. Based on our assessments during the Track Record Period, we have made adequate provisions for our trade receivables to account for potential uncertainties.

Contract Assets

Our contract assets represent amounts receivable from customers under product sales and service offering contracts for which the revenue recognition criteria have been met, but the payment terms extend beyond the performance obligation period, primarily consisting of retentions with specified collection schedules. For details, see Note 24 to the Appendix I of this prospectus.

Our contract assets slightly decreased from RMB26.9 million as of December 31, 2022 to RMB24.4 million as of December 31, 2023, primarily due to a decrease in receivables recognized in accordance with the fulfillment of the contract in 2023. Our contract assets significantly increased from RMB24.4 million as of December 31, 2023 to RMB40.2 million as of December 31, 2024, primarily due to an increase in the amount of retentions we received from customers as a results of the increased sales of our products as the end of the 2024. Our contract assets further increased to RMB41.5 million as of September 30, 2025, primarily due to the increase in the amount of retentions resulting from the continuous increase in our revenue.

As of December 31, 2025, RMB14.6 million or 30.2% of our contract assets as of September 30, 2025, was subsequently certified.

Bank Balances and Cash

Our bank balances and cash primarily consisted of cash and bank balances. Our cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods within 12 months, depending on the immediate cash requirements of our Group, and earn interest at the respective short-term time deposit rates. Our bank balances and cash increased from RMB799.8 million as of December 31, 2022, to RMB939.1 million as of December 31, 2023, and further to RMB967.5 million as of December 31, 2024, mainly in line with our business expansion. Our bank balance and cash decreased from RMB967.5 million as of December 31, 2024 to RMB951.6 million as of September 30, 2025, primarily due to primarily due to increased investments in equipment purchases and factory construction.

Trade and Other Payables

Our trade and other payables primarily consisted of trade and bills payables in relation to purchase of raw materials from suppliers, and other payables, comprising other accounts payables, project and equipment payables, and employee compensation payables. Our trade payables are non-interest-bearing and are typically settled within a period ranging from 30 days to 90 days. Our bills payable are guaranteed by banks in the PRC and generally have maturities of 6 months to 1 year. The following table sets forth the breakdown of our trade and other payables as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	614,332	709,886	975,403	1,050,167
Bills payables	285,912	342,886	369,105	518,416
Other payables	424,560	463,270	555,423	753,413
Total	**1,324,804**	**1,516,042**	**1,899,931**	**2,321,996**

Our trade and other payables increased from RMB1,324.8 million as of December 31, 2022, to RMB1,516.0 million as of December 31, 2023. This increase was generally in line with the expansion of our business. Our trade payables further increased from RMB709.9 million as of December 31, 2023, to RMB975.4 million as of December 31, 2024, mainly due to increased procurement of raw materials and consumables to meet increased production demands, as well as extended payment terms from suppliers to support our business expansion. Our trade and other payables increased from RMB1,899.9 million as of December 31, 2024 to RMB2,322.0 million as of September 30, 2025, primarily due to (i) an increase in other payables of RMB198.0 million, mainly arising from repurchase obligations under an employee share ownership plan; and (ii) an increase in bills payables of RMB149.3 million as we continued to adopt bills settlement for supplier payments.

The following table sets forth an aging analysis of the trade payables based on the invoice date as of the dates indicated:

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 180 days	533,265	639,938	732,030	1,025,101
180 days to one year	63,620	38,361	168,825	11,472
One to two years	9,051	15,670	61,004	1,558
Two to three years	3,630	9,023	3,182	2,638
Over three years	4,766	6,894	10,362	9,398
Total	**614,332**	**709,886**	**975,403**	**1,050,167**

The following table sets forth a summary of our trade payables turnover days for the years/periods indicated:

	Year Ended December 31,			Nine Months ended September 30,
	2022	2023	2024	2025
Trade payables turnover days*	53.9	61.5	64.1	65.8

Note:

* Trade payables turnover days were calculated based on the average of opening and closing balance of trade payables for the relevant years/periods, divided by the cost of sales for the same year/period and multiplied by (i) 365 days for 2022, 2023 and 366 for 2024, and (ii) 273 days for the nine months ended September 30, 2025.

Our trade payables turnover days were 53.9 days, 61.5 days, 64.1 days and 65.8 days in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. The increase of our trade payables turnover days from 2022 to 2024 was mainly due to our success in extending the payment period with suppliers. Our trade payables turnover days increased from 64.1 days as of December 31, 2024 to 65.8 days as of September 30, 2025, primarily due to a significant increase in the trade payables balance, mainly to support inventory levels in line with the increase in our production volume.

As of December 31, 2025, RMB847.8 million or 80.7% of our trade payables outstanding as of September 30, 2025, was subsequently settled.

Contract Liabilities

Our contract liabilities refer to the advanced payments from our customers for which we had not transferred the products or services to our customers yet as of the end of each year during the Track Record Period. Our contract liabilities was RMB71.1 million, RMB90.3 million, RMB79.3 million and RMB83.8 million as of December 31, 2022, 2023, 2024 and September 30, 2025, respectively. The fluctuation was primarily attributable to the difference in the settlement methods adopted by our customers, which led to changes in contract payments received in advance at year-end according to the terms of our contracts with them. As of December 31, 2025, RMB36.2 million, or 43.2% of our contract liabilities as of September 30, 2025, was subsequently recognized as revenue.

Financial assets at fair value through profit or loss

Our financial assets at fair value through profit or loss consist of wealth management products issued by the banks during the Track Record Period. We recorded nil, RMB60.2 million, RMB145.2 million and RMB120.0 million of financial assets at fair value through profit or loss as of December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

In determine investment decisions on wealth management products, we take into account a number of factors, including general economic conditions and market environment, risk control and credit of issuing financial institutions, our own working capital conditions and the expected profit or potential loss of the investment. We endeavor to further reduce risks and enhance compliance associated with investments, by, for example, (i) controlling the amount and scale of investments, (ii) ensuring investments are closely related to our business operations and financial needs. Our Board of Directors reviews and approves the policy for cash management related to investments in wealth management products. The Board approves the use of avaliable cash by the Company and subsidiaries to purchase high-safety, low-risk, and high-liquidity wealth management products from financial institutions. Our management conducts the review and approval of investment decisions related to the purchase of wealth management products and is responsible for signing relevant agreements. Qualified financial personnel with extensive relevant experience from our finance department are responsible for executing investments in wealth management products in accordance with such agreement and our policy.

Upon Listing, we intend to continue our investments strictly in accordance with our internal policies and procedures, Articles of Association and compliance requirements under Chapter 14 of the Listing Rules.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Our use of cash primarily related to operating activities and capital expenditure. We have historically financed our operations primarily through a consolidation of cash flow generated from our operations and bank borrowings.

The following table sets forth a summary of our cash flows information for the years/periods indicated:

	Year Ended December 31,			Nine Months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 *(Unaudited)*	RMB'000
Net cash flows from operating activities	1,035,843	860,089	942,949	652,542	886,257
Net cash flows used in investing activities	(388,275)	(390,629)	(591,112)	(640,705)	(621,108)
Net cash flows (used in)/from financing activities	(517,747)	(391,537)	(349,464)	(188,257)	(209,201)
Net increase/(decrease) in cash and cash equivalents	**129,821**	**77,923**	**2,373**	**(176,420)**	**55,948**
Cash and cash equivalents at beginning of the year	657,398	799,820	879,070	879,070	877,485
Effect of foreign exchange rate changes, net	12,601	1,327	(3,958)	2,999	(1,786)
Cash and cash equivalents at end of the year	**799,820**	**879,070**	**877,485**	**705,649**	**931,647**

Net Cash Flows From Operating Activities

Net cash flows from operating activities were RMB886.3 million in the nine months ended September 30, 2025, primarily due to profit before tax of RMB1,036.1 million, adjusted for certain non-cash and/or non-operating items, mainly including (i) depreciation of property, plant and equipment of RMB202.1 million, (ii) finance costs of RMB39.3 million, and (iii) depreciation of right-of-use assets of RMB37.0 million. Adjustments for changes in working capital primarily included (i) increase in trade and other receivables of RMB645.1 million and (ii) increase in inventories of RMB302.7 million partially offset by an increase in trade and other payables of RMB622.6 million.

Net cash flows from operating activities were RMB942.9 million in 2024, primarily due to profit before tax of RMB1,073.9 million, as adjusted for certain non-cash and/or non-operating items, mainly including (i) depreciation of property, plant, and equipment of RMB239.4 million, (ii) finance costs of RMB60.4 million, (iii) impairment losses on goodwill of RMB36.5 million, (iv) depreciation of right-of-use assets of RMB34.6 million, and (v) negative changes in working capital. Adjustments for changes in working capital primarily included (i) an increase in trade and other receivables of RMB847.6 million and (ii) an increase in inventories of RMB180.4 million, partially offset by an increase in trade and other payables of RMB631.7 million.

Net cash flows from operating activities were RMB860.1 million in 2023, primarily due to profit before tax of RMB872.9 million, as adjusted for certain non-cash and/or non-operating items, mainly including (i) depreciation of property, plant, and equipment of RMB212.4 million, (ii) finance costs of RMB66.8 million, (iii) impairment losses on goodwill of RMB28.7 million, (iv) impairment losses on trade receivables of RMB21.6 million, and (v) negative changes in working capital. Adjustments for changes in working capital primarily included (i) an increase in trade and other receivables of RMB634.1 million and (ii) an increase in inventories of RMB26.5 million, partially offset by an increase in trade and other payables of RMB361.0 million.

Net cash flows from operating activities were RMB1,035.8 million in 2022, primarily due to profit before tax of RMB727.4 million, as adjusted for certain non-cash and/or non-operating items, mainly including (i) depreciation of property, plant, and equipment of RMB194.4 million, (ii) finance costs of RMB89.6 million, (iii) amortization of intangible assets of RMB23.9 million, and (iv) positive changes in working capital. Adjustments for changes in working capital primarily included (i) an increase in inventories of RMB118.7 million, and (ii) an increase in trade and other receivables of RMB261.2 million, partially offset by (i) an increase in trade and other payables of RMB383.9 million and (ii) an increase in contract liabilities of RMB20.9 million.

Net Cash Flows Used in Investing Activities

Net cash flows used in investing activities were RMB621.1 million in the nine months ended September 30, 2025, primarily due to purchase of financial assets at FVTPL of RMB1,125.0 million, property, plant and equipment of RMB776.1 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB1,152.9 million.

Net cash flows used in investing activities were RMB591.1 million in 2024, primarily due to purchases of property, plant and equipment and intangible assets of RMB519.1 million, partially offset by interests received of RMB16.7 million.

Net cash flows used in investing activities were RMB390.6 million in 2023, primarily due to purchases of property, plant and equipment and intangible assets of RMB309.6 million, partially offset by proceeds from disposal of property, plant and equipment and other assets of RMB29.6 million.

Net cash flows used in investing activities were RMB388.3 million in 2022, primarily due to purchases of property, plant and equipment and intangible assets of RMB377.9 million, partially offset by proceeds from disposal of property, plant and equipment and other assets of RMB31.3 million.

Net Cash Flows (Used in)/From Financing Activities

Net cash flows used in financing activities were RMB209.2 million in the nine months ended in September 30, 2025, primarily consisting of (i) repayment of borrowings of RMB765.3 million, and (ii) payment for acquisition of additional interests in subsidiaries of RMB344.1 million, partially offset by additions of borrowings of RMB1,401.5 million.

Net cash flows used in financing activities were RMB349.5 million in 2024, primarily consisting of (i) dividends paid of RMB211.9 million, (ii) interest paid of RMB56.9 million, and (iii) repayment of lease liabilities of RMB37.2 million.

Net cash flows used in financing activities were RMB391.5 million in 2023, primarily consisting of (i) repurchase of shares of RMB100.1 million; (ii) interest paid of RMB69.9 million, (iii) dividends paid of RMB50.4 million, and (iv) repayment of lease liabilities of RMB16.1 million.

Net cash flows used in financing activities were RMB517.7 million in 2022, primarily consisting of (i) repayment of lease liabilities of RMB124.8 million, (ii) interest paid of RMB94.1 million, and (iii) dividends paid of RMB44.1 million, partially offset by capital injection by non-controlling interests in subsidiary of RMB69.8 million.

Net Current Assets

The table below sets forth the details of our net current assets as of the dates indicated:

	As of December 31,			As of September 30,	As of December 31,
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 *(unaudited)*
CURRENT ASSETS					
Inventories	701,251	710,277	865,307	1,139,055	1,238,036
Contract assets	18,728	20,163	32,205	36,251	33,397
Trade and other receivables	2,541,348	2,920,745	3,465,350	3,791,039	3,924,380
Tax recoverable	7,566	1,303	596	7,393	8,945
Financial assets at fair value through profit or loss	—	60,245	145,169	120,000	41,772
Restricted bank deposits	23	4,154	1,264	1,863	10,805
Pledged bank deposits	64,721	62,140	59,489	32,989	34,028
Bank balances and cash	799,820	939,070	967,510	951,647	1,288,024
Total current assets	**4,133,457**	**4,718,097**	**5,536,890**	**6,080,237**	**6,579,387**
CURRENT LIABILITIES					
Trade and other payables	1,324,804	1,516,042	1,899,931	2,321,996	2,488,300
Tax payables	46,440	63,457	89,497	84,703	82,436
Bank and other borrowings	1,332,271	1,059,933	774,452	1,485,716	1,538,907
Lease liabilities	16,372	4,937	32,980	39,710	62,847
Contract liabilities	71,106	90,284	79,306	83,804	94,702
Deferred income	8,426	8,325	8,474	7,942	13,316
Total current liabilities	**2,799,419**	**2,742,978**	**2,884,640**	**4,023,871**	**4,280,508**
NET CURRENT ASSETS	1,334,038	1,975,119	2,652,250	2,056,366	2,298,879

Our net current assets increased from RMB1,334.0 million as of December 31, 2022, to RMB1,975.1 million as of December 31, 2023, primarily due to (i) an increase in trade and other receivables of RMB379.4 million; (ii) a decrease in bank and other borrowings of RMB272.3 million; (iii) an increase in bank balances and cash of RMB139.3 million; and (iv) the addition of financial assets at fair value through profit or loss of RMB60.2 million. These were partially offset by (i) an increase in trade and other payables of RMB191.2 million and (ii) an increase in contract liabilities of RMB19.2 million.

Our net current assets further increased from RMB1,975.1 million as of December 31, 2023 to RMB2,652.3 million as of December 31, 2024, primarily due to (i) an increase in trade and other receivables of RMB544.6 million; (ii) a decrease in bank and other borrowings of RMB285.5 million; (iii) an increase in inventories of RMB155.0 million; and (iv) an increase in bank balances and cash of RMB28.4 million. These increases were partially offset by (i) an increase in trade and other payables of RMB383.9 million; (ii) an increase in lease liabilities of RMB28.0 million; and (iii) an increase in tax payables of RMB26.0 million.

Our net current assets decreased from RMB2,652.3 million as of December 31, 2024 to RMB2,056.4 million as of September 30, 2025, primarily due to (i) an increase in trade and other payables of RMB422.1 million, (ii) bank and other borrowings of RMB711.3 million and (iii) lease liabilities of RMB6.7 million. There decrease were partially offset by (i) an increase in inventories of RMB273.7 million and (ii) trade and other receivables of RMB325.7 million.

WORKING CAPITAL SUFFICIENCY

During the Track Record Period, we financed our operations primarily through cash generated from our operating activities as our principal sources of funding, and our primary uses of cash were to fund our capital

expenditures and working capital. Going forward, we believe that our liquidity requirements will be satisfied with a combination of our internal resources, cash flows generated from our operating activities and net proceeds from the Global Offering. As of September 30, 2025, we had cash and cash equivalents of RMB951.6 million.

Taking into account the financial resources available to us, including cash flow from operating activities, our current cash and cash equivalents and the estimated net proceeds from the Global Offering, our Directors are of the view that we have available sufficient working capital for our present requirements, that is for at least the next 12 months from the date of this prospectus.

CAPITAL EXPENDITURE

During the Track Record Period, our Group incurred capital expenditures of RMB451.3 million, RMB321.1 million, RMB519.1 million and RMB779.8 million in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. Our capital expenditures comprised of purchases of items of property, plant and equipment and other assets, which were related to production capacity expansion. Our capital expenditure decreased from RMB451.3 million in 2022 to RMB321.1 million in 2023, primarily due to the completion of the construction of our manufacturing base in Huizhou in 2023. Our capital expenditure increased to RMB519.1 million in 2024, primarily due to (i) the commencement of construction of new manufacturing base located in Huizhou to address our business expansion, (ii) the purchase of equipment for the production of telecoms cable products to expand capacity in response to growing demand, and (iii) the payment of the final installment for the construction of manufacturing base in Wuhan Caidian. Our capital expenditure increased to RMB779.8 million in the nine months ended September 30, 2025, in line with the progress of the construction of the Huizhou base and the expansion of the telecom cable production line.

CAPITAL COMMITMENTS

As of December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025 we had capital commitments of RMB19.1 million, RMB20.3 million, RMB470.6 million and RMB1,044.8 million, respectively, which were in relation to capital expenditure in respect of the acquisition of property and equipment, intangible assets, and associates contracted for but not provided in the historical financial information. Our capital commitment increased from 2023 to 2024, primarily due to (i) the acquisition of equipment in Vietnam and the Huizhou manufacturing bases to expand production capacity in response to growing demand, and (ii) the acquisition of property for the construction of manufacturing bases in Huizhou. Our capital commitment further increased in the nine months ended September 30, 2025, primarily due to (i) the acquisition of property and equipment for the construction of manufacturing base in Huizhou and the expansion of telecom cable production lines, and (ii) the acquisition of property in Malaysia for the construction of manufacturing base.

INDEBTEDNESS

Our indebtedness mainly included bank and other borrowings and lease liabilities during the Track Record Period. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of September 30,	As of December 31,
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 *(unaudited)*
Current					
Bank and other borrowings	1,332,271	1,059,933	774,452	1,485,716	1,538,907
Lease liabilities	16,372	4,937	32,980	39,710	62,847
Non-current					
Bank and other borrowings	554,675	622,632	901,473	826,638	806,381
Lease liabilities	37,543	32,338	193,410	178,433	236,672
Total	**1,940,861**	**1,719,840**	**1,902,315**	**2,530,497**	**2,644,807**

As of December 31, 2025, we had outstanding indebtedness representing interest-bearing bank and other borrowings of RMB2,345.3 million and lease liabilities of RMB299.5 million.

Except as disclosed in the table above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of December 31, 2025. Since December 31, 2025 and up to the date of the prospectus, there had not been any material change to our indebtedness.

Bank and Other Borrowings

	As of December 31,			As of September 30,	As of December 31,
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 *(unaudited)*
Bank borrowings					
Secured	735,576	537,131	621,736	804,495	799,640
Unsecured	432,269	794,311	614,688	1,047,947	1,141,388
Subtotal, bank borrowings	**1,167,845**	**1,331,442**	**1,236,424**	**1,852,442**	**1,941,028**
Bank borrowings under supplier finance arrangement	94,482	18,653	51,049	40,486	39,424
Endorsed bills	317,825	332,470	388,452	419,426	364,836
Bonds	306,794	—	—	—	—
Total	**1,886,946**	**1,682,565**	**1,675,925**	**2,312,354**	**2,345,288**

Our interest-bearing bank and other borrowin-gs primarily consisted of bank loans and other borrowings. As of December 31, 2022, 2023, 2024 and September 30, 2025, our bank and other borrowings were RMB1,886.9 million, RMB1,682.6 million, RMB1,675.9 million and RMB2,312.4 million, respectively.

As of December 31, 2022, 2023, 2024 and September 30, 2025, the range of the effective interest rate of our bank loans was 3.35% to 5.94% per annum, 2.70% to 5.94% per annum, 2.60% to 4.40% per annum and 2.25% to 2.90% per annum, respectively. All of our interest-bearing bank loans and other borrowings are denominated in RMB. During the Track Record Period, we provided invoice discounting financial arrangements to our suppliers upon their requests. As of December 31, 2022, 2023, 2024 and September 30, 2025, we had bank borrowings under such supplier finance arrangement of RMB94.5 million, RMB18.7 million, RMB51.0 million and RMB40.5 million, respectively. Under such finance arrangement:(i) our payment obligations under the electronic debt certificate are unconditional and irrevocable, and are not affected by any commercial disputes between parties involved in the transfer of the electronic debt certificate, and (ii) we are required to pay the holder of the electronic certificate an amount equivalent to the amount under the electronic debt certificate on each payment date.

As of September 30, 2025, we had banking facilities of RMB536.3 million, of which RMB276.3 million had been utilized. In addition, during the Track Record Period and up to the Latest Practicable Date, we did not have any material defaults or breaches of covenants in repayment of indebtedness.

Lease Liabilities

We recognize lease liabilities at the commencement date of the lease at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, we use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. We had lease liabilities of RMB53.9 million, RMB37.3 million, RMB226.4 million, RMB218.1 million and RMB299.5 million as of December 31, 2022, 2023, 2024, September 30, 2025 and December 31, 2025, respectively.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any difficulty in obtaining bank loans and banking facilities.

CONTINGENT LIABILITIES

As of December 31, 2022, 2023, 2024 and September 30, 2025, we did not have any contingent liabilities.

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios for the years/as of the dates indicated:

	As of/Year Ended December 31,			As of/Nine Months ended September 30,
	2022	2023	2024	2025
Gross profit margin[1]	30.2%	31.3%	30.5%	30.9%
Net profit margin[2]	12.3%	13.2%	13.3%	14.5%
Return on equity[3]	14.8%	14.8%	15.9%	14.0%
Return on total assets[4]	8.2%	8.8%	9.6%	8.1%
Current ratio[5]	1.48	1.72	1.92	1.51
Gearing ratio[6]	40.4%	31.5%	31.0%	39.1%
Debt to equity ratio[7]	23.8%	14.3%	15.3%	24.4%

Notes:

(1) Gross profit margin was calculated based on gross profit divided by revenue for the respective year/period.

(2) Net profit margin was calculated based on net profit after taxes divided by revenue for the respective year/period.

(3) Return on equity was calculated based on net profit of the respective year/period, divided by the arithmetic mean of the opening and closing balances of total equity and multiplied by 100%.

(4) Return on total assets was calculated based on net profit of the respective year/period, divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.

(5) Current ratio was calculated based on the total current assets divided by the total current liabilities as of the relevant dates.

(6) Gearing ratio was calculated based on interest-bearing bank and other borrowings divided by total equity as of the relevant dates and multiplied by 100%.

(7) Debt to equity ratio was calculated based on interest-bearing bank and other borrowings net of cash and cash equivalents divided by total equity as of the relevant date and multiplied by 100%.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we had entered into certain related party transactions. For more details, see Note 39 to the Accountants' Report in Appendix I to this prospectus.

Our Directors confirm that, all material related party transactions during the Track Record Period were conducted on normal commercial terms or such terms that were no less favorable to our Group than those available to independent third parties and were fair and reasonable and in the interest of our Shareholders as a whole, and would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance. The pricing for the related party transactions was primarily based on (i) arm's length negotiation; (ii) comparable market price; (iii) the total sales/purchase volume of the transaction. The pricing and credit terms for the related party transactions are comparable those similar transactions with the Independent Third Parties and no favorable terms has been granted to/by such related party. The prices are mutually agreed after taking the prevailing market prices into consideration. The transactions were trade in nature, and our Directors and management will consider a series of factors to determine whether to continue such an arrangement upon Listing and the Global Offering, in the best interest of our Group.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to a variety of financial risks, including credit risk, liquidity risk, and market risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our Group's financial performance. For more details, see Note 37 to the Accountants' Report in Appendix I to this prospectus.

Credit Risk

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in financial losses to us. Our credit risk exposures are primarily attributable to trade and bills receivable, contract assets, other receivables, restricted and pledged bank deposits and bank balances. We do not hold any collateral or other credit enhancements to cover our credit risks associated our its financial assets.

In order to minimize the credit risk, the potential customer's credit quality and defines credit limits by customer and the credit limits assigned to each customer is regularly reviewed by our management. Follow-up actions are taken by us to recover overdue debts if any. We only accepts bills issued or guaranteed by reputable PRC banks if trade receivables are settled by bills and therefore our management considers the credit risk arising from the endorsed bills is significantly reduced. In addition, we review the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

For trade receivables and contract assets, our management assesses the collectability of the trade receivables and contract assets regularly individually and/or collectively for the determination of any loss allowance for the trade receivables and contract assets by taking into account the customers' financial condition, current creditworthiness, past settlement history, business relationship with us and other factors such as current market conditions.

For other receivables, our management considers the historical data, current and forecast of the economic environment of the debtors operate. The credit risk on the other receivables are insignificant as the probability of default is significantly reduced after assessing the counterparties' financial background and creditability.

For bills receivables, our management considers the historical data, current and forecast of the economic environment of the debtors operate. The credit risk on the bills receivables are significantly reduced as the probability of default is considered minimal after assessing the counterparties' financial background and creditability.

Furthermore, credit risk on restricted and pledged bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies or state-owned banks in the PRC.

For more details, see Note 37 to the Accountants' Report in Appendix I to this prospectus.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management to financial our operations and mitigate the effects of fluctuations in cash flows. Our management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

For more details, see Note 37 to the Accountants' Report in Appendix I to this prospectus.

Market Risk

Currency risk

We undertake certain transactions denominated in foreign currencies, which expose us to foreign currency risk. We currently do not use derivative financial instrument to hedge the foreign exchange risk. We manage the foreign currency risk by closely monitoring the movement of the foreign currency rate. Our foreign currency monetary assets are mainly trade and other receivables and bank balances and deposits, and our foreign currency monetary liabilities are mainly trade and other payables.

Interest rate risk

Our interest rate risk arises primarily from bank balances and deposits, bank and other borrowings and lease liabilities. Bank balances and deposits at variable rates and fixed rates expose us to cash flow interest rate risk and fair value interest rate risk, respectively. Our bank balances and deposits are placed with banks, and our management manages this risk by placing deposits at various maturities and interest rate terms. We are also exposed to fair value interest rate risk for fixed rate bank and other borrowings and lease liabilities. Our cash flow interest rate risk is mainly concentrated on the fluctuations of the market rates from bank balances. We currently do not hedge our exposure to cash flow and fair value interest rate risk since we consider our exposure of cash flow interest rate risk arising from variable-rate bank balances and term deposits to be insignificant.

Price risk

Equity price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). We are exposed to price risk arising from listed equity securities classified as FVTOCI as of December 31, 2022, 2023, 2024 and September 30, 2025. For details, including a sensitivity analysis thereto, please see Note 37 to the Accountants' Report in Appendix I to this prospectus.

Capital Management

We manage our capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. Our overall strategy remains unchanged during the Track Record Period.

The capital structure of the Group consists of net debt, which includes the bank and other borrowings and lease liabilities disclosed in Notes 28 and 29 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, retained profits and other reserves.

Our Directors review the capital structure on a regular basis and consider the cost of capital and the risks associated with each class of capital. Based on recommendations of our Directors, we will balance its overall capital structure through the maturity of lease liabilities as well as new share issues and increase of banking facilities or redemption of existing debt. In addition, our management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the historical financial information approximate their fair values at the end of each reporting period based on discounted cash flow analysis.

For details, please see Note 37 to the Accountants' Report in Appendix I to this prospectus.

Upon the Listing and Global Offering, investments will comply with Chapter 14 of the Listing Rules.

DIVIDENDS

On June 13, 2022, we paid a final dividend of RMB44.1 million (RMB0.35 per 10 A Shares) for the year ended December 31, 2021. On May 29, 2023, we paid a final dividend of RMB50.4 million (RMB0.40 per 10 A Shares) for the year ended December 31, 2022. On May 29, 2024, we paid a final dividend of

RMB211.9 million (RMB1.70 per 10 A Shares) for the year ended December 31, 2023. On June 23, 2025, we paid a final dividend of RMB170.7 million (RMB1.37 per 10 A Shares) for the year ended December 31, 2024.

Upon completion of the Global Offering, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the Global Offering.

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

On the basis set out in Appendix IIB to this prospectus, and in the absence of unforeseen circumstances, we estimate our unaudited consolidated profit attributable to owners of our Company for the year ended December 31, 2025 to be not less than RMB1.1 billion . For details about our consolidated profit attributable to owners of our Company for the year ended December 31, 2025, see "Appendix IIB—Profit Estimate."

DISTRIBUTABLE RESERVES

As of September 30, 2025, the Company had retained profits of RMB1,987.4 million, which could be distributed subject to current Articles of Association of the Company and the PRC Company Law. However, such retained profits were restricted from distribution pursuant to certain covenants under bank borrowing agreements between the Company and relevant banks that requested no dividend distribution when the Company recorded net losses, or its profit after tax was insufficient to cover the accumulated losses, or its profit before tax was insufficient to fulfill interest, principal and expense payment obligations under such borrowing agreements.

LISTING EXPENSE

Listing expenses to be borne by us are estimated to be approximately RMB70.6 million (HK$78.8 million) (including underwriting commission), at the Offer Price of HK$20.09 per Share, among which (i) underwriting-related expenses, including underwriting commission and other expenses are approximately RMB42.8 million (HK$47.8 million) and (ii) non-underwriting-related expenses are approximately RMB27.8 million (HK$31.0 million), comprising (a) fees and expenses of legal advisers and accountants of approximately RMB19.5 million (HK$21.8 million) and (b) other fees and expenses of approximately RMB8.3 million (HK$9.2 million). As of September 30, 2025, we incurred a total of RMB14.2 million (HK$15.9 million) in Listing expenses, among which RMB0.6 million (HK$0.7 million) were recognized in our consolidated statement of profit or loss, and RMB13.6 million (HK$15.2 million) were directly attributable to the offering and listing of our Offer Shares and will be deducted from equity upon the Listing.

We estimate that additional Listing expenses of approximately RMB56.4 million (HK$62.9 million), based on the Offer Price of HK$20.09 per Offer Share) will be incurred by us, approximately RMB1.7 million (HK$1.9 million) of which is expected to be charged to our statements of profit or loss, and approximately RMB54.7 million (HK$61.0 million) of which is directly attributable to the offering and listing of our Offer Shares and will be deducted from equity upon the Listing. Our listing expenses as a percentage of gross proceeds is 2.80%. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7

"Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible assets of our Group attributable to the equity shareholders of our Company as of September 30, 2025 as if the Global Offering had taken place on September 30, 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of our Group attributable to equity shareholders of our Company had the Global Offering been completed as of September 30, 2025 or any future date.

	Consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2025	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2025**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2025 per Share**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$20.09 per Share	5,457,233	2,441,066	7,898,299	5.70	6.38

Notes:

(1) The consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2025 is extracted from "Appendix I—Accountants' Report" to the prospectus, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as of September 30, 2025 of approximately RMB6,173,520,000 less goodwill of approximately RMB694,828,000 and intangible assets of approximately RMB21,459,000 as of September 30, 2025.

(2) The estimated net proceeds from the Global Offering are based on the 139,988,800 Offer Shares at Offer Price of HK$20.09 per Offer Share, after deduction of the underwriting fees and other related expenses payable by the Group (excluding the listing expenses that have been charged to profit or loss during the Track Record Period). The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.12 to RMB1, which was the exchange rate prevailing on January 27, 2026. No representation is made that Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate.

(3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is calculated based on 1,386,322,362 Shares (excluding treasury shares) in issue immediately following the completion of the Global Offering had it been completed as of September 30, 2025.

(4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners to owners of the Company per Share is converted from RMB into Hong Kong dollars at an exchange rate of HK$1.12 to RMB1. No representation is made that Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate.

(5) No adjustment has been made to the unaudited pro forma adjusted net tangible assets of the Group attributable to owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to September 30, 2025.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there had been no material adverse change in our financial, operational or prospects since September 30, 2025, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND PROSPECTS

See "Business — Development Strategies" in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK$20.09 per Offer Share (being the maximum amount of the Offer Price range stated in the prospectus), will be approximately HK$2,733.6 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering.

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

- 45%, or approximately HK$1,240.8 million, will be used to diversify our product portfolio and upgrade our products to expand our business scope and increase our market share and penetration, so as to consolidate our leading position in the electronic communication and electrical power transmission industries, including:
    - 28%, or approximately HK$773.1 million, will be used for product development and production capacity expansion of our electronic communications business and to enhance overall product performance. Specifically, we plan to
        - (i) increase our investment in the R&D for products under our electronic communications business, and continue to innovate in materials science and production processes to achieve rapid iteration to meet the evolving needs of our end-users. In particular, to meet market demands from high-value application areas such as electric vehicles, grid modernization, and medical devices, we intend to focus on developing (a) dual-wall tubing, including dual-wall tubing for automotive applications capable of withstanding higher temperatures (up to 200°C) than existing products; highflow, high-temperature, self-curing dual-wall heat-shrinkable tubing applicable in aerospace, automotive, and robotics fields, featuring a lower softening point, higher flowability, stronger adhesion, and superior sealing compared to existing products; and high-flame-retardant dual-wall heat-shrinkable tubing with stronger flame resistance, radiation resistance, and salt/alkali resistance than existing products, designed for aerospace, automotive, and marine applications requiring high flame-retardant ratings and resistance to harsh environmental conditions, (b) busbar insulation sleeves, including cast resin insulated tubular busbar and liquid-cooled busbar, exhibit stronger current-carrying capacity, superior insulation performance, and enhanced product reliability compared to existing products, and (c) medical-grade heat-shrinkable products for minimally invasive interventional procedures. We expect to complete the research and development of the above products progressively during 2026 and 2027; and
        - (ii) strengthen our mass production capacity and delivery efficiency by optimizing production capacity and production resource allocation for our electronic communications products, such as heat-shrinkable tubings, dual-wall tubings, busbar insulation tubings. Driven by the development of new energy, rail transportation, and intelligent manufacturing industries, high-performance heat-shrinkable materials, based on their excellent insulation, corrosion resistance, and waterproof protection, are increasingly used in applications such as wiring for industrial robots, control systems for smart factories, and cables and connectors for rail transit. The market size of heat-shrinkable materials in China and the global market is expected to sustain steady growth from 2025 to 2030, according to F&S. In response to the growing demand in such markets, we plan to expand the existing production base Huizhou Shuikou Plant in Huizhou. These new production facilities for electronic materials products will increase our production capacity in such products of approximately 23.5%, or

1,311.6 million meters, compared to 5,584.8 million meters in 2024. The expansion of the facility of the Huizhou Shuikou Plant is expected to commence in 2026 and be completed in 2027. We also plan to establish a new manufacturing base in East China. This base will primarily produce the electronic material products, with an estimated annual production capacity of approximately 612 million meters. The construction is expected to commence in 2026, and production will begin in 2028; and

- 17%, or approximately HK$467.6 million, will be used for product development and production capacity expansion of our electrical power transmission product business. Specifically, we plan to

  - (i) increase our investment in R&D for NEV power transmission products and power transmission products for stations and grids, and continue to innovate in materials science and production processes to improve product performance. In particular, we will invest in development of products aligning with the national strategy promoting development of alternative energy, such as technological breakthroughs in high-power charging guns and charging gun communication modules for NEVs and development of (a) innovative cable accessories for all voltage levels, capable of operating at ultra-high voltage levels exceeding those of existing products (up to 500kV/750kV), suitable for new energy storage projects and ultra-high voltage grid upgrade projects, (b) cable accessories used in nuclear power scenarios, which demonstrate significantly longer service life under high-temperature conditions, along with superior insulation and flame-retardant performance compared to existing products, and (c) offshore wind power-related products featuring superior corrosion resistance, waterproof sealing, electrical insulation, and reliability compared to existing products. We expect to complete the research and development of the above products progressively during 2026 and 2027. We will also focus on technological upgrades to improve performance of existing product portfolios, including enhancement on product stability in complex environments while strengthening safety protection features, reducing failure risks under extreme operating conditions, as well as production process optimizations and quality control system enhancement; and

  - (ii) strengthen our mass production capacity and delivery efficiency by optimizing production capacity and production resource allocation for electrical power transmission product. Driven by the increased production and sales of NEVs, the market for charging guns growing rapidly. The Chinese government has simultaneously introduced supportive policies to accelerate the adoption of NEVs and increased investments to promote the ongoing development of charging stations and supporting infrastructure, creating a vast market for NEVs charging products. Our liquid-cooled supercharging technology, with its efficient heat dissipation and charging performance, has become a key technology for enhancing the charging efficiency of new energy vehicles. In response to the growing demand in such markets, we plan to expand the existing production base Wuhan Caidian Plant in Wuhan for NEV power transmission products allowing us to increase our production capacity in such products of approximately 18.0%, or 575.6 thousand units, as compared to 3.2 million units in 2024. The expansion of the facility of the Wuhan Caidian Plant is expected to commence in 2026 and be completed in 2027;

- 27%, or approximately HK$727.4 million, will be used to expand our global business footprint and enhance our production capacity in China and Malaysia to meet the growing demand from fast-growing overseas markets. Specifically to:

  - 20%, or approximately HK$557.3 million will be used to (i) establish an new intelligent manufacturing base for telecoms cables and electronic material products in Johor, Malaysia, which is expected to commence operation in 2028; (ii) construct the second phase of the manufacturing base in Malaysia, including payments for land acquisition and plant construction. The production will begin in 2028.

- 2%, or approximately HK$62.2 million will be used to enhance technological innovation and process upgrades in our operations in China and Malaysia to better meet overseas market demand. In particular, we intend to focus on developing products serving telecommunication and alternative energy sectors, which comply with international standards, such as EU CE and US UL, through equipment and process upgrades. In the meantime, we will invest in enhancing logistics management along with production expansion, so that we may reduce response times and enhance coverage on emerging markets;

- 4%, or approximately HK$107.9 million will be used to establish our own global talent pool in Malaysia. In particular, to support our strategic plan on technological innovation and global production capacity layout, we intend to recruit (a) engineers (with bachelor's degree or higher) to strengthen technical support; (b) marketing and sales staff with rich experience and strong resources in relevant regions; (c) administration staff (with bachelor's degree or higher, overseas study or work experience) to support global coordination of our business operations; (d) technical staff (with bachelor's degree or higher); and (e) sufficient production workers and logistics personnel in line with development of overseas production and operations. In line with our current development plan, we expect to recruit nearly 180 employees by 2028;

We will continuously optimize relevant measures in line with development of overseas market dynamics to enhance customer satisfaction and our competitiveness. We believe that this will diversify our customer base and further strengthen our global leadership position;

- 18%, or approximately HK$492.0 million, will be used for potential strategic investments and/or acquisitions. Specifically, we plan to seek suitable strategic investments and/or acquisitions to expand our R&D capabilities and expertise, strengthen our presence across the value chain through resource integration, ensure the stability of our supply chain and better meet the needs of downstream application scenarios.

  - We are particularly interested in midstream and/or upstream enterprises involved in key components of our industry value chain within the fields of electronic materials, telecom cables, and NEV charging connectors etc., which can enhance our technological capabilities and strengthen supply chain resilience. We are also interested in our industry peers which are capable of enriching our product portfolio and expanding our market coverage. We prioritize partners who demonstrate business synergies across technology R&D, manufacturing, market channels, and supply chain management with us, while also exhibiting proven financial performance and innovative R&D capabilities.

  - In selecting suitable acquisition targets, we intend to look into following key factors: (i) whether the target company has strong expertise and industry experience in high-speed data communication or electrical power transmission sectors. It shall possess solid R&D capabilities and project delivery capacity that can align with our core technology strength; (ii) the target company shall be able to create synergies with our existing business and product lines, from supplementing value chain and/or our core technology capability, to enhance our capability to improve industry leadership, so that we can better serve needs from downstream application scenarios; and (iii) the target company must be free of major legal disputes or compliance risks and have a ready and well-defined intellectual property system to effectively avoid potential patent disputes.

  - In addition, we will review the target company's financial health indicators to identify companies that are profitable, or those demonstrating a significant dedication to R&D, where R&D expenses account for no less than 20% of their total revenue. According to F&S, there are sufficient available targets in market that can meet our selection criteria.

- According to F&S, there are approximately 10,000 companies that meet our selection criteria. We will consider acquiring minority interests in a larger target or controlling interests in small- to medium- sized target, depending on the size and business portfolio of the target and the outcome of commercial negotiations. As of the Latest Practicable Date, we had not identified any specific targets for investment and/or acquisition; and

- 10%, or approximately HK$273.4 million will be used for the working capital and general corporate purposes.

In accordance with our above strategy, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

		Year ending December 31,					Approximate % of the total proceeds
		2026	2027	2028	2029	Total	
						(HK$ in million)	
Diversifying our product portfolio and upgrading our products	Product development and production capacity expansion of our electronic communications business	41%	29%	23%	7%	773.1	28%
	Product development and production capacity expansion of our electrical power transmission product business	38%	28%	22%	11%	467.6	17%
Expand our global business footprint		44%	47%	4%	5%	727.4	27%
Potential strategic investments and/or acquisitions		–*	–*	–*	–*	492.0	18%
Working capital and general corporate purposes		25%	25%	25%	25%	273.4	10%

Note:

* As of the Latest Practicable Date, we had not identified any specific targets for investment and/or acquisition; therefore, we have not yet determined the timeframe for implementation.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a lower level compared to the highest point of the estimated Offer Price range.

To the extent that the net proceeds from the Global Offering are not immediately applied to the above purposes, we will only hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions).

HONG KONG UNDERWRITERS

China Securities (International) Corporate Finance Company Limited

China Merchants Securities (HK) Co., Limited

Shanxi Securities International Limited

DBS Asia Capital Limited

Futu Securities International (Hong Kong) Limited

Tiger Brokers (HK) Global Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. Our Company expects the International Offering to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 13,999,000 Hong Kong Offer Shares and the International Offering of initially 125,989,800 International Offer Shares, subject, in each case, to reallocation on the basis as described in "Structure of the Global Offering" in this prospectus.

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on February 4, 2026. As described in the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares for subscription on and subject to the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting the listing of, and permission to deal in, our H Shares in issue and to be issued pursuant to the Global Offering as mentioned herein and the listing and permission not having been revoked and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally (but not jointly) to subscribe or procure subscribers for their applicable proportion of the Hong Kong Offer Shares which are now being offered but are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Sponsor-overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters), in their sole and absolute discretion, shall have the right by giving a written notice to our Company to terminate the Hong Kong Underwriting Agreement with immediate effect if, any of the following events shall occur prior to 8:00 a.m. on the Listing Date:

(a) there develops, occurs, exists or comes into force:

  (i) any new law or regulation or any change or development involving a prospective change in existing law or regulation, or any change or development involving a prospective change in the interpretation or

application thereof by any court or other competent authority in or affecting Hong Kong, the PRC, the United States or other jurisdictions relevant to the Company (each a "**Relevant Jurisdiction**"); or

(ii) any change or development involving a prospective change, or any event or series of events likely to result in a change or prospective change, in local, national, regional or international financial, political, military, industrial, economic, fiscal, regulatory, currency, credit or market conditions or sentiments, equity securities or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) or currency exchange rate or controls in or affecting any Relevant Jurisdictions; or

(iii) any event or series of local, national, regional or international events in the nature of force majeure including, without limitation, acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, public disorder, paralysis in government operations, acts of war, acts of God, epidemic, pandemic, outbreak or escalation of infectious disease, (including without limitation COVID-19, SARS, MERS, H5N1, H1N1, swine or avian influenza or such related/mutated forms), accident or interruption or delay in transportation) in or affecting any of the Relevant Jurisdictions, or without limiting the foregoing, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions; or

(iv) the imposition or declaration of (A) any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; (B) any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market or (C) any moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services in those places or jurisdictions; or

(v) other than with the prior written consent of the Joint Sponsors, the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus, the offering circular, the CSRC Filings or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange, the SFC and/or the CSRC; or

(vi) any (A) change or prospective change in taxation, exchange controls, currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies), or the implementation of any exchange control in any of the Relevant Jurisdictions, or (B) any change or prospective change in taxation in any Relevant Jurisdiction adversely affecting an investment in the H Shares; or

(vii) the commencement by any Governmental Authority or other regulatory or political body or organization of any public action or investigation against a Director or an announcement by any such Governmental Authority or regulatory or political body or organization that it intends to take any such action; or

(viii) the imposition of sanctions on any member of the Group or the withdrawal of trading privileges which existed on the date of this Agreement, in whatever form, directly or indirectly, by, or on, any Relevant Jurisdiction; or

(ix) any adverse change or development or event involving a prospective adverse change in the Group's assets, liabilities, profits, losses, performance, financial condition, business, earnings, trading position or prospects, or any change in capital stock or long-term debt of the Group, or any loss or interference with the assets, operations or business of the Group, which (in any such case) is not set out in the Prospectus; or

(x) any event, act or omission which gives rise or is likely to give rise to any liability of the Company pursuant to the indemnities in this Agreement; or

(xi) any demand by creditors for repayment of indebtedness or an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

(xii) any non-compliance of the Prospectus, the CSRC Filings (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares) or any aspect of the Global Offering with the Listing Rules, the CSRC Rules or any other applicable law; or

(xiii) any change or development involving a prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in the Prospectus; or

(xiv) any litigation or claim instigated, or any litigation or claim being threatened against any member of the Group or any Director in any Relevant Jurisdiction; or

(xv) any contravention by the Company or any Director of the Listing Rules or applicable laws;

which, in any such case individually or in the aggregate, in the absolute opinion of the Sponsor-overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters): (I) has or will or may have a material adverse effect; (II) has or will or may have a material adverse effect on the success of the Global Offering and/or make it impracticable or inadvisable for any material part of this Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged; or (III) has or will or may have a material adverse effect on the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or (IV) make, will or may make it impracticable or inadvisable to proceed with the Hong Kong Public Offering and/or the Global Offering, to market the Global Offering or the delivery of Shares on the Listing Date; or (V) has or will or may have the effect of making any part of this Agreement (including underwriting) impracticable or incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of any the Joint Sponsors and the Sponsor-overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(i) that any statement contained in any of the offering documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become untrue, incorrect, inaccurate or misleading in any respect; or

(ii) that any estimate, forecast, expression of opinion, intention or expectation contained in any of the offering documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

(iii) any matter which would, if the offering documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) were issued at that time, constitute a material omission therefrom; or

(iv) it becomes necessary for the Company to issue a supplement to the prospectus or the CSRC Filings (or to any other documents used in connection with the Global Offering) pursuant to the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules, the CSRC Rules or any requirement or request of the Stock Exchange, the SFC and/or the CSRC; or

(v) any breach of, or any event rendering untrue, inaccurate, incomplete or incorrect in any respect, any of the warranties given by the Company in the Hong Kong Underwriting Agreement; or

(vi) any breach of any of the obligations of the Company to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (to the extent they are party to such agreement); or

(vii) any material adverse change, or any development or any prospective material adverse change or development, in the condition (financial or otherwise) or in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole; or

(viii) that (A) any Director of the Company named in the Prospectus seeks to retire, or is removed or vacated from office, or (B) any certificate given by the Company or any of its respective officers to the Sponsor-overall Coordinator under or in connection with the Hong Kong Underwriting Agreement or the Global Offering is false or misleading in any respect, or (C) any Director or any member of senior management of the Company named in the Prospectus charged with an indictable offence or is being prohibited by operation of law or otherwise disqualified from taking part in the management of a company or the commencement by any government, political, regulatory body of any action against any Director in his or her capacity as such or an announcement by any governmental, political regulatory body that it intends to take any such action; or

(ix) the Company withdraws the Prospectus (and/or any other documents used in connection with the subscription of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

(x) the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares is refused or not granted, other than subject to customary conditions, on or before the date of the listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(xi) any expert (other than any of the Joint Sponsors) whose consent is required to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears, has withdrawn its consent; or

(xii) any prohibition on the Company for whatever reason by a government authority from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or

(xiii) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Sponsor-overall Coordinator, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws; or

(xiv) that (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise, then the Sponsor-overall Coordinator (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice orally or in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange Pursuant to the Listing Rules

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that, no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of H Shares or securities will be completed within six months from the Listing Date), except for the issuance of H Shares or securities pursuant to the Global Offering, or for circumstances permitted under Rule 10.08 of the Listing Rules.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company

Pursuant to the Hong Kong Underwriting Agreement, the Company has undertaken to each of the Joint Sponsors, the Sponsor-overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that except pursuant to the Global Offering, at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the **"First Six Month Period**"), it will not, without the prior written consent of the Joint Sponsors and the Sponsor-overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption or other third party claim, defect, right, interest or preference granted to any third party, or any other encumbrance or security interest of any kind, or an agreement, arrangement or obligation to create any of the foregoing (the "**Encumbrance** ") over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in the share capital or any other equity securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represents the right to receive, or any warrants or other rights to purchase any share capital or other equity securities of the Company, as applicable), or deposit any share capital or other equity securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts;

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of Shares or any other equity securities of the Company or any interest in any of the foregoing (including, without limitation, any equity securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares);

(c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above; or

(d) offer to or agree to do any of the foregoing or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other equity securities, in cash or otherwise (whether or not the issue of such share capital or other equity securities will be completed within the First Six Month Period). The Company further agreed that, in the event the Company is allowed to enter into any of the transactions described in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (the "**Second Six Month Period**"), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any H Shares or other equity securities of the Company.

The Company has agreed and undertaken to each of the Joint Sponsors, the Sponsor-overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that it will comply with the minimum public float requirements specified in the Listing Rules or any waiver granted and not revoked by the Stock Exchange (the "**Minimum Public Float Requirement**"), and it will not effect any purchase of the H Shares, or agree to do so, which may reduce the holdings of the H Shares held by the public (as defined in Rule 8.24 of the Listing Rules) to below the Minimum Public Float Requirement on or before the date falling six months after the Listing Date without first having obtained the prior written consent of the Sponsor-overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) (which consents shall not be unreasonably withheld, delayed or rejected).

Hong Kong Underwriters' Interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any H Shares or any securities of any member of our Group or had any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of our H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

The International Offering

In connection with the International Offering, it is expected that the Company will enter into the International Underwriting Agreement with the Joint Sponsors, the Sponsor-overall coordinators and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, severally and not jointly, agree to purchase the International Offer Shares being offered pursuant to the International Offering or procure subscribers or purchasers for such International Offer Shares.

It is expected that the International Underwriting Agreement may be terminated on similar ground as the Hong Kong Underwriting Agreement. Potential investors shall be reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

Commission and Expenses

The Capital Market Intermediaries will receive an underwriting commission of 1.2% of the aggregate Offer Price of all the Offer Shares, out of which they will pay any sub-underwriting commissions and other fees.

The Capital Market Intermediaries may receive a discretionary incentive fee of up to 0.5% of the aggregate Offer Price of all the Offer Shares to be issued by our Company under the Global Offering.

Assuming full payment of the discretionary incentive fee, the fixed fees and the discretionary fees payable to the Underwriters represent approximately 44.5% and 55.5%, respectively, of the aggregate fees payable to the Capital Market Intermediaries in total in connection with the Global Offering.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate underwriting commissions payable to the Capital Market Intermediaries in relation to the Global Offering (assuming (i) an indicative offer price of HK$20.09 per Offer Share (which is the maximum Offer Price) and (ii) the full payment of the discretionary incentive will be approximately HK$47.81 million.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$78.82 million (assuming (i) an indicative offer price of 20.09 per Offer Share (which is the maximum Offer Price) and (ii) the full payment of the discretionary incentive.

Indemnity

The Company has agreed to indemnify the Joint Sponsors, the Sponsor-overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries for certain losses which they may suffer, including losses incurred from its performance of its obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

Joint Sponsors' Fee

A total fee of US$450,000 is payable by the Company as sponsor fees to each of the Joint Sponsors.

JOINT SPONSORS' INDEPENDENCE

Each of the Joint Sponsors satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, fund management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, securities investment and trading in the H Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the Stock Exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the followings:

(a) the Syndicate Members and their respective affiliates must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative

transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members and their respective affiliates must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and each of their affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(a) the Hong Kong Public Offering of 13,999,000 H Shares (subject to adjustment as mentioned below) in Hong Kong as described below in the section headed "The Hong Kong Public Offering"; and

(b) the International Offering of an aggregate of 125,989,800 H Shares (subject to adjustment as mentioned below) outside the United States in offshore transactions in accordance with Regulation S.

Investors may apply for Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 10% of the enlarged issued share capital of the Company immediately after completion of the Global Offering.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

We are initially offering 13,999,000 Shares for subscription by the public in Hong Kong at the Offer Price, representing 10% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 1.0% of the Company's enlarged issued share capital immediately after completion of the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in "—Conditions of the Global Offering."

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) under the International Offering.

The listing of the H Shares on the Stock Exchange is sponsored by the Joint Sponsors. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$20.09 per Hong Kong Offer Share in addition to the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable on each Hong Kong Offer Share. If the Offer Price, as finally determined in the manner described in "—Pricing and Allocation" below, is less than the maximum Offer Price of HK$20.09 per Offer Share, appropriate refund payments (including the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. For further details, see "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

The International Offering will consist of an initial offering of 125,989,800 Offer Shares, representing 90% of the total number of Offer Shares initially available under the Global Offering and approximately 9.0% of the Company's enlarged issued share capital immediately after completion of the Global Offering.

The Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Sponsor-overall Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the International Offering.

Any investor who has been offered Offer Shares and has made an application under the Hong Kong Public Offering shall provide sufficient information to the Sponsor-overall Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that such investor will not apply for any Offer Shares under the Hong Kong Public Offering.

PRICING AND ALLOCATION

Pricing

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or before Wednesday, February 11, 2026 (Hong Kong time) and in any event on or before 12:00 on Wednesday, February 11, 2026 (Hong Kong time), by agreement between the Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) and the Company and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

We will determine the Offer Price by reference to, among other factors, the closing price of the A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date (which is accessible to the Shareholders and potential investors at https://www.szse.cn/English/siteMarketData/siteMarketDatas/lookup/index.html?code=002130), and the Offer Price will not be more than HK$20.09. The historical prices of our A Shares and trading volume on Shenzhen Stock Exchange are set out below.

Period	High	Low	ADTV[1]
	(RMB)	*(RMB)*	*(A Share)*
Year ended December 31, 2022	8.35	4.95	18,247,654
Year ended December 31, 2023	8.43	6.41	19,270,223
Year ended December 31, 2024	29.22	5.10	114,948,628
Nine months ended September 30, 2025	34.19	16.18	107,985,995
Period from September 30, 2025 to the Latest Practicable Date	33.34	24.00	74,700,115

Note:

(1) Average daily trading volume ("**ADTV**") represents daily average number of the A Shares of the Company traded over the relevant period.

The International Underwriters will be soliciting from prospective investor indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire at the Offer Price. This process, known as "book-building", is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

If, based on the level of interest expressed by prospective institutional, professional and other investors during the book-building process, the Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) and the Joint Sponsors consider it appropriate, with our consent, the number of Offer Shares being

offered under the Global Offering stated in this prospectus may be reduced at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of Tuesday, February 10, 2026, being the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the Stock Exchange's website at **www.hkexnews.hk**, and on our Company's website at **www.woer.com** notice of such reduction in the number of Offer Shares being offered under the Global Offering. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering and/or the maximum Offer Price may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering.

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in "How to Apply for Hong Kong Offer Shares — B. Publication of Results."

Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channel), the maximum Offer Price per Hong Kong Offer Share plus the brokerage fee of 1.0%, the SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, amounting to a total of HK$4,058.53 for one board lot of 200 H Shares. If the Offer Price, as finally determined in the manner described above, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in "How to Apply for Hong Kong Offer Shares."

Announcement of Final Pricing of the Offer Shares

The Offer Price for H Shares under the Global Offering is expected to be announced on Thursday, February 12, 2026. The level of indications of interest in the Global Offering, the level of applications and the basis of allotment of Hong Kong Offer Shares available under the Hong Kong Public Offering, are expected to be announced on Thursday, February 12, 2026 on the website of the Company (**www.woer.com**) and the website of the Stock Exchange (**www.hkexnews.hk**).

Allocation

Allocation under the Hong Kong Public Offering

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (subject to the reallocation of the Offer Shares between the Hong Kong Public Offering and the International Offering referred to below) is to be divided equally into two pools (to the nearest board lot) for allocation purposes (with any odd board lots being allocated to pool A): pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction

levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value of pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 6,999,400 Offer Shares, being the number of Hong Kong Offer Shares initially allocated to each pool and representing 50% of 13,999,000 Hong Kong Offer Shares initially available under the Hong Kong Public Offering, are to be rejected.

Allocation under the International Offering

The International Offering will include selective marketing of International Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such International Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of International Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "—Pricing and Allocation" above and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to hold or sell its H Shares, after the Listing. Such allocation is intended to result in a distribution of our H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base for the benefit of the Company and its Shareholders as a whole.

The Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered International Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sponsor-overall Coordinators so as to allow it to identify the relevant application under the Hong Kong Public Offering and to ensure that it is excluded from any application of Offer Shares under the Hong Kong Public Offering.

Reallocation

The Sponsor-overall Coordinators may allocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 6,999,200 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 20,998,200 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering in accordance with Chapter 4.14 of the Guide.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sponsor-overall Coordinators deems appropriate.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

If the Hong Kong Public Offering is not fully subscribed, the Sponsor-overall Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Sponsor-overall Coordinators deem appropriate.

However, if neither the Hong Kong Public Offering nor the International Offering is fully subscribed, the Global Offering will not proceed unless the Underwriters would subscribe for or procure subscribers to subscribe for respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus and the underwriting agreements.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Sponsor-overall Coordinators (for themselves and on behalf of the Underwriters) and our Company agreeing on the Offer Price.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering and the approval for such listing and permission not subsequently having been revoked prior to the Listing Date;

(b) the Offer Price being duly agreed between the Sponsor-overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Company on or before the Price Determination Date;

(c) the execution and delivery of the International Underwriting Agreement on or before the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement or the International Underwriting Agreement (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the Price Determination Date.

If, for any reason, the Offer Price is not agreed between the Sponsor-overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and the Company on or before 12:00 noon on Price Determination Date, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published on the website of the Company **(www.woer.com)** and the website of the Stock Exchange (**www.hkexnews.hk**) on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares—D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

DEALING ARRANGEMENT

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, February 13, 2026, it is expected that dealings in our H Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, February 13, 2026. Our H Shares will be traded in board lots of 200 H Shares each. The stock code of the H Shares is 9981.

H Share certificates issued in respect of the Offer Shares will only become valid evidence of title at 8:00 a.m. on Friday, February 13, 2026 provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination" in this prospectus has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.woer.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- have a Hong Kong address (for the **White Form eIPO** service only); and
- are outside the United States (within the meaning of Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S.

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to our Company, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder of our Company;
- are a Director, or chief executive of our Company and/or a director, supervisor or chief executive of any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above persons;
- are a connected person (as defined in the Listing Rules) of our Company or will become a connected person of our Company immediately upon the completion of the Global Offering; or
- have been allocated or have applied for or indicated an interest in any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Thursday, February 5, 2026 and end at 12:00 noon on Tuesday, February 10, 2026 (Hong Kong time).

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

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	**www.eipo.com.hk**	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Thursday, February 5, 2026 to 11:30 a.m. on Tuesday, February 10, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, February 10, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit **electronic application instructions** on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. LEI registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for the Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice. The maximum number is subject to change, if the Company's Articles of Incorporation and applicable company law prescribe a lower cap.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

   If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Sponsor-overall Coordinators as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	200 H Shares
Permitted number of Hong Kong Offer Shares for application and amount payable on application/ successful allotment	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below. The maximum Offer Price is HK$20.09 per H Share. If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for. By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian. If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application
	HK$		HK$		HK$		HK$
200	4,058.53	4,000	81,170.43	60,000	1,217,556.47	800,000	16,234,086.12
400	8,117.04	5,000	101,463.04	70,000	1,420,482.54	900,000	18,263,346.89
600	12,175.57	6,000	121,755.64	80,000	1,623,408.61	1,000,000	20,292,607.66
800	16,234.08	7,000	142,048.26	90,000	1,826,334.69	2,000,000	40,585,215.30
1,000	20,292.61	8,000	162,340.86	100,000	2,029,260.76	3,000,000	60,877,822.96
1,200	24,351.13	9,000	182,633.47	200,000	4,058,521.54	4,000,000	81,170,430.60
1,400	28,409.65	10,000	202,926.07	300,000	6,087,782.30	5,000,000	101,463,038.26
1,600	32,468.18	20,000	405,852.15	400,000	8,117,043.05	6,000,000	121,755,645.90
1,800	36,526.69	30,000	608,778.22	500,000	10,146,303.83	6,999,400[1]	142,036,077.98
2,000	40,585.21	40,000	811,704.31	600,000	12,175,564.59		
3,000	60,877.83	50,000	1,014,630.38	700,000	14,204,825.35		

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

(2) The amount payable is inclusive of the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "*—A. Application for Hong Kong Offer Shares—3. Information Required to Apply.* "If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize us and/or the Sponsor-overall Coordinators as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons, the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "—G. Personal Data —3. Purposes" and "—G. Personal Data—4. Transfer of personal data";

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed " —B. Publication of Results";

(x) confirm that you are aware of the situations specified in the paragraph headed "—C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares";

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) on firm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Sponsor-overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the **White Form eIPO** Service Provider or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC and the **White Form eIPO** Service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

1. Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **White Form eIPO** service or HKSCC EIPO channel:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID Number" function. The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	24 hours, from 11:00 p.m. on Thursday, February 12, 2026 to 12:00 midnight on Wednesday, February 18, 2026 (Hong Kong time)
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.woer.com** which will provide links to the above mentioned websites of the H Share Registrar	No later than 11:00 p.m. on Thursday, February 12, 2026 (Hong Kong time)
Telephone	+852 2862 8555 – the allocation results telephone enquiry line provided by the H Share Registrar.	between 9:00 a.m. and 6:00 p.m., on Friday, February 13, 2026, Monday, February 16, 2026, Friday, February 20, 2026 and Monday, February 23, 2026

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Wednesday, February 11, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, February 11, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

2. Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the Global Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.woer.com** by no later than 11:00 p.m.on Thursday, February 12, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Sponsor-overall Coordinators the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "—A. Application for Hong Kong Offer Shares—5. Multiple Applications Prohibited" on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Sponsor-overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the Global Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Friday, February 13, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" in this prospectus has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of H Share certificate[1] **Physical share certificates of 1,000,000 or more Offer Shares issued under your own name**	Collection in person from H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Time: Friday, February 13, 2026 (Hong Kong time) If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required.

	White Form eIPO service	HKSCC EIPO channel
	Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	
physical share certificates of less than 1,000,000 Offer Shares issued under your own name	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk. Time: Thursday, February 12, 2026	

Refund mechanism for surplus application monies paid by you

Date	Friday, February 13, 2026	Subject to the arrangement between you and your broker or custodian.
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	**White Form** e-Refund payment instructions to your designated bank account.	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it.
Application monies paid through multiple bank accounts	Refund check(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

Note:

1. Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong in the morning on Thursday, February 12, 2026 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. See "—E. Bad Weather Arrangements."

E. SEVERE WEATHER ARRANGEMENTS

1. The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, February 10, 2026 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an "extreme conditions" announcement issued after a super typhoon ("**Extreme Conditions**"), (collectively, "**Severe Weather Signals**"),

in force in Hong Kong at any time 9:00 a.m. and 12:00 noon on Tuesday, February 10, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Bad Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.woer.com** of the revised timetable.

If a Severe Weather Signal is hoisted on Thursday, February 12, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Friday, February 13, 2026.

If a Severe Weather Signal is hoisted on Thursday, February 12, 2026, for physical share certificates of less than 1,000,000 Offer Shares issued under your own name, the despatch of physical H Share certificates will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Friday, February 13, 2026 or on Friday, February 13, 2026).

If a Severe Weather Signal is hoisted on Friday, February 13, 2026, for physical share certificates of 1,000,000 or more Offer Shares issued under your own name, physical H Share certificates will be available for collection in person at the H Share Registrar's office after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Friday, February 13, 2026 or on Monday, February 16, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional adviser for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund check and White Form e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the

extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecoms, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-97, prepared for inclusion in this prospectus, received from the independent reporting accountants of the Company, Moore CPA Limited, Certified Public Accountants, Hong Kong.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN WOER HEAT-SHRINKABLE MATERIAL CO., LTD., CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED AND CHINA MERCHANTS SECURITIES (HK) CO., LIMITED

Introduction

We report on the historical financial information of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-97, which comprises the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the years ended December 31, 2022, 2023 and 2024 and for the nine months ended September 30, 2025 (the "**Track Record Period**"), the consolidated statements of financial position of the Group as at December 31, 2022, 2023 and 2024 and September 30, 2025, the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and September 30, 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-97 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated February 5, 2026 (the "**Prospectus**") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 ("**HKSIR 200**") "Accountants' Reports on Historical Financial Information in Investment Circulars'' issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the consolidated financial position of the Group as at December 31, 2022, 2023 and 2024 and September 30, 2025 and of the financial position of the Company as at December 31, 2022, 2023 and 2024 and September 30, 2025 and of the financial performance and cash flows of the Group for the Track Record Period in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the nine months ended September 30, 2024 and other explanatory information (the ''**Stub Period Comparative Financial Information**''). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'' issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

Yours faithfully,

Moore CPA Limited
Certified Public Accountants

Hong Kong, February 5, 2026

I. HISTORICAL FINANCIAL INFORMATION

Preparation of the Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board (the "**IASB**") and were audited by Moore CPA Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,			Nine months ended September 30,	
		2022	2023	2024	2024	2025
	Notes	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	6	5,336,649	5,718,841	6,920,102	4,815,515	6,076,678
Cost of sales		(3,724,687)	(3,930,200)	(4,809,739)	(3,320,800)	(4,198,941)
Gross profit		1,611,962	1,788,641	2,110,363	1,494,715	1,877,737
Other income, gains and losses	7	91,145	88,339	91,919	62,902	48,884
Selling expenses		(314,238)	(323,933)	(353,553)	(243,306)	(283,870)
Administrative expenses		(248,248)	(297,873)	(345,659)	(215,713)	(235,310)
Research and development expenses		(305,808)	(309,962)	(348,694)	(243,104)	(325,688)
Share of results of associates		6,060	9,877	9,807	9,288	4,164
Finance costs	8	(89,595)	(66,778)	(60,439)	(44,933)	(39,273)
Impairment losses on financial assets, net	9	(23,922)	(15,434)	(29,881)	(7,504)	(9,922)
Listing expenses		–	–	–	–	(636)
Profit before taxation	9	727,356	872,877	1,073,863	812,345	1,036,086
Income tax expense	10	(67,109)	(115,150)	(153,360)	(103,102)	(152,783)
PROFIT FOR THE YEAR/PERIOD		660,247	757,727	920,503	709,243	883,303
OTHER COMPREHENSIVE (EXPENSE)/INCOME						
Item that may be reclassified to profit or loss:						
Exchange differences arising on translation of foreign operations		8,311	(36)	1,280	23	(109)
Item that will not be reclassified to profit or loss:						
Fair value (loss)/gain on investments in equity instruments at fair value through other comprehensive income, net of tax		(32,813)	11,683	(8,926)	(10,774)	(29,728)
Other comprehensive (expenses)/income for the year/period		(24,502)	11,647	(7,646)	(10,751)	(29,837)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		635,745	769,374	912,857	698,492	853,466
PROFIT FOR THE YEAR/PERIOD ATTRIBUTABLE TO:						
Owners of the Company		614,623	700,483	847,551	655,096	821,839
Non-controlling interests		45,624	57,244	72,952	54,147	61,464
		660,247	757,727	920,503	709,243	883,303
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD ATTRIBUTABLE TO:						
Owners of the Company		590,121	712,436	839,695	644,348	791,924
Non-controlling interests		45,624	56,938	73,162	54,144	61,542
		635,745	769,374	912,857	698,492	853,466
EARNINGS PER SHARE	14					
Basic (RMB)		0.49	0.56	0.68	0.53	0.66
Diluted (RMB)		0.49	0.56	0.68	0.53	0.66

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000	As at September 30, 2025 RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	15	2,721,815	2,837,427	3,055,160	3,620,300
Right-of-use assets	16	317,937	295,850	487,622	715,318
Goodwill	17	759,972	731,307	694,828	694,828
Intangible assets	18	17,724	36,064	25,874	21,459
Investment properties	19	14,342	15,700	14,321	13,251
Interests in associates	21	48,424	54,464	57,373	51,231
Equity instruments at fair value through other comprehensive income	22	161,122	186,346	175,843	125,406
Deferred tax assets	32	73,247	55,276	61,081	65,830
Contract assets	24	8,216	4,189	8,016	5,282
Trade and other receivables	25	62,480	45,716	113,318	243,242
Total non-current assets		4,185,279	4,262,339	4,693,436	5,556,147
CURRENT ASSETS					
Inventories	23	701,251	710,277	865,307	1,139,055
Contract assets	24	18,728	20,163	32,205	36,251
Trade and other receivables	25	2,541,348	2,920,745	3,465,350	3,791,039
Tax recoverable		7,566	1,303	596	7,393
Financial assets at fair value through profit or loss	22	–	60,245	145,169	120,000
Restricted bank deposits	26	23	4,154	1,264	1,863
Pledged bank deposits	26	64,721	62,140	59,489	32,989
Bank balances and cash	26	799,820	939,070	967,510	951,647
Total current assets		4,133,457	4,718,097	5,536,890	6,080,237
CURRENT LIABILITIES					
Trade and other payables	27	1,324,804	1,516,042	1,899,931	2,321,996
Tax payables		46,440	63,457	89,497	84,703
Bank and other borrowings	28	1,332,271	1,059,933	774,452	1,485,716
Lease liabilities	29	16,372	4,937	32,980	39,710
Contract liabilities	30	71,106	90,284	79,306	83,804
Deferred income	31	8,426	8,325	8,474	7,942
Total current liabilities		2,799,419	2,742,978	2,884,640	4,023,871
NET CURRENT ASSETS		1,334,038	1,975,119	2,652,250	2,056,366
TOTAL ASSETS LESS CURRENT LIABILITIES		5,519,317	6,237,458	7,345,686	7,612,513
NON-CURRENT LIABILITIES					
Deferred tax liabilities	32	57,075	53,718	62,398	87,492
Bank and other borrowings	28	554,675	622,632	901,473	826,638
Lease liabilities	29	37,543	32,338	193,410	178,433
Deferred income	31	70,630	66,266	60,076	54,254
Total non-current liabilities		719,923	774,954	1,217,357	1,146,817
Net assets		4,799,394	5,462,504	6,128,329	6,465,696
EQUITY					
Share capital	33	1,259,899	1,259,899	1,259,899	1,259,899
Reserves	34	3,082,723	3,647,648	4,274,906	4,913,621
Total equity attributable to owners of the Company		4,342,622	4,907,547	5,534,805	6,173,520
Non-controlling interests		456,772	554,957	593,524	292,176
Total equity		4,799,394	5,462,504	6,128,329	6,465,696

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31,			As at September 30,
		2022	2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	15	452,116	444,831	371,902	403,056
Right-of-use assets	16	22,931	22,290	21,649	21,168
Intangible assets	18	14,118	30,726	21,234	17,017
Interests in subsidiaries	20	2,997,615	3,145,962	3,196,160	3,807,232
Interests in associates	21	48,424	54,464	51,615	51,231
Equity instruments at fair value through other comprehensive income	22	161,122	178,789	165,964	125,406
Deferred tax assets	32	53,984	41,663	48,680	52,952
Contract assets	24	8,216	4,189	8,016	5,081
Trade and other receivables	25	48,740	28,624	14,513	20,032
Total non-current assets		3,807,266	3,951,538	3,899,733	4,503,175
CURRENT ASSETS					
Inventories	23	157,545	135,573	89,115	123,356
Contract assets	24	2,918	261	9,668	10,355
Trade and other receivables	25	826,416	847,769	835,303	829,346
Tax recoverable		–	–	–	3,646
Amounts due from subsidiaries	20	504,713	349,016	610,485	411,580
Restricted bank deposits	26	9	2,859	23	23
Pledged bank deposits	26	33,109	17,354	16,491	23,991
Bank balances and cash	26	155,918	248,765	169,429	201,814
Total current assets		1,680,628	1,601,597	1,730,514	1,604,111
CURRENT LIABILITIES					
Trade and other payables	27	322,275	304,332	348,205	416,103
Tax payable		5,140	13,187	10,802	–
Bank and other borrowings	28	827,014	633,954	262,737	967,453
Amounts due to subsidiaries	20	866,315	981,913	968,418	566,240
Contract liabilities	30	35,727	47,568	30,468	23,162
Deferred income	31	6,982	6,217	6,354	5,266
Total current liabilities		2,063,453	1,987,171	1,626,984	1,978,224
NET CURRENT(LIABILITIES)/ASSETS		(382,825)	(385,574)	103,530	(374,113)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,424,441	3,565,964	4,003,263	4,129,062
NON-CURRENT LIABILITIES					
Bank and other borrowings	28	412,500	381,575	709,240	558,390
Deferred income	31	47,541	42,614	36,688	29,677
Total non-current liabilities		460,041	424,189	745,928	588,067
Net assets		2,964,400	3,141,775	3,257,335	3,540,995
EQUITY					
Share capital	33	1,259,899	1,259,899	1,259,899	1,259,899
Reserves	34	1,704,501	1,881,876	1,997,436	2,281,096
Total equity		2,964,400	3,141,775	3,257,335	3,540,995

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company										
	Share capital	Capital reserve	Treasury share	Translation reserve	Share-based payments reserve	Fair value reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 33)	RMB'000	RMB'000	RMB'000	RMB'000 (Note 36)	RMB'000 (Note 34)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	1,259,899	248,213	–	(15,365)	3,187	(87,295)	416,903	1,954,068	3,779,610	357,541	4,137,151
Profit for the year	–	–	–	–	–	–	–	614,623	614,623	45,624	660,247
Exchange differences arising on translation of foreign operations	–	–	–	8,311	–	–	–	–	8,311	–	8,311
Fair value loss on investments in equity instruments at fair value through other comprehensive income	–	–	–	–	–	(32,813)	–	–	(32,813)	–	(32,813)
Total comprehensive income/(expense) for the year	–	–	–	8,311	–	(32,813)	–	614,623	590,121	45,624	635,745
Dividend paid (note 13)	–	–	–	–	–	–	–	(44,096)	(44,096)	–	(44,096)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(125)	(125)
Appropriation to statutory reserve	–	–	–	–	–	–	55,688	(55,688)	–	–	–
Share-based payments	–	–	–	–	596	–	–	–	596	349	945
Transfer upon vesting of share awards	–	3,318	–	–	(3,318)	–	–	–	–	–	–
Deemed partial disposal of interests in a subsidiary without losing control (note 44 (a))	–	16,391	–	–	–	–	–	–	16,391	53,383	69,774
At December 31, 2022	1,259,899	267,922	–	(7,054)	465	(120,108)	472,591	2,468,907	4,342,622	456,772	4,799,394

	Attributable to owners of the Company										
	Share capital	Capital reserve	Treasury share	Translation reserve	Share-based payments reserve	Fair value reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 33)	RMB'000	RMB'000	RMB'000	RMB'000 (Note 36)	RMB'000 (Note 34)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	1,259,899	267,922	–	(7,054)	465	(120,108)	472,591	2,468,907	4,342,622	456,772	4,799,394
Profit for the year	–	–	–	–		–	–	700,483	700,483	57,244	757,727
Exchange differences arising on translation of foreign operations	–	–	–	(33)	–	–	–	–	(33)	(3)	(36)
Fair value gain on investments in equity instruments at fair value through other comprehensive income	–	–	–	–	–	11,986	–	–	11,986	(303)	11,683
Total comprehensive income/(expense) for the year	–	–	–	(33)	–	11,986	–	700,483	712,436	56,938	769,374
Dividend paid (note 13)	–	–	–	–	–	–	–	(50,396)	(50,396)	–	(50,396)
Repurchase of shares (note 33)	–	(11)	(100,050)	–	–	–	–	–	(100,061)	–	(100,061)
Appropriation to statutory reserve	–	–	–	–	–	–	56,145	(56,145)	–	–	–
Share-based payments	–	–	–	–	1,163	–	–	–	1,163	499	1,662
Deemed partial disposal of interests in a subsidiary without losing control (note 44 (a))	–	2,260	–	–	–	–	–	–	2,260	16,882	19,142
Acquisition of additional interests in a subsidiary without change in control (note 44 (b))	–	(477)	–	–	–	–	–	–	(477)	23,866	23,389
At December 31, 2023	1,259,899	269,694	(100,050)	(7,087)	1,628	(108,122)	528,736	3,062,849	4,907,547	554,957	5,462,504

	Attributable to owners of the Company										
	Share capital	Capital reserve	Treasury share	Translation reserve	Share-based payments reserve	Fair value reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 33)	RMB'000	RMB'000	RMB'000	RMB'000 (Note 36)	RMB'000 (Note 34)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	1,259,899	269,694	(100,050)	(7,087)	1,628	(108,122)	528,736	3,062,849	4,907,547	554,957	5,462,504
Profit for the year	–	–	–	–	–	–	–	847,551	847,551	72,952	920,503
Exchange differences arising on translation of foreign operations	–	–	–	1,173	–	–	–	–	1,173	107	1,280
Fair value loss on investments in equity instruments at fair value through other comprehensive income	–	–	–	–	–	(9,029)	–	–	(9,029)	103	(8,926)
Total comprehensive income/(expense) for the year	–	–	–	1,173	–	(9,029)	–	847,551	839,695	73,162	912,857
Dividend paid (note 13)	–	–	–	–	–	–	–	(211,877)	(211,877)	–	(211,877)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(4,683)	(4,683)
Appropriation of statutory reserve	–	–	–	–	–	–	61,885	(61,885)	–	–	–
Share-based payments	–	–	–	–	1,689	–	–	–	1,689	405	2,094
Acquisition of additional interests in a subsidiary without change in control (note 44 (b))	–	(2,249)	–	–	–	–	–	–	(2,249)	(30,317)	(32,566)
At December 31, 2024	1,259,899	267,445	(100,050)	(5,914)	3,317	(117,151)	590,621	3,636,638	5,534,805	593,524	6,128,329

	Attributable to owners of the Company										
	Share capital	Capital reserve	Treasury share	Translation reserve	Share-based payments reserve	Fair value reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 33)	RMB'000	RMB'000	RMB'000	RMB'000 (Note 36)	RMB'000 (Note 34)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2025	1,259,899	267,445	(100,050)	(5,914)	3,317	(117,151)	590,621	3,636,638	5,534,805	593,524	6,128,329
Profit for the period	–	–	–	–	–	–	–	821,839	821,839	61,464	883,303
Exchange differences arising on translation of foreign operations	–	–	–	(110)	–	–	–	–	(110)	1	(109)
Fair value (loss)/gain on investments in equity instruments at fair value through other comprehensive income	–	–	–	–	–	(29,805)	–	–	(29,805)	77	(29,728)
Total comprehensive (expense)/income for the period	–	–	–	(110)	–	(29,805)	–	821,839	791,924	61,542	853,466
Appropriation of statutory reserve	–	–	–	–	–	–	113,483	(113,483)	–	–	–
Dividend paid (note 13)	–	–	–	–	–	–	–	(170,748)	(170,748)	–	(170,748)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(14,924)	(14,924)
Share-based payments	–	–	–	–	8,666	–	–	–	8,666	702	9,368
Decreased in non-controlling interests as a result of acquisition of additional interests in subsidiaries without change in control	–	8,873	–	–	–	–	–	–	8,873	(352,973)	(344,100)
Increase in non-controlling interests as a result of acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	4,100	4,100
Reclassification of fair value reserve upon disposal of equity instruments at fair value through other comprehensive income ("**FVTOCI**")	–	–	–	–	–	(3,387)	–	3,387	–	205	205
At September 30, 2025	1,259,899	276,318	(100,050)	(6,024)	11,983	(150,343)	704,104	4,177,633	6,173,520	292,176	6,465,696

	Attributable to owners of the Company										
	Share capital	Capital reserve	Treasury share	Translation reserve	Share-based payments reserve	Fair value reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 33)	RMB'000	RMB'000	RMB'000	RMB'000 (Note 36)	RMB'000 (Note 34)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	1,259,899	269,694	(100,050)	(7,087)	1,628	(108,122)	528,736	3,062,849	4,907,547	554,957	5,462,504
Profit for the period	–	–	–	–	–	–	–	655,096	655,096	54,147	709,243
Exchange differences arising on translation of foreign operations	–	–	–	(3)	–	–	–	–	(3)	26	23
Fair value loss on investments in equity instruments at fair value through other comprehensive income	–	–	–	–	–	(10,745)	–	–	(10,745)	(29)	(10,774)
Total comprehensive (expense)/income for the period	–	–	–	(3)	–	(10,745)	–	655,096	644,348	54,144	698,492
Appropriation of statutory reserve	–	–	–	–	–	–	52,736	(52,736)	–	–	–
Dividend paid (note 13)	–	–	–	–	–	–	–	(211,877)	(211,877)	–	(211,877)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(2,669)	(2,669)
Share-based payments	–	–	–	–	(190)	–	–	–	(190)	–	(190)
Decreased in non-controlling interests as a result of acquisition of additional interests in subsidiaries without change in control	–	(2,095)	–	–	–	–	–	–	(2,095)	(30,471)	(32,566)
At September 30, 2024 (unaudited)	1,259,899	267,599	(100,050)	(7,090)	1,438	(118,867)	581,472	3,453,332	5,337,733	575,961	5,913,694

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000	Nine months ended September 30, 2024 RMB'000 (unaudited)	2025 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before taxation		727,356	872,877	1,073,863	812,345	1,036,086
Adjustments for:						
Finance costs	8	89,595	66,778	60,439	44,933	39,273
Interest income	7	(7,781)	(12,368)	(16,747)	(9,137)	(6,417)
Share of results of associates		(6,060)	(9,877)	(9,807)	(9,288)	(4,164)
Depreciation of property, plant and equipment	15	194,448	212,432	239,427	168,269	202,064
Depreciation of right-of-use assets	16	22,608	21,618	34,578	25,221	37,040
Depreciation of investment properties	19	1,244	1,234	1,379	1,090	1,070
Amortization of intangible assets	18	23,861	5,359	12,688	6,552	5,997
Written-down of inventories	9	13,766	17,514	25,378	6,582	28,948
Impairment losses on trade receivables	9	19,102	21,628	24,302	5,776	8,945
(Reversal of impairment losses)/impairment losses on bills receivables	9	(1,028)	418	2,147	466	(755)
Impairment losses/(reversal of impairment losses) on other receivables	9	144	(2,501)	1,894	188	(871)
Impairment losses/(reversal of impairment losses) on contract assets	9	5,704	(4,111)	1,538	1,074	2,603
Impairment losses on goodwill	9	–	28,665	36,479	–	–
Impairment losses on property, plant and equipment, net	7	1,652	83	5,228	435	110
Share-based payments	9	945	1,662	2,094	(190)	9,368
Gain on fair value change of financial assets at fair value through profit or loss ("**FVTPL**")	7	(93)	(590)	(6,330)	(3,652)	(2,744)
Gain on early termination of leases	7	(20)	–	–	–	–
Loss on disposal of property, plant and equipment	7	3,025	2,582	7,632	1,569	505
Loss on disposal of right-of-use assets	7	8	–	–	–	–
Dividend income received from equity instruments at FVTOCI	7	(3,200)	(1,663)	(3,313)	(1,819)	(1,000)
		1,085,276	1,221,740	1,492,869	1,050,414	1,356,058
Increase in inventories		(118,706)	(26,540)	(180,408)	(97,158)	(302,696)
Increase in trade and other receivables		(261,223)	(634,072)	(847,561)	(513,190)	(645,119)
(Increase)/decrease in contract assets		(20,268)	6,703	(17,407)	(9,175)	(3,915)
Decrease/(increase) in restricted bank deposits		991	(4,131)	2,890	926	(599)
Increase in trade and other payables		383,868	360,994	631,746	331,032	622,583
Increase/(decrease) in contract liabilities		20,931	19,178	(10,978)	(9,972)	4,498
Increase/(decrease) in deferred income		1,428	(4,465)	(6,041)	(5,651)	(6,354)
Cash generated from operations		1,092,297	939,407	1,065,110	747,226	1,024,456
Income tax paid		(56,454)	(79,318)	(122,161)	(94,684)	(138,199)
Net cash from operating activities		1,035,843	860,089	942,949	652,542	886,257

	Notes	Year ended December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000	Nine months ended September 30, 2024 RMB'000 (unaudited)	2025 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received		7,781	12,368	16,747	9,137	6,417
Proceeds from disposal of property, plant and equipment		31,324	29,634	6,967	4,906	8,283
Proceeds from disposal of right-of-use assets		3,365	–	–	–	–
Proceeds from disposal of equity instruments at FVTOCI		–	–	–	–	15,070
Proceeds from disposal of financial assets at FVTPL		80,093	200,345	2,062,406	1,230,897	1,152,913
Purchase of property, plant and equipment		(376,277)	(302,716)	(516,571)	(371,813)	(776,065)
Purchase of intangible assets		(1,664)	(6,862)	(2,498)	(2,181)	(1,582)
Purchase of equity instruments at FVTOCI		–	(11,479)	–	–	–
Acquisition of assets through acquisition of subsidiaries	43	(73,380)	–	–	–	(2,125)
Purchase of financial assets at FVTPL		(80,000)	(260,000)	(2,141,000)	(1,485,611)	(1,125,000)
Decrease/(increase) of pledged bank deposits		14,922	2,581	2,651	(15,033)	26,500
Placement of bank deposit with maturity over three months		–	(60,000)	(80,000)	(80,000)	(101,520)
Withdrawal of bank deposit with maturity over three months		–	–	60,000	60,000	161,520
Placement of fixed time deposit		–	–	(10,025)	–	–
Withdrawal of fixed time deposit		–	–	–	–	10,025
Dividends received from an associate		2,361	1,877	1,674	–	4,456
Dividends received from equity instruments at FVTOCI		3,200	1,663	3,313	1,819	1,000
Capital reduction in associates	21	–	1,960	11,074	11,074	–
Capital contribution in an associate	21	–	–	–	–	(1,000)
Acquisition of interests in an associate	21	–	–	(5,850)	(3,900)	–
Net cash used in investing activities		(388,275)	(390,629)	(591,112)	(640,705)	(621,108)
CASH FLOWS FROM FINANCING ACTIVITIES						
Interest paid	38	(94,145)	(69,866)	(56,875)	(43,894)	(35,934)
Additions of borrowings	38	1,381,375	1,375,358	1,452,749	1,304,795	1,401,512
Repayment of borrowings	38	(1,705,696)	(1,573,028)	(1,459,055)	(1,176,098)	(765,312)
Repayment of lease liabilities	38	(124,834)	(16,075)	(37,157)	(25,948)	(269,942)
Dividend paid		(44,096)	(50,396)	(211,877)	(211,877)	(170,748)
Dividend paid to non-controlling interests of subsidiaries		(125)	–	(4,683)	(2,669)	(14,924)
Proceed from/(payment for) acquisition of additional interests in subsidiaries	44(b)	–	23,389	(32,566)	(32,566)	(344,100)
Payment for listing expenses		–	–	–	–	(9,753)
Repurchase of shares	33	–	(100,061)	–	–	–
Capital injection by non-controlling interests in a subsidiary without losing control	44(a)	69,774	19,142	–	–	–
Net cash used in financing activities		(517,747)	(391,537)	(349,464)	(188,257)	(209,201)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		129,821	77,923	2,373	(176,420)	55,948
Cash and cash equivalents at beginning of the year/period		657,398	799,820	879,070	879,070	877,485
Effect of foreign exchange rate changes, net		12,601	1,327	(3,958)	2,999	(1,786)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	26	799,820	879,070	877,485	705,649	931,647

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (the "**Company**") is established in the People's Republic of China (hereafter, the "**PRC**") on June 19, 1998. The Company converted into a joint stock company with limited liability on September 28, 2004. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and the Company's shares were listed on the Shenzhen Stock Exchange (stock code: 002130.SZ) on April 20, 2007. The registered address and principal place of business of the Company is Woer Industrial Park, Lanjing North Road, Longtian Subdistrict, Pingshan District, Shenzhen, Guangdong Province, PRC.

The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in manufacturing and selling of telecoms cables, electronic material products, new energy vehicles ("**NEV(s)**") power transmission products and electrical cable accessories products, sales of wind power and manufacturing operations management ("**MOM**") and manufacturing execution system ("**MES**") software development, sales and implementation services.

The Historical Financial Information is presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

During the Track Record Period and as at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

			Equity/beneficial interest held by the Group as at						
Name of entities	**Place and date of incorporation/ establishment**	**Nominal value of registered share capital**	**December 31, 2022**	**December 31, 2023**	**December 31, 2024**	**September 30, 2025**	**At date of this report**	**Principal activities**	**Notes**
			%	%	%	%	%		
Directly held by the Company									
Beijing Woerfa Electrical Co., Ltd.*	PRC/November 9, 2010	RMB3,500,000	100	100	100	100	100	Research and development ("**R&D**"), production and sales of products	(a)
Changchun Wall Nuclear Material Wind Power Generation Co., Ltd.*	PRC/June 25, 2009	RMB50,000,000	100	100	100	100	100	Wind power development, construction and operation	(a)
Changzhou WOER HEAT-SHRINKABLE Material Co., Ltd.*	PRC/ November 10, 2010	RMB50,000,000	100	100	100	100	100	R&D, production and sales of products	(b)
CYG Electronics (Group) Co., Ltd. ("**CYG Electronics (Group)**")*	PRC/July 29, 1993	RMB120,000,000	75	75	75	100	100	Trading	(b)
Hongkong Woer Trading Co., Limited	Hong Kong/ December 16, 2008	HKD358,128,711	100	100	100	100	100	Trading	(s)
Huizhou Dingding Special Cable Co., Ltd.*	PRC/ November 25, 2024	RMB40,000,000	N/A	N/A	–	97.14	97.14	Production and sales of products	(e)
Huizhou Dingding Technology Co., Ltd.*	PRC/ November 25, 2024	RMB40,000,000	N/A	N/A	–	97.14	97.14	Production and sales of products	(e)
Huizhou Wal Technology Development Co., Ltd.*	PRC/April 1, 2022	RMB100,000,000	100	51	51	51	51	Production and sales of products	(d)
Huizhou Wo'er Electronic Materials Co., Ltd.*	PRC/ November 25, 2024	RMB40,000,000	N/A	N/A	100	100	100	Production and sales of products	(e)
Huizhou Wo'er Heat Shrinkable Materials Co., Ltd.*	PRC/ December 27, 2024	RMB1,000,000	N/A	N/A	100	100	100	Dormant	(f)
Huizhou Wo'er Intelligent Technology Co., Ltd.*	PRC/ November 25, 2024	RMB40,000,000	N/A	N/A	100	100	100	Production and sales of products	(e)
Huizhou Yueting Electronics Co., Ltd.*	PRC/January 8, 2018	RMB74,000,000	51	51	51	51	51	Leasing	(b)
KTG (ChangZhou) New Material Co., Ltd.*	PRC/March 8, 2021	RMB5,000,000	100	100	100	100	100	Production and sales of products	(a)
Qingdao Woerxinyuan Wind Power Generation Co., Ltd.*	PRC/June 22, 2011	RMB440,000,000	100	100	100	100	100	Wind power development, construction and operation	(b)
Shanghai Lante New Material Co., Ltd.*	PRC/May 21, 2001	RMB29,880,000	100	100	100	100	100	Investment	(a)
Shenzhen Guodian Julong Electrical Technology Co., Ltd.*	PRC/June 29, 2004	RMB2,000,000	100	100	100	100	100	R&D, production and sales of products	(b)

Name of entities	Place and date of incorporation/ establishment	Nominal value of registered share capital	Equity/beneficial interest held by the Group as at					Principal activities	Notes
			December 31, 2022	December 31, 2023	December 31, 2024	September 30, 2025	At date of this report		
			%	%	%	%	%		
Shenzhen Judian Network Technology Co., Ltd.*	PRC/ September 26, 2014	RMB50,000,000	58.78	58.78	58.78	58.78	58.78	Charging pile software operation services	(a)
Shenzhen Orbit Systems Inc.* ("**Shenzhem Orbit**")	PRC/ September 19, 2005	RMB10,000,000	62.9	62.9	62.9	62.9	62.9	MOM and MES software development, sales and implementation services	(b)
Shenzhen WOER HEAT-SHRINKABLE Co., Ltd. ("**WOER HEAT-SHRINKABLE**")*	PRC/August 10, 2018	RMB100,000,000	100	100	100	100	100	Production and sales of products	(b)
Shenzhen WOER Electric Technology Co., Ltd.	PRC/ September 17, 2018	RMB100,000,000	100	100	100	100	100	R&D, production and sales of products	(b)
Shenzhen Woer Intelligent Equipment Co., Ltd.*	PRC/July 15, 2014	RMB8,000,000	100	100	100	100	100	R&D	(a)
Shenzhen Woer New Energy Electric Technology Co., Ltd. ("**Shenzhen Woer New Energy Electric Technology**")*	PRC/ December 2, 2003	RMB84,435,900	76.61	76.71	76.71	76.71	76.71	R&D, production and sales of products	(b)
Shenzhen Wolida Trading Co., Ltd.*	PRC/ November 3, 2008	RMB5,000,000	100	100	100	100	100	R&D, production and sales of products	(a)
Tianjin Wo'erfa Power Equipment Co., Ltd.*	PRC/March 27, 2012	RMB61,000,000	100	100	100	100	100	R&D, production and sales of products	(b)
Woer International (Singapore) Pte. Ltd.	Singapore/ March 11, 2019	SGD1,000,000 and US$16,988,000	100	100	100	100	100	Sales and Investment	(t)
Wuhan Wal New Material Co., Ltd.*	PRC/May 18, 2022	RMB50,000,000	100	100	100	100	100	R&D, production and sales of products	(g)
Wuhan Wal Nuclear Power Technology Co., Ltd.*	PRC/May 18, 2022	RMB50,000,000	100	100	100	100	100	R&D, production and sales of products	(g)
Wuhan Wo'er Nuclear Material Technology Development Co., Ltd.*	PRC/May 18, 2022	RMB50,000,000	–	–	100	100	100	R&D, production and sales of products	(h)
Indirectly held by the Company									
Beijing Judian Juneng Technology Co., Ltd.*	PRC/October 28, 2015	RMB2,000,000	58.78	58.78	58.78	58.78	58.78	Charging pile operation services	(a)
Changzhou Varlk Technology Co., Ltd.*	PRC/March 9, 2016	RMB20,000,000	78.76	78.76	78.76	78.76	78.76	R&D, production and sales of products	(b)
Changyuan Electronics (Dongguan) Co., Ltd.*	PRC/ February 14, 2014	RMB50,000,000	75	75	75	100	100	R&D, production and sales of products	(a)
Changzhou Changyuan Electronic Materials Co., Ltd.*	PRC/March 18, 2020	RMB10,000,000	75	75	75	100	100	Production and sales of products	(a)
Changzhou Changyuan Tefa Technology Co., Ltd.*	PRC/April 26, 2019	RMB20,000,000	75	75	75	100	100	R&D, production and sales of products	(a)
Changzhou Guodian Julong Electric Technology Co., Ltd.*	PRC/March 30, 2022	RMB10,000,000	100	100	100	100	100	Production and sales of products	(i)
CYG Tefa Co., Ltd.*	PRC/ December 6, 2002	RMB252,700,000	75	75	75	100	100	R&D, production and sales of products	(a)
Dalian LTK Trade Ltd.*	PRC/March 30, 2001	RMB16,554,180	92.89	90.93	94.32	94.32	94.32	Trading	(b)
Dongguan Salipt Co., Ltd.*	PRC/October 11, 2006	RMB8,000,000	75	75	75	100	100	R&D, production and sales of products	(a)
Guizhou Huier New Materials Co., Ltd.* ("**Guizhou Huier**")	PRC/April 12, 2021	RMB13,950,017	N/A	N/A	N/A	100	100	R&D, production and sales of flame retardants	(w)

Name of entities	Place and date of incorporation/ establishment	Nominal value of registered share capital	Equity/beneficial interest held by the Group as at December 31, 2022	December 31, 2023	December 31, 2024	September 30, 2025	At date of this report	Principal activities	Notes
			%	%	%	%	%		
Hailin Xinyuan Wind Power Co., Ltd.*	PRC/ September 25, 2009	RMB5,000,000	100	N/A	N/A	N/A	N/A	Wind power development, construction and operation	(j)
Huizhou LTK Electronic Cable Ltd.*	PRC/April 27, 2002	RMB16,174,772	92.89	90.93	94.32	94.32	94.32	R&D, production and sales of products	(b)
Huizhou Changyuan Tefa Technology Co., Ltd.*	PRC/February 8, 2021	RMB20,000,000	75	75	75	100	100	R&D, production and sales of products	(a)
Huizhou Dingding Special Cable Co., Ltd.*	PRC/ November 25, 2024	RMB40,000,000	N/A	N/A	94.32	2.70	2.70	Production and sales of products	(e)
Huizhou Dingding Technology Co., Ltd.*	PRC/ November 25, 2024	RMB40,000,000	N/A	N/A	94.32	2.70	2.70	Production and sales of products	(e)
Huizhou Woerxin Technology Co., Ltd.*	PRC/July 25, 2019	RMB20,000,000	92.89	90.93	94.32	94.32	94.32	Production and sales of products	(b)
Huzhou Changyuan Tefa Technology Co., Ltd.*	PRC/May 16, 2016	RMB10,000,000	75	75	75	100	100	R&D, production and sales of products	(a)
Huizhou Wolidate Technology Co., Ltd.*	PRC/June 30, 2025	RMB1,000,000	N/A	N/A	N/A	100	100	Dormant	(v)
LTK Cable (Vietnam) Company Limited	Vietnam/ October 23, 2019	USD 1,400,000	92.89	90.93	94.32	94.32	94.32	Production and sales of products	(u)
Lepond Investment Limited	BVI/ May 11, 2006	USD 1	75	75	75	100	100	Investment	(a)
Liangcheng County Xinyuan Wind Power Generation Co., Ltd.	PRC/August 19, 2010	RMB5,000,000	100	N/A	N/A	N/A	N/A	Wind power development, construction and operation	(k)
LTK CABLE (Chongqing) Ltd.	PRC/October 15, 2007	RMB11,100,566	92.89	90.93	94.32	94.32	94.32	R&D, production and sales of products	(b)
LTK Electric Wire (Huizhou) Ltd.* ("**LTK Electric**")*	PRC/January 4, 1988	RMB123,727,000	92.89	90.93	94.32	94.32	94.32	R&D, production and sales of products	(b)
LTK Electric Wire (Changzhou) Ltd.*	PRC/July 23, 2013	RMB51,476,096	92.89	90.93	94.32	94.32	94.32	Production and sales of products	(b)
LTK International Ltd.	Hong Kong/ September 30, 2006	HKD 322,702,251	92.89	90.93	94.32	94.32	94.32	Trading	(v)
Noblefu New Material Technology Pte. Ltd.	Singapore/ October 12, 2020	SGD 100	100	100	100	100	100	Sales and Investment	(t)
Shanghai Anda Run Nano Materials Co., Ltd.*	PRC/January 10, 2024	RMB50,000,000	N/A	N/A	63.01	78.76	78.76	Production and sales of products	(l)
Shanghai Changyuan Electronic Material Co., Ltd.*	PRC/July 17, 2000	RMB60,000,000	75	75	75	100	100	R&D, production and sales of products	(b)
Shanghai Changyuan Radiation Technology Co., Ltd.*	PRC/June 23, 2005	RMB30,500,000	75	75	75	100	100	Leasing	(b)
Shanghai Judian New Energy Vehicle Technology Co., Ltd.*	PRC/ November 16, 2015	RMB20,000,000	58.78	58.78	58.78	58.78	58.78	Charging pile operation services	(a)
Shanghai Keter New Materials Co., Ltd.("**Shanghai Keter New Materials**")*	PRC/August 28, 1997	RMB94,520,000	78.76	78.76	78.76	78.76	78.76	R&D, production and sales of products	(b)
Shanghai Lin Tian Functional Materials Co., Ltd.*	PRC/ November 28, 2002	RMB10,000,000	78.76	78.76	78.76	78.76	78.76	R&D, production and sales of products	(a)
Shanghai Ricoro Film Co., Ltd.*	PRC/May 10, 2002	RMB10,000,000	78.76	78.76	78.76	78.76	78.76	Production and sales of products	(a)
Shanghai WoDarun New Materials Co., Ltd.*	PRC/July 12, 2024	RMB10,000,000	N/A	N/A	78.76	78.76	78.76	Production and sales of products	(m)
Shenzhen Huawo Zhilian Technology Co., Ltd.*	PRC/April 22, 2020	RMB10,000,000	62.9	62.9	N/A	N/A	N/A	R&D and sales of products	(n)
Shenzhen Judian Investment Holdings Co., Ltd.*	PRC/ November 1, 2016	RMB1,000,000	58.78	58.78	58.78	58.78	58.78	Investment	(a)

Name of entities	Place and date of incorporation/ establishment	Nominal value of registered share capital	Equity/beneficial interest held by the Group as at					Principal activities	Notes
			December 31, 2022	December 31, 2023	December 31, 2024	September 30, 2025	At date of this report		
			%	%	%	%	%		
Shenzhen Judian New Energy Technology Co., Ltd.*	PRC/June 6, 2022	RMB88,000,000	58.78	58.78	58.78	58.78	58.78	Production and sales of products	(o)
Shenzhen Judian New Energy Automobile Service Co., Ltd.*	PRC/August 12, 2015	RMB60,000,000	58.78	58.78	58.78	58.78	58.78	Sales of products	(a)
Shenzhen Kenaite Conductive Precision Technology Co., Ltd.*	PRC/February 8, 2025	RMB1,000,000	N/A	N/A	N/A	76.71	76.71	R&D, production and sales of products	(y)
Shenzhen Woer New Energy Technology Co., Ltd.*	PRC/July 10, 2023	RMB1,000,000	N/A	76.71	76.71	76.71	76.71	R&D, production and sales of products	(p)
Shenzhen Woer Wire & Cable Technology Co. Ltd.*	PRC/October 12, 2005	RMB40,000,000	92.89	90.93	94.32	94.32	94.32	R&D, production and sales of products	(b)
Surgwave Electronics (Shanghai) Co., Ltd.*	PRC/April 30, 2007	RMB15,000,000	78.76	78.76	78.76	78.76	78.76	R&D, production and sales of products	(b)
Tianjin Changyuan Electronic Material Co., Ltd.*	PRC/April 21, 2011	RMB50,000,000	75	75	75	100	100	R&D, production and sales of products	(b)
Tianjin Woting Electronics Co., Ltd.*	PRC/August 15, 2019	RMB51,000,000	100	100	100	100	100	Production and sales of products	(a)
Woer International (Malaysia) SDN. BHD.	Malaysia/ April 23, 2025	RM100	N/A	N/A	N/A	100	100	Dormant	(q)
WOER NEW (MATERIAL) SDN. BHD. (formerly known as Woer Trading (Malaysia) SDN. BHD.)	Malaysia/ January 13, 2025	RM1,000	N/A	N/A	N/A	100	100	Investment holding	(r)
Wuhan Wal New Energy Technology Co., Ltd.*	PRC/May 18, 2022	RMB50,000,000	100	76.71	76.71	76.71	76.71	R&D, production and sales of products	(g)
Wuhan Wo'er Nuclear Material Technology Development Co., Ltd.*	PRC/May 18, 2022	RMB50,000,000	92.89	90.93	–	–	–	R&D, production and sales of products	(h)
Huizhou Wal Technology Development Co., Ltd.*	PRC/April 1, 2022	RMB100,000,000	–	37.75	37.75	49	49	Production and sales of products	(d)

* The English names of these subsidiaries registered in the PRC represent the translated names of these companies as no English names have been registered.

Notes:

(a) No statutory financial statements for the years ended December 31, 2022, 2023 and 2024 was available as there were no requirements to issue audited accounts by the local authorities.

(b) The financial statements for the years ended December 31, 2022 and 2023 and for the year ended December 31, 2024 prepared in accordance with PRC accounting principles and regulations were audited by Da Hua Certified Public Accountants (Special General Partnership), a certified public accounting firm registered in the PRC and Zandar Certified Public Accountants LLP, a certified public accounting firm registered in the PRC, respectively.

(c) No statutory financial statements for the years ended December 31, 2022, 2023 and 2024 were issued.

(d) The entity was established on April 1, 2022. No statutory financial statements for the period ended December 31, 2022 and for the years ended December 31, 2023 and 2024 were available as there was no requirements to issue audited accounts by the local authorities. The Group directly and indirectly holds 51% and 37.75% equity interest in Huizhou Wal Technology Development Co., Ltd respectively as at December 31, 2022, 2023 and 2024. The Group directly and indirectly holds 51% and 49% as at September 30, 2025.

(e) The entity was established on November 25, 2024 and its shareholdings was partially transferred to the Company on April 24, 2025. The financial statements for the year ended December 31, 2024 prepared in accordance with PRC accounting principles and regulations were audited by Zandar Certified Public Accountants LLP, a certified public accounting firm registered in the PRC. The Group directly and indirectly holds 97.14% and 2.70% equity interest in Huizhou Dingding Special Cable Co., Ltd. and Huizhou Dingding Technology Co., Ltd., respectively.

(f) The entity was established on December 27, 2024. No statutory financial statements for the period ended December 31, 2024 were available as there was no requirements to issue audited account by the local authorities.

(g) The entity was established on May 18, 2022. No statutory financial statements for the years ended December 31, 2022, 2023 and 2024 were available as there was no requirements to issue audited account by the local authorities.

(h) The entity was established on May 18, 2022 and it's shareholdings was transferred to the Company on September 10, 2024. The financial statements for the years ended December 31, 2022 and 2023 and for the year ended December 31, 2024 prepared in accordance with PRC accounting principles and regulations were audited by Da Hua Certified Public Accountants (Special General Partnership), a certified public accounting firm registered in the PRC and Zandar Certified Public Accountants LLP, a certified public accounting firm registered in the PRC, respectively.

(i) The entity was established on March 30, 2022. No statutory financial statements for the period ended December 31, 2022 and for the years ended December 31, 2023 and 2024 were available as there was no requirements to issue audited account by the local authorities. The financial statements for the year ended December 31, 2023 and for the year ended December 31, 2024 prepared in accordance with PRC accounting principles and regulations were audited by Da Hua Certified Public Accountants (Special General Partnership), a certified public accounting firm registered in the PRC and Zandar Certified Public Accountants LLP, a certified public accounting firm registered in the PRC, respectively.

(j) The entity was deregistered on March 9, 2023. The statutory financial statements for the year ended December 31, 2022 prepared in accordance with PRC accounting principles and regulations were audited by Da Hua Certified Public Accountants (Special General Partnership), a certified public accounting firm registered in the PRC.

(k) The entity was deregistered on November 27, 2023. No statutory financial statements for the years ended December 31, 2022 and 2023 were available as there was no requirements to issue audited account by the local authorities.

(l) The entity was established on January 10, 2024. No statutory financial statements for the period ended December 31, 2024 were available as there was no requirements to issue audited account by the local authorities.

(m) The entity was established on July 12, 2024. No statutory financial statements for the period ended December 31, 2024 were available as there was no requirements to issue audited account by the local authorities.

(n) The entity was deregistered on July 29, 2024. No statutory financial statements for the years ended December 31, 2022 and 2023 were available as there was no requirements to issue audited accounts by the local authorities.

(o) The entity was established on June 6, 2022. No statutory financial statements for the period ended December 31, 2022, and for the years ended December 31, 2023 and 2024 were available as there was no requirements to issue audited accounts by the local authorities.

(p) The entity was established on July 10, 2023. No statutory financial statements for the period ended December 31, 2023 and for the year ended December 31, 2024 were available as there was no requirements to issue audited accounts by the local authorities.

(q) The entity was established on April 23, 2025.

(r) The entity was established on January 13, 2025.

(s) The statutory financial statements for the years ended December 31, 2022, 2023 and 2024 prepared in accordance with Hong Kong accounting principles and regulations were audited by Linkpath CPA Limited, a certified public accounting firm registered in Hong Kong.

(t) The statutory financial statements for the years ended December 31, 2022 and 2023 prepared in accordance with Singapore accounting principles and regulations were audited by Prime Accounts LLP, a certified public accounting firm registered in Singapore. The statutory financial statements for the year ended December 31, 2024 have yet been due to issue.

(u) The statutory financial statements for the years ended December 31, 2022, 2023 and 2024 prepared in accordance with Vietnam accounting principles and regulations were audited by APS Auditing Company Limited, a certified public acounting firm registered in Vietnam.

(v) The statutory financial statements for the years ended December 31, 2022 and 2023 prepared in accordance with Hong Kong accounting principle and regulations were audited by Linkpath CPA Limited, a certified public accounting firm registered in Hong Kong. The statutory financial statements for the year ended December 31, 2024 have yet been due to issue.

(w) Additional shareholding in the entity was acquired by the Company on June 11, 2025 as detailed in note 43(b).

(x) The entity was established on June 30, 2025.

(y) The entity was established on February 8, 2025.

(z) None of the subsidiaries had issued any debt securities at the end of the year.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period.

The statutory consolidated financial statements of the Group for the years ended December 31, 2022 and 2023 were prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC and were audited by Da Hua Certified Public Accountants (Special General Partnership), certified public accountant registered in the PRC. The statutory consolidated financial statements of the Group for the year ended December 31, 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC and were audited by Zandar Certified Public Accountants LLP, certified public accountants registered in the PRC.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied IFRS Accounting Standards which includes all the International Accounting Standards ("**IASs**"), IFRS Accounting Standards, amendments and the related interpretations issued by the IASB, which are effective for the accounting period beginning on January 1, 2025, throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

IFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[2]

[1] Effective for annual periods beginning on or after a date to be determined
[2] Effective for annual periods beginning on or after January 1, 2026
[3] Effective for annual periods beginning on or after January 1, 2027

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of other amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information in the foreseeable future.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" ("**IFRS 18**"), which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 "Presentation of Financial Statements" ("**IAS 1**"). This new IFRS Accounting Standards, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the Historical Financial Information and improve aggregation and disaggregation of information to be disclosed in the Historical Financial Information. In addition, some IAS 1 paragraphs have been moved to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and IFRS 7 "Financial Instruments: Disclosures". Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's future consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the following accounting policies in accordance with IFRS Accounting Standards issued by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

The material accounting policy information are set out below.

4.1. Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets, and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments" ("**IFRS 9**") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations or assets acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets that do not constitute a business, the Group identifies and recognizes the individual identifiable assets acquired assumed by allocating the purchase price first to financial assets at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

4.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

The Group's policy for goodwill arising on the acquisition of an associate is described below.

4.3. Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" ("**IAS 36**") as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognized in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Acquisition of additional interests in associates

When the Group increases its ownership interest in an associate but the Group continues to use the equity method, goodwill is recognized at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates acquired over the consideration paid are recognized in the profit or loss in the period in which the additional interest are acquired.

4.4. Revenue from contracts with customers

Revenue from sales of goods

The Group sells telecoms cables, electronic material products, NEV power transmission products and electrical cable accessories products directly to customers in accordance with the contracts entered into with the customers. Revenue is recognized when control of the products has been transferred to the customer, at the point the goods are delivered to the customer. Delivery occurs when the products have been accepted by the customer. The typical credit term is within 90 days effective from the date when the goods are accepted by the customers. When the customer pays in advance for the orders, the transaction price received by the Group is recognized as a contract liability until the goods have been delivered to the customer.

Revenue from sales of wind power

Revenue from the sales of wind power represents the amount of tariffs billed for electricity generated and transmitted to the respective power companies. Revenue is recognized when the electricity is transmitted as the consideration become unconditional at this point in time.

Others

Revenue from MOM and MES software development, sales and implementation services

The Group recognizes revenue from the services rendered for software implementation over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced and the customer simultaneously receives and consumes the benefits provided by the Group. The input method recognizes revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services.

4.5. Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 "Leases" at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases e.g. motor vehicles/staff quarter that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognized as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense on a straight-line basis over the lease term.

4.6. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

4.7. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalization rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.8. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the relevant asset by equal annual installments.

4.9. Employee benefits

Pension obligation

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administered funds managed by the PRC government.

The Group's contributions to the aforesaid defined contribution retirement schemes are expensed as incurred.

No forfeited contribution is available to reduce the existing level of contribution payable in the future years during the Track Record Period.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

4.10. Share-based payment arrangements

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments is determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For shares/share options that vest immediately at the date of grant, the fair value of the shares/share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognized in share-based payments reserve will be transferred to capital reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payments reserve will be transferred to retained profits.

When shares granted are vested, the amount previously recognized in share-based payments reserve will be transferred to capital reserve.

4.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 "Income Taxes" requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4.12. Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than assets under construction as described below. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets in functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statements of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognized so as to write off the cost of assets other than assets under installation less their residual values over their estimated useful lives, using the straight-line method, as follows:

Buildings	20 – 40 years
Plant and machinery	3 – 10 years
Motor vehicles	3 – 10 years
Electricity generation and related equipment	20 years
Leasehold improvements	2 – 5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Group transfers a property to investment property when its use has changed as evidenced by the end of owner-occupation.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.13. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognized so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognized as a right-of-use asset is derecognized if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

4.14. Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives as follows:

Trademark	1 – 10 years
Patent	5 years
Others (include software)	5 – 10 years

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

4.15. Impairment on property, plant and equipment, right-of-use assets, intangible assets other than goodwill and investment properties

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful and investment properties to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, intangible assets and investment properties are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a

reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4.16. Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above and form an integral part of the Group's cash management.

4.17. Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4.18. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Warranties

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of new energy products that provide quality assurance to meet customer needs, and are recognized at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

4.19. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade and bills receivables and contract assets arising from contracts with customers which are initially measured in accordance with IFRS 15 "Revenue from Contracts with Customers" ("**IFRS 15**"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income, gains and losses" line item.

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI on initial recognition are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the fair value reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the fair value reserve.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income, gains and losses" line item in profit or loss.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and bills receivables, other receivables, restricted and pledged bank deposits and bank balances and cash), and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade and bills receivables and contract assets. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount become past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade and bills receivables and contract assets using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade and bills receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- past-due status;
- nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group measures ECL for the remaining trade and bills receivables and contract assets on an individual basis.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables, contract assets and other receivables where the corresponding adjustment is recognized through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Other income, gains and losses' line item (note 7) as part of the net foreign exchange gains/(losses);

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Other income, gains and losses' line item as part of the gain/(loss) from changes in fair value of financial assets (note 7); and

- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the fair value reserve.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gains or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase of the Company's own equity instruments.

Financial liabilities at amortized cost

Financial liabilities including bank and other borrowings, trade and bills payables and other payables are subsequently measured at amortized cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'Other income, gains and losses' line item in profit or loss (note 7) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.20. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer and directors of the Company that makes strategic decisions.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of property, plant and equipment, right-of-use assets, intangible assets and investment properties

Property, plant and equipment, right-of-use assets, intangible assets and investment properties are stated at costs less accumulated depreciation/amortization and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicator that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the cash flows projections, growth rate and discount rate are subject to greater uncertainties due to uncertainty on how the international conflicts and tensions/volatility or disruptions in financial, foreign currency or commodity markets may progress and evolve.

Detail of the carrying amounts of property, plant and equipment, right-of-use assets, intangible assets and investment properties subject to impairment assessments and impairment losses that have been recognized are disclosed in notes 15, 16, 18 and 19, respectively.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or group of cash-generating units) and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss/further impairment loss may arise. Furthermore, the estimated cash flows and discount rate are subject to change due to ongoing uncertain macroeconomic and geopolitical environment, which includes the persistent effects of climate changes, higher interest rates and inflation, elections in major economies and international conflicts and tensions. As at December 31, 2022, 2023 and 2024 and September 30, 2025, the carrying amount of goodwill is approximately RMB759,972,000, RMB731,307,000, RMB694,828,000 and RMB694,828,000, respectively, (net of accumulated impairment loss of RMB47,988,000, RMB76,653,000, RMB113,132,000 and RMB113,132,000, respectively). Details of the recoverable amount calculation are disclosed in note 17.

Provision of ECL for trade and other receivables and contract assets

Trade and other receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade and bills receivables and contract assets which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade and other receivables and contract assets are disclosed in note 37(b).

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the carrying amounts of trade and other receivables are RMB2,603,828,000, RMB2,966,461,000, RMB3,578,668,000 and RMB4,034,281,000, respectively. As at December 31, 2022, 2023 and 2024 and September 30, 2025, the carrying amounts of contract assets are RMB26,944,000, RMB24,352,000, RMB40,221,000 and RMB41,533,000 respectively. During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, net impairment losses on trade and other receivables of RMB18,218,000, RMB19,545,000, RMB28,343,000 and RMB7,319,000 in aggregate were recognized, respectively. During the years ended December 31, 2022 and 2024 and the nine months ended September 30, 2025, impairment losses on contract assets of RMB5,704,000, RMB1,538,000 and RMB2,603,000 were recognized, respectively and reversal of RMB4,111,000 were recognized for the year ended December 31, 2023.

Deferred tax assets

As at December 31, 2022, 2023 and 2024 and September 30, 2025, deferred tax assets of RMB73,247,000, RMB55,276,000, RMB61,081,000 and RMB65,830,000, respectively, in relation to deductible temporary differences and unused tax losses for certain operating subsidiaries have been recognized in the consolidated statement of financial position. As at December 31, 2022, 2023 and 2024 and September 30, 2025, no deferred tax asset has been recognized on the tax losses of RMB231,496,000, RMB241,689,000, RMB282,863,000 and RMB294,628,000 respectively, due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on how the ongoing uncertain macroeconomic and geopolitical environment, which includes the persistent effects of climate change, higher interest rates and inflation, elections in major economies, and international conflicts and tensions, may progress and evolve. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal or further recognition takes place.

Fair value measurement of financial instruments

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group's unlisted equity investments classified as equity instruments at FVTOCI amounting to RMB20,000,000, RMB20,000,000, RMB20,000,000 and RMB17,780,000, respectively, the Group's equity investments listed in National Equities Exchange and Quotations ("NEEQ") classified as equity instruments at FVTOCI amounting to nil, RMB7,557,000, RMB9,879,000 and nil, respectively, and the Group's investments in wealth management products classified as financial assets at FVTPL amounting to nil, RMB60,245,000, RMB145,169,000 and RMB120,000,000, respectively are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See note 37(d) for further disclosures.

Inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sales. These estimates are based on the current market condition and the historical experience of distributing and selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles or other changes in market condition. The Group will reassess the estimations at each statement of financial position date. As at December 31, 2022, 2023 and 2024 and September 30, 2025, carrying amount of inventories are RMB701,251,000, RMB710,277,000, RMB865,307,000 and RMB1,139,055,000, respectively.

6. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents the aggregate of the net amounts received and receivable from customers during the Track Record Period.

Revenue during the Track Record Period are as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from contracts with customers under IFRS 15 disaggregated by products					
Electronic Communication Business					
Sales of telecoms cable products	1,362,366	1,164,501	1,702,272	1,196,963	1,894,591
Sales of electronic material products	2,104,868	2,198,264	2,599,375	1,839,163	2,043,908
Electrical Power Transmission Product Business					
Sales of NEV power transmission products	823,878	1,082,420	1,381,421	917,071	1,159,471
Sales of electrical cable accessories products	781,147	953,522	926,973	631,904	741,032
Sales of wind power	146,768	158,713	151,724	116,470	101,154
Others	117,622	161,421	158,337	113,944	136,522
Total revenue	5,336,649	5,718,841	6,920,102	4,815,515	6,076,678
Timing of revenue recognition					
Over time	53,838	48,190	65,139	50,331	61,496
At a point in time	5,282,811	5,670,651	6,854,963	4,765,184	6,015,182
Total revenue	5,336,649	5,718,841	6,920,102	4,815,515	6,076,678

No customer contributed more than 10% of the total revenue for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 and 2025.

The following table includes revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied as at the end of the reporting period:

	Sales of telecoms cable products	Sales of electronic material products	Sales of NEV power transmission products	Sales of electrical cable accessories products	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2022						
Within one year	688,759	101,071	67,478	37,509	37,864	932,681
More than one year	–	–	–	–	41,648	41,648
	688,759	101,071	67,478	37,509	79,512	974,329
As at December 31, 2023						
Within one year	614,559	88,606	63,753	38,434	36,873	842,225
More than one year	–	–	–	–	41,722	41,722
	614,559	88,606	63,753	38,434	78,595	883,947
As at December 31, 2024						
Within one year	941,289	173,647	152,522	61,925	58,765	1,388,148
More than one year	–	–	–	–	62,479	62,479
	941,289	173,647	152,522	61,925	121,244	1,450,627
As at September 30, 2024 (unaudited)						
Within one year	268,015	187,949	196,011	69,905	28,021	749,901
More than one year	–	–	–	–	34,667	34,667
	268,015	187,949	196,011	69,905	62,688	784,568
As at September 30, 2025						
Within one year	350,985	263,599	256,404	74,188	52,265	997,441
More than one year	–	–	–	–	21,359	21,359
	350,985	263,599	256,404	74,188	73,624	1,018,800

(b) Segment information

The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

The CODM assesses the performance based on the nature of the Group's businesses which are principally located in the PRC, and comprises four reportable segments as follows:

Electronics & electricity	Sales of electronic material products and electrical cable accessories products
Wires and cables	Sales of telecoms cable products
New energy products	Sales of NEV power transmission products
Wind power	Sales of wind power

The accounting policies of the operating segments are the same as the Group's accounting policy described in note 4. Segment results represent the gain generated by each segment without allocation of the income tax expense. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance. Inter-segment sales are charged at prevailing market rates.

Year ended December 31, 2022

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue from external customers	2,999,099	1,362,366	828,416	146,768	–	5,336,649
Inter-segment sales	39,994	25,480	18,085	–	(83,559)	–
Total segment revenue	3,039,093	1,387,846	846,501	146,768	(83,559)	5,336,649
Segment profit and profit before taxation	431,117	115,705	112,346	106,012	(37,824)	727,356
Income tax expense						(67,109)
Profit for the year						660,247

Year ended December 31, 2023

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue from external customers	3,303,403	1,172,787	1,083,938	158,713	–	5,718,841
Inter-segment sales	50,959	8,080	16,045	–	(75,084)	–
Total segment revenue	3,354,362	1,180,867	1,099,983	158,713	(75,084)	5,718,841
Segment profit and profit before taxation	607,922	63,516	116,176	117,138	(31,875)	872,877
Income tax expense						(115,150)
Profit for the year						757,727

Year ended December 31, 2024

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue from external customers	3,659,269	1,716,939	1,392,170	151,724	–	6,920,102
Inter-segment sales	52,224	20,085	5,609	–	(77,918)	–
Total segment revenue	3,711,493	1,737,024	1,397,779	151,724	(77,918)	6,920,102
Segment profit and profit before taxation	739,308	110,317	166,658	98,171	(40,591)	1,073,863
Income tax expense						(153,360)
Profit for the year						920,503

Nine months ended September 30, 2024 (unaudited)

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue from external customers	2,575,124	1,206,789	917,132	116,470	–	4,815,515
Inter-segment sales	30,564	5,318	3,636	–	(39,518)	–
Total segment revenue	2,605,688	1,212,107	920,768	116,470	(39,518)	4,815,515
Segment profit and profit before taxation	561,107	82,355	112,838	72,920	(16,875)	812,345
Income tax expense						(103,102)
Profit for the period						709,243

Nine months ended September 30, 2025

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue from external customers	2,898,198	1,917,591	1,159,735	101,154	–	6,076,678
Inter-segment sales	48,571	2,956	1,445	–	(52,972)	–
Total segment revenue	2,946,769	1,920,547	1,161,180	101,154	(52,972)	6,076,678
Segment profit and profit before taxation	688,291	222,853	131,417	60,366	(66,841)	1,036,086
Income tax expense						(152,783)
Profit for the period						883,303

Other segment information

Year ended December 31, 2022

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	198,607	167,780	35,018	1,978	(19,715)	383,668
Additions to intangible assets	6,902	–	255	123	–	7,280
Additions to right-of-use assets	97,795	12,721	35,239	973	–	146,728
Depreciation and amortization	131,245	57,938	15,549	42,947	(5,518)	242,161
Impairment losses on property, plant and equipment	–	–	1,652	–	–	1,652
Written-down of inventories	9,175	1,736	2,855	–	–	13,766
Impairment losses/(reversal of impairment losses) on financial assets, net	18,319	(5,211)	11,344	(660)	130	23,922

Year ended December 31, 2023

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	208,632	103,460	52,771	902	(2,830)	362,935
Additions to intangible assets	21,731	–	256	1,712	–	23,699
Additions to right-of-use assets	–	–	22,618	–	(22,596)	22
Depreciation and amortization	135,549	42,296	33,381	43,158	(13,741)	240,643
Impairment losses on property, plant and equipment	–	–	83	–	–	83
Impairment losses on goodwill	28,665	–	–	–	–	28,665
Written-down of inventories	8,702	2,239	6,573	–	–	17,514
Impairment losses/(reversal of impairment losses) on financial assets, net	7,895	(284)	6,748	152	923	15,434

Year ended December 31, 2024

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	137,046	195,752	142,270	2,410	(491)	476,987
Additions to intangible assets	1,979	–	310	209	–	2,498
Additions to right-of-use assets	67,006	12,740	95,743	–	(2,708)	172,781
Depreciation and amortization	152,563	59,522	40,408	43,426	(7,847)	288,072
Impairment losses on property, plant and equipment	4,497	47	684	–	–	5,228
Impairment losses on goodwill	36,479	–	–	–	–	36,479
Written-down of inventories	9,786	3,792	11,800	–	–	25,378
Impairment losses/(reversal of impairment losses) on financial assets, net	13,410	12,217	4,017	(118)	355	29,881

Nine months ended September 30, 2024 (unaudited)

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	100,686	85,973	66,699	2,026	–	255,384
Additions to intangible assets	1,760	–	211	210	–	2,181
Additions to right-of-use assets	66,875	9,785	102,361	–	(2,565)	176,456
Depreciation and amortization	108,232	36,309	29,780	32,575	(5,764)	201,132
Impairment losses on property, plant and equipment	–	–	435	–	–	435
Written-down of inventories	2,490	1,771	2,321	–	–	6,582
Impairment losses/(reversal of impairment losses) on financial assets, net	2,181	6,970	(910)	(23)	(714)	7,504

Nine months ended September 30, 2025

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	194,841	502,921	69,878	513	–	768,153
Additions to intangible assets	528	–	962	92	–	1,582
Additions to right-of-use assets	252,316	7,814	–	–	–	260,130
Depreciation and amortization	120,909	59,118	39,990	32,330	(6,176)	246,171
Impairment losses on property, plant and equipment	–	–	110	–	–	110
Written-down of inventories	7,759	7,351	13,838	–	–	28,948
(Reversal of impairment losses)/impairment losses on financial assets, net	(1,361)	9,883	1,326	(51)	125	9,922

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reporting segments:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets				
Electronics and electricity	5,064,582	5,283,969	5,933,654	6,720,547
Wires and cables	1,439,329	1,694,528	2,006,429	2,801,707
New energy products	926,612	1,160,677	1,576,187	1,695,303
Wind power	1,047,979	1,073,310	1,112,413	1,101,938
Eliminations	(159,766)	(232,048)	(398,357)	(683,111)
Consolidated assets	8,318,736	8,980,436	10,230,326	11,636,384
Segment liabilities				
Electronics and electricity	2,440,953	2,332,852	2,546,827	3,021,771
Wires and cables	525,777	700,898	961,621	1,797,905
New energy	585,874	595,281	864,139	884,336
Wind power	188,358	177,096	185,724	179,843
Eliminations	(221,620)	(288,195)	(456,314)	(713,167)
Consolidated liabilities	3,519,342	3,517,932	4,101,997	5,170,688

Geographical information

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the external customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers				
	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Mainland China	4,688,295	4,990,212	6,108,050	4,258,989	5,326,830
Others	648,354	728,629	812,052	556,526	749,848
	5,336,649	5,718,841	6,920,102	4,815,515	6,076,678

	Non-current assets (note)			
	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Mainland China	3,866,802	3,955,744	4,235,566	4,860,183
Vietnam	13,412	15,068	99,612	256,204
	3,880,214	3,970,812	4,335,178	5,116,387

Note: Non-current assets exclude equity instruments at fair value through other comprehensive income, deferred tax assets, contract assets and trade and other receivables.

7. OTHER INCOME, GAINS AND LOSSES

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Other income					
Government grants (note a)	57,635	40,997	30,814	19,033	18,618
Interest income	7,781	12,368	16,747	9,137	6,417
Dividend income received from equity instruments at FVTOCI	3,200	1,663	3,313	1,819	1,000
Gross rental income	4,205	4,380	6,430	4,984	5,490
Value added tax refund	3,352	2,790	2,130	1,560	1,716
Additional value added tax deductible (note b)	–	16,200	28,826	19,218	15,967
	76,173	78,398	88,260	55,751	49,208
Other gains and losses					
Loss on disposal of property, plant and equipment, net	(3,025)	(2,582)	(7,632)	(1,569)	(505)
Loss on disposal of right-of-use assets	(8)	–	–	–	–
Gain on early termination of leases	20	–	–	–	–
Gain from changes in fair value of financial assets at FVTPL	93	590	6,330	3,652	2,744
Impairment loss on property, plant and equipment (note 15)	(1,652)	(83)	(5,228)	(435)	(110)
Foreign exchange gains/(loss), net	14,683	4,291	8,530	2,912	(760)
Others	4,861	7,725	1,659	2,591	(1,693)
	14,972	9,941	3,659	7,151	(324)
	91,145	88,339	91,919	62,902	48,884

Notes:

(a) Included in the amount are government grants received by the Group amounting to RMB43,918,000, RMB31,422,000, RMB22,036,000, RMB12,591,000 and RMB12,469,000 for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 (unaudited) and 2025, respectively, representing tax refunds, operating subsidies and various industry-specific subsidies granted by the government authorities to reward the Group's effort for technological innovation with no future related costs to be incurred. There are no unfulfilled conditions relating to such government subsidies recognized.

(b) Additional value added tax deductible represents the tax authority allows advanced manufacturing enterprises to deduct an additional 5% of their deductible input tax from payable value added tax.

8. FINANCE COSTS

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest expenses on:					
– bank borrowings	62,724	54,530	49,462	37,672	29,511
– lease liabilities	1,239	2,150	7,079	5,131	6,652
– bond payables	21,584	6,475	–	–	–
– discounted bills	4,048	3,623	3,898	2,130	3,110
	89,595	66,778	60,439	44,933	39,273

9. PROFIT BEFORE TAXATION

Profit before taxation has been carried at after charging/(crediting):

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Auditor's remuneration					
– audit services	2,460	2,370	2,560	1,920	1,920
– non-audit services	430	674	526	–	1,318
	2,890	3,044	3,086	1,920	3,238
Cost of inventories sold	2,605,558	2,796,045	3,474,255	2,400,677	3,045,095
Depreciation of property, plant and equipment (note 15)	194,448	212,432	239,427	168,269	202,064
Depreciation of right-of-use assets (note 16)	22,608	21,618	34,578	25,221	37,040
Amortization of intangible assets included in administrative expenses (note 18)	23,861	5,359	12,688	6,552	5,997
Depreciation of investment properties (note 19)	1,244	1,234	1,379	1,090	1,070
Total depreciation and amortization	242,161	240,643	288,072	201,132	246,171
Capitalized in inventories	(177,024)	(186,394)	(223,521)	(153,268)	(197,102)
	65,137	54,249	64,551	47,864	49,069
Impairment of goodwill (note 17)	–	28,665	36,479	–	–
Written-down of inventories (note 23)	13,766	17,514	25,378	6,582	28,948
Impairment losses/(reversal of impairment losses), net:					
– trade receivables	19,102	21,628	24,302	5,776	8,945
– bills receivables	(1,028)	418	2,147	466	(755)
– other receivables	144	(2,501)	1,894	188	(871)
– contract assets	5,704	(4,111)	1,538	1,074	2,603
	23,922	15,434	29,881	7,504	9,922
Short-term lease payments	10,507	11,187	18,074	12,769	19,654
Gross rental income from investment properties	4,205	4,380	6,430	4,984	5,490
Less: direct operating expenses incurred for investment properties included in administrative expenses	(1,244)	(1,234)	(1,379)	(1,090)	(1,070)
	2,961	3,146	5,051	3,894	4,420
Staff cost (including directors', chief executive's, and supervisors' remuneration):					
Basic salaries, allowances and other benefits in kind	852,907	953,768	1,087,997	757,169	938,198
Retirement benefit expense	59,131	60,436	72,920	53,121	72,579
Equity-settled share-based payments	945	1,662	2,094	(190)	9,368
	912,983	1,015,866	1,163,011	810,100	1,020,145
Listing expenses	–	–	–	–	636

10. INCOME TAX EXPENSE

(a) Taxation in the consolidated statement of profit or loss

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current income Tax					
Current tax	61,647	103,390	142,826	100,144	124,587
Under/(over) provision in prior years	5,283	(792)	6,082	2,249	2,021
	66,930	102,598	148,908	102,393	126,608
Deferred tax					
Current year/period	179	13,611	3,817	703	26,306
Attributable to a change in tax rate	–	(1,059)	635	6	(131)
	179	12,552	4,452	709	26,175
	67,109	115,150	153,360	103,102	152,783

The group companies are subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Under the Law of the PRC on Enterprise Income Tax (the **"EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% unless they are subject to preferential tax as set out below.

During the year ended December 31, 2022, the Company, LTK Electric, LTK Electric Wire (Changzhou) Ltd, Shanghai Keter New Materials, Surgwave Electronics (Shanghai) Co., Ltd., Changzhou Varlk Technology Co., Ltd., Shenzhen Woer New Energy Electric Technology, Shanghai Changyuan Electronic Material Co., Ltd., CYG Tefa Co., Ltd., Tianjin Changyuan Electronic Material Co., Ltd., Changyuan Electronics (Dongguan) Co., Ltd., Dongguan Salipt Co., Ltd., Huzhou Changyuan Tefa Technology Co., Ltd., Shenzhen Orbit Systems Inc., Changzhou WOER HEAT-SHRINKABLE Material Co., Ltd., Tianjin Wo'erfa Power Equipment Co., Ltd., WOER HEAT-SHRINKABLE and Shenzhen WOER Electric Technology Co., Ltd. were accredited as the "High and New Technology Enterprise" and therefore were entitled to a preferential income tax rate of 15%. The qualification is subject to review by the relevant tax authority in the PRC every three years.

During the year ended December 31, 2023, the Company, LTK Electric, LTK Electric Wire (Changzhou) Ltd, Shanghai Keter New Materials, Surgwave Electronics (Shanghai) Co., Ltd., Changzhou Varlk Technology Co., Ltd., Shenzhen Woer New Energy Electric Technology, Shanghai Changyuan Electronic Material Co., Ltd., Tianjin Changyuan Electronic Material Co., Ltd., Changyuan Electronics (Dongguan) Co., Ltd., Shenzhen Orbit Systems Inc., Changzhou WOER HEAT-SHRINKABLE Material Co., Ltd., Tianjin Wo'erfa Power Equipment Co., Ltd., WOER HEAT-SHRINKABLE and Shenzhen WOER Electric Technology Co., Ltd. were accredited as the "High and New Technology Enterprise" and therefore were entitled to a preferential income tax rate of 15%. The qualification is subject to review by the relevant tax authority in the PRC every three years.

During the year ended December 31, 2024, the Company, LTK Electric, LTK Electric Wire (Changzhou) Ltd, Shanghai Keter New Materials, Shenzhen Woer New Energy Electric Technology, Shanghai Changyuan Electronic Material Co., Ltd., Tianjin Changyuan Electronic Material Co., Ltd., Changyuan Electronics (Dongguan) Co., Ltd., Changzhou Changyuan Tefa Technology Co., Ltd., Huizhou Changyuan Tefa Technology Co., Ltd., Shenzhen Orbit Systems Inc., Changzhou WOER HEAT-SHRINKABLE Material Co., Ltd., Tianjin Wo'erfa Power Equipment Co., Ltd., WOER HEAT-SHRINKABLE and Shenzhen WOER Electric Technology Co., Ltd., were accredited as the "High and New Technology Enterprise" and therefore were entitled to a preferential income tax rate of 15%. The qualification is subject to review by the relevant tax authority in the PRC every three years.

During the nine months ended September 30, 2024, the Company, LTK Electric, LTK Electric Wire (Changzhou) Ltd, Shanghai Keter New Materials, Shenzhen Woer New Energy Electric Technology, Shanghai Changyuan Electronic Material Co., Ltd., Tianjin Changyuan Electronic Material Co., Ltd., Changyuan Electronics (Dongguan) Co., Ltd., Changzhou Changyuan Tefa Technology Co., Ltd., Huizhou Changyuan Tefa Technology Co., Ltd., Shenzhen Orbit Systems Inc., Changzhou WOER HEAT- SHRINKABLE Material Co., Ltd., Tianjin Wo'erfa Power Equipment Co., Ltd., WOER HEAT-SHRINKABLE, and Shenzhen WOER Electric Technology Co., Ltd. were accredited as the "High and New Technology Enterprise" and therefore were entitled to a preferential income tax rate of 15%. The qualification is subject to review by the relevant tax authority in the PRC every three years.

During the nine months ended September 30, 2025, the Company, LTK Electric, LTK Electric Wire (Changzhou) Ltd, Shanghai Keter New Materials, Shenzhen Woer New Energy Electric Technology, Shanghai Changyuan Electronic Material Co., Ltd., Changyuan Electronics (Dongguan) Co., Ltd., Changzhou Changyuan Tefa Technology Co., Ltd., Huizhou Changyuan Tefa Technology Co., Ltd., Shenzhen Orbit Systems Inc., Changzhou WOER HEAT-SHRINKABLE Material Co., Ltd., Tianjin Wo'erfa Power Equipment Co., Ltd., WOER HEAT-SHRINKABLE, and Shenzhen WOER Electric Technology Co., Ltd. were accredited as the "High and New Technology Enterprise" and therefore were entitled to a preferential income tax rate of 15%. The qualification is subject to review by the relevant tax authority in the PRC every three years.

During the year ended December 31, 2022, LTK CABLE (Chongqing) Ltd., Dalian LTK Trade Ltd, Wuhan Wo'er Nuclear Material Technology Development Co., Ltd., Changchun Wall Nuclear Material Wind Power Generation Co., Ltd., Liangcheng County Xinyuan Wind Power Generation Co., Ltd., Hailin Xinyuan Wind Power Co., Ltd., Shanghai Lante New Material Co., Ltd., Shanghai Lin Tian Functional Materials Co., Ltd., Wuhan Wal New Energy Technology Co., Ltd., CYG Electronics (Group) Co., Ltd., Shanghai Changyuan Radiation Technology Co., Ltd., Changzhou Changyuan Electronic Materials Co., Ltd., Shenzhen Judian Network Technology Co., Ltd., Shenzhen Judian New Energy Technology Co., Ltd., Shenzhen Judian New Energy Automobile Service Co., Ltd., Shanghai Judian New Energy Vehicle Technology Co., Ltd., Beijing Judian Juneng Technology Co., Ltd., Shenzhen Judian Investment Holdings Co., Ltd., Shenzhen Huawo Zhilian Technology Co., Ltd., Beijing Woerfa Electrical Co., Ltd., Shenzhen Wolida Trading Co., Ltd., Shenzhen Guodian Julong Electrical Technology Co., Ltd., Shenzhen Woer Intelligent Equipment Co., Ltd., Changzhou Guodian Julong Electric Technology Co., Ltd., KTG (ChangZhou) New Material Co., Ltd., Wuhan Wal New Material Co., Ltd. and Wuhan Wal Nuclear Power Technology Co., Ltd., were qualified as "Small and Micro-Sized Enterprises" ("**SME**"). For the first RMB1 million of annual taxable income is eligible for 12.5% reduction at the applicable income tax rate of 20%, and the income between RMB1 million and RMB3 million is el igible for 50% reduction at the applicable income tax rate of 20%.

During the year ended December 31, 2023, LTK CABLE (Chongqing) Ltd., Dalian LTK Trade Ltd, Wuhan Wo'er Nuclear Material Technology Development Co., Ltd., Changchun Wall Nuclear Material Wind Power Generation Co., Ltd., Liangcheng County Xinyuan Wind

Power Generation Co., Ltd., Hailin Xinyuan Wind Power Co., Ltd., Shanghai Lante New Material Co., Ltd., Shanghai Lin Tian Functional Materials Co., Ltd., Wuhan Wal New Energy Technology Co., Ltd., Shenzhen Woer New Energy Technology Co., Ltd., CYG Electronics (Group) Co., Ltd., Shanghai Changyuan Radiation Technology Co., Ltd., Changzhou Changyuan Electronic Materials Co., Ltd., Shenzhen Judian Network Technology Co., Ltd., Shenzhen Judian New Energy Technology Co., Ltd., Shenzhen Judian New Energy Automobile Service Co., Ltd., Shanghai Judian New Energy Vehicle Technology Co., Ltd., Beijing Judian Juneng Technology Co., Ltd., Shenzhen Judian Investment Holdings Co., Ltd., Shenzhen Huawo Zhilian Technology Co., Ltd., Beijing Woerfa Electrical Co., Ltd., Shenzhen Wolida Trading Co., Ltd., Shenzhen Guodian Julong Electrical Technology Co., Ltd., Shenzhen Woer Intelligent Equipment Co., Ltd., KTG (ChangZhou) New Material Co., Ltd. and Wuhan Wal Nuclear Power Technology Co., Ltd., were qualified as SME. For the first RMB1 million of annual taxable income is eligible for 25% reduction at the applicable income tax rate of 20%.

During the year ended December 31, 2024, LTK CABLE (Chongqing) Ltd., Dalian LTK Trade Ltd. Changchun Wall Nuclear Material Wind Power Generation Co., Ltd., Shanghai Lante New Material Co., Ltd., Shanghai Lin Tian Functional Materials Co., Ltd., Shanghai Ricoro Film Co., Ltd., Shanghai WoDarun New Materials Co., Ltd., Wuhan Wal New Energy Technology Co., Ltd., Shenzhen Woer New Energy Technology Co., Ltd., CYG Electronics (Group) Co., Ltd., Shanghai Changyuan Radiation Technology Co., Ltd., Changzhou Changyuan Electronic Materials Co., Ltd., Shenzhen Judian Network Technology Co., Ltd., Shenzhen Judian New Energy Technology Co., Ltd., Shenzhen Judian New Energy Automobile Service Co., Ltd., Shanghai Judian New Energy Vehicle Technology Co., Ltd., Beijing Judian Juneng Technology Co., Ltd., Shenzhen Judian Investment Holdings Co., Ltd., Beijing Woerfa Electrical Co., Ltd., Shenzhen Wolida Trading Co., Ltd., Shenzhen Guodian Julong Electrical Technology Co., Ltd., Shenzhen Woer Intelligent Equipment Co., Ltd. and KTG (ChangZhou) New Material Co., Ltd. were qualified as SME. For the first RMB1 million of annual taxable income is eligible for 25% reduction at the applicable income tax rate of 20%.

During the nine months ended September 30, 2024, LTK CABLE (Chongqing) Ltd, Dalian LTK Trade Ltd, Wuhan Wo'er Nuclear Material Technology Development Co., Ltd., Changchun Wall Nuclear Material Wind Power Generation Co., Ltd., Shanghai Lante New Material Co., Ltd., Shanghai LIN TIAN Functional MATERIALS Co., Ltd., Wuhan Wal New Energy Technology Co., Ltd., Shenzhen Woer New Energy Technology Co., Ltd., CYG ELECTRONICS (Group) Co., Ltd., Shanghai Changyuan Radiation Technology Co., Ltd., Changzhou Changyuan Electronic Materials Co., Ltd., Shenzhen Judian Network Technology Co., Ltd., Shenzhen Judian New Energy Technology Co., Ltd., Shenzhen Judian New Energy Automobile Service Co., Ltd., Shanghai Judian New Energy Vehicle Technology Co., Ltd., Beijing Judian Juneng Technology Co., Ltd., Shenzhen Judian Investment Holdings Co., Ltd., Shenzhen Huawo Zhilian Technology Co., Ltd., Beijing Woerfa Electrical Co., Ltd., Shenzhen Wolida Trading Co., Ltd., Shenzhen Guodian Julong Electrical Technology Co., Ltd., Shenzhen Woer Intelligent Equipment Co., Ltd. and KTG (ChangZhou) New Material Co., Ltd. were qualified as SME. For the first RMB1 million of annual taxable income is eligible for 25% reduction at the applicable income tax rate of 20%.

During the nine months ended September 30, 2025, LTK CABLE (Chongqing) Ltd, Dalian LTK Trade Ltd, Changchun Wall Nuclear Material Wind Power Generation Co., Ltd., Shanghai Lante New Material Co., Ltd., Shanghai LIN TIAN Functional MATERIALS Co., Ltd., Shanghai Ricoro Film Co., Ltd., Shanghai WoDarun New Materials Co., Ltd., Shenzhen Woer New Energy Technology Co., Ltd., Shanghai Changyuan Radiation Technology Co., Ltd., Changzhou Changyuan Electronic Materials Co., Ltd., Shenzhen Judian Network Technology Co., Ltd., Shenzhen Judian New Energy Technology Co., Ltd., Shenzhen Judian New Energy Automobile Service Co., Ltd., Shanghai Judian New Energy Vehicle Technology Co., Ltd., Beijing Judian Juneng Technology Co., Ltd., Shenzhen Judian Investment Holdings Co., Ltd., Shenzhen Kenaite Conductive Precision Technology Co., Ltd., Beijing Woerfa Electrical Co., Ltd., Shenzhen Wolida Trading Co., Ltd., Shenzhen Guodian Julong Electrical Technology Co., Ltd., Shenzhen Woer Intelligent Equipment Co., Ltd. and KTG (ChangZhou) New Material Co., Ltd. were qualified as SME. For the first RMB1 million of annual taxable income is eligible for 25% reduction at the applicable income tax rate of 20%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax charge for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 (unaudited) and 2025 can be reconciled to the profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit before taxation	727,356	872,877	1,073,863	812,345	1,036,086
Tax at the statutory tax rate of 25%	181,839	218,219	268,466	203,086	259,022
Effects of different tax rates applicable to different subsidiaries of the Group	(66,522)	(79,175)	(98,802)	(72,343)	(79,043)
Tax effect of expenses that are not deductible for tax purposes	6,137	11,366	10,196	2,561	3,767
Tax effect of income that is not taxable for tax purposes	(294)	(4,794)	(1,984)	(1,432)	(3,622)
Under/(over) provision of taxation in previous year	5,283	(792)	6,082	2,249	2,021
Tax effect of share of results of associates	(1,515)	(2,469)	(2,452)	(1,404)	(611)
Tax effect of temporary difference not recognized	15,941	10,992	11,643	3,397	16,589
Utilization of deductible temporary differences previously not recognized	(2,779)	(5,204)	(1,350)	(4,333)	(6,439)
Tax effect of additional tax deduction for eligible research and development expenses	(70,981)	(32,993)	(38,439)	(28,679)	(38,901)
Income tax expenses for the year/period	67,109	115,150	153,360	103,102	152,783

(b) Tax effects relating to each component of other comprehensive income

	Before taxation	Taxation credited	Net of taxation
	RMB'000	RMB'000 (Note 32)	RMB'000
For the year ended December 31, 2022			
Fair value change of equity instruments at FVTOCI	(38,603)	5,790	(32,813)

	Before taxation	Taxation charged	Net of taxation
	RMB'000	RMB'000 (Note 32)	RMB'000
For the year ended December 31, 2023			
Fair value change of equity instruments at FVTOCI	13,745	(2,062)	11,683

	Before taxation	Taxation credited	Net of taxation
	RMB'000	RMB'000 (Note 32)	RMB'000
For the year ended December 31, 2024			
Fair value change of equity instruments at FVTOCI	(10,503)	1,577	(8,926)

	Before taxation	Taxation charged	Net of taxation
	RMB'000	RMB'000 (Note 32)	RMB'000
For the nine months ended September 30, 2024 (unaudited)			
Fair value change of equity instruments at FVTOCI	(12,587)	1,813	(10,774)

	Before taxation	Taxation credited	Net of taxation
	RMB'000	RMB'000 (Note 32)	RMB'000
For the nine months ended September 30, 2025			
Fair value change of equity instruments at FVTOCI	(35,572)	5,844	(29,728)

11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS

Ms. Yi Huarong is the chief executive of the Company and her emolument disclosed below included those for services rendered by her as the chief executive of the Company and other group entities.

Details of the emoluments paid or payable to the individuals who were appointed as the directors, chief executive and supervisors of the Company (including emoluments for services as employees/directors of the group entities prior to becoming the directors of the Company), during the Track Record Period, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows:

Year ended December 31, 2022	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contribution	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Zhou Wenhe (note (i))	–	748	–	–	–	748
Ms. Yi Huarong (note (iii))	–	239	–	45	–	284
Ms. Deng Yan	–	464	–	29	–	493
Mr. Liu Zhanli	–	729	–	25	–	754
Mr. Xia Chunliang	–	575	–	30	–	605
Ms. Wang Honghui (note (iv))	–	794	–	41	–	835
Sub-total	–	3,549	–	170	–	3,719
Non-executive directors						
Dr. Li Wenyou	120	–	–	–	–	120
Sub-total	120	–	–	–	–	120
Independent non-executive directors						
Ms. Chen Yanyan	120	–	–	–	–	120
Mr. Zeng Fanyue (note (v))	20	–	–	–	–	20
Ms. Dai Bingjie (note (vi))	20	–	–	–	–	20
Ms. Yang Zaifeng (note (vii))	100	–	–	–	–	100
Mr. Liu Guangling (note (viii))	100	–	–	–	–	100
Sub-total	360	–	–	–	–	360
Supervisors						
Mr. Wang Jun	–	224	–	20	–	244
Mr. Zheng Yunfei	–	504	–	18	–	522
Ms. Geng Lian (note (ix))	–	26	–	2	–	28
Mr. Fang Leixiang (note (x))	–	291	–	28	–	319
Sub-total	–	1,045	–	68	–	1,113
Total	480	4,594	–	238	–	5,312

Year ended December 31, 2023	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contribution	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Zhou Wenhe (note (i))	–	745	–	–	–	745
Ms. Yi Huarong (note (iii))	–	1,413	–	46	–	1,459
Ms. Deng Yan	–	548	–	27	–	575
Mr. Liu Zhanli	–	837	–	27	–	864
Mr. Xia Chunliang	–	733	–	38	22	793
Sub-total	–	4,276	–	138	22	4,436
Non-executive directors						
Dr. Li Wenyou	120	–	–	–	–	120
Sub-total	120	–	–	–	–	120
Independent non-executive directors						
Ms. Chen Yanyan	120	–	–	–	–	120
Mr. Zeng Fanyue (note (v))	120	–	–	–	–	120
Ms. Dai Bingjie (note (vi))	120	–	–	–	–	120
Sub-total	360	–	–	–	–	360
Supervisors						
Mr. Wang Jun	–	221	–	19	–	240
Mr. Zheng Yunfei	–	222	–	14	–	236
Ms. Geng Lian (note (ix))	–	151	–	13	–	164
Sub-total	–	594	–	46	–	640
Total	480	4,870	–	184	22	5,556

Year ended December 31, 2024	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contribution	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Zhou Wenhe (note (i))	–	563	–	–	–	563
Ms. Yi Huarong (note (iii))	–	1,493	–	50	–	1,543
Ms. Deng Yan	–	506	–	29	–	535
Mr. Liu Zhanli	–	886	–	28	–	914
Mr. Xia Chunliang	–	474	–	50	21	545
Sub-total	–	3,922	–	157	21	4,100
Non-executive directors						
Dr. Li Wenyou	120	–	–	–	–	120
Sub-total	120	–	–	–	–	120
Independent non-executive directors						
Ms. Chen Yanyan	120	–	–	–	–	120
Mr. Zeng Fanyue (note (v))	120	–	–	–	–	120
Ms. Dai Bingjie (note (vi))	120	–	–	–	–	120
Sub-total	360	–	–	–	–	360
Supervisors						
Mr. Wang Jun	–	225	–	20	–	245
Mr. Zheng Yunfei	–	289	–	15	–	304
Ms. Geng Lian (note (ix))	–	162	–	15	–	177
Sub-total	–	676	–	50	–	726
Total	480	4,598	–	207	21	5,306

Nine months ended September 30, 2024 (unaudited)	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contribution	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Zhou Wenhe (note (i))	–	453	–	–	–	453
Ms. Yi Huarong (note (iii))	–	1,119	–	54	–	1,173
Ms. Deng Yan	–	380	–	21	–	401
Mr. Liu Zhanli	–	664	–	30	–	694
Mr. Xia Chunliang	–	356	–	37	(3)	390
Sub-total	–	2,972	–	142	(3)	3,111
Non-executive directors						
Dr. Li Wenyou	90	–	–	–	–	90
Sub-total	90	–	–	–	–	90
Independent non-executive directors						
Ms. Chen Yanyan	90	–	–	–	–	90
Mr. Zeng Fanyue (note (v))	90	–	–	–	–	90
Ms. Dai Bingjie (note (vi))	90	–	–	–	–	90
Sub-total	270	–	–	–	–	270
Supervisors						
Mr. Wang Jun	–	171	–	22	–	193
Mr. Zheng Yunfei	–	217	–	11	–	228
Ms. Geng Lian (note (ix))	–	121	–	13	–	134
Sub-total	–	509	–	46	–	555
Total	360	3,481	–	188	(3)	4,026

Nine months ended September 30, 2025	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contribution	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Zhou Wenhe (note (i))	–	67	–	–	–	67
Mr. Zhou Heping (note (ii))	–	3,742	–	–	–	3,742
Ms. Yi Huarong (note (iii))	–	1,486	–	58	–	1,544
Ms. Deng Yan	–	362	–	23	37	422
Mr. Liu Zhanli	–	853	–	32	185	1,070
Mr. Xia Chunliang	–	882	–	41	227	1,150
Sub-total	–	7,392	–	154	449	7,995
Non-executive directors						
Dr. Li Wenyou	90	–	–	–	–	90
Sub-total	90	–	–	–	–	90
Independent non-executive directors						
Ms. Chen Yanyan	90	–	–	–	–	90
Mr. Zeng Fanyue (note (v))	90	–	–	–	–	90
Ms. Dai Bingjie (note (vi))	90	–	–	–	–	90
Sub-total	270	–	–	–	–	270
Supervisors						
Mr. Wang Jun	–	147	–	16	–	163
Mr. Zheng Yunfei	–	188	–	8	8	204
Ms. Geng Lian (note (ix))	–	84	–	12	–	96
Sub-total	–	419	–	36	8	463
Total	360	7,811	–	190	457	8,818

Notes:

(i) Mr. Zhou Wenhe resigned as executive director of the Company with effect from May 10, 2025.

(ii) Mr. Zhou Heping was appointed as executive director of the Company with effect from June 3, 2025.

(iii) Ms. Yi Huarong was appointed as executive director of the Company with effect from November 2, 2022.

(iv) Ms. Wang Honghui resigned as executive director of the Company with effect from November 2, 2022.

(v) Mr. Zeng Fanyue was appointed as independent non-executive director of the Company with effect from November 2, 2022.

(vi) Ms. Dai Bingjie was appointed as independent non-executive director of the Company with effect from November 2, 2022.

(vii) Ms. Yang Zaifeng resigned as independent non-executive director of the Company with effect from November 2, 2022.

(viii) Mr. Liu Guangling resigned as independent non-executive director of the Company with effect from November 2, 2022.

(ix) Ms. Geng Lian was appointed as supervisor of the Company with effect from November 2, 2022.

(x) Mr. Fang Leixiang resigned as supervisor of the Company with effect from November 2, 2022.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group during the Track Record Period.

The non-executive directors' emoluments and independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company during the Track Record Period.

During the Track Record Period, there was no arrangement under which a director or the chief executive or a supervisor waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

12. FIVE HIGHEST PAID EMPLOYEES

The individuals whose emoluments were the top 5 highest in the Group for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 (unaudited) and 2025, respectively include nil, one, one, two and two directors of the Company whose emoluments are set out in note 11 above. The emoluments paid to the remaining five, four, four, three and three individuals with the highest emoluments in the Group for each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 (unaudited) and 2025, respectively, are as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	10,825	9,213	9,965	4,751	3,794
Retirement benefit expense	237	175	116	144	163
Equity-settled share-based payments	–	–	–	–	426
	11,062	9,388	10,081	4,895	4,383

The number of the highest paid employees (including the directors or the supervisors) of the Company whose remuneration fell within the following bands is as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
Nil to HK$1,000,000	–	–	–	3	–
HK$1,000,001 to HK$1,500,000	–	–	–	1	1
HK$1,500,001 to HK$2,000,000	3	3	3	–	3
HK$2,000,001 to HK$2,500,000	1	–	1	–	–
HK$2,500,001 to HK$3,000,000	–	1	–	–	–
HK$3,000,001 to HK$3,500,000	–	–	–	–	–
HK$3,500,001 to HK$4,000,000	–	–	–	1	–
HK$4,000,001 to HK$4,500,000	1	1	–	–	1
HK$4,500,001 to HK$5,000,000	–	–	–	–	–
HK$5,000,001 to HK$5,500,000	–	–	1	–	–

During the Track Record Period, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

On June 13, 2022, the payment of a final dividend of approximately RMB44,096,000 in aggregate (RMB0.35 per 10 ordinary shares) was paid by the Company in respect of the year ended December 31, 2021. On May 29, 2023, the payment of a final dividend of approximately RMB50,396,000 in aggregate (RMB0.40 per 10 ordinary shares) was paid by the Company in respect of the year ended December 31, 2022. On May 29, 2024, the payment of a final dividend of approximately RMB211,877,000 in aggregate (RMB1.70 per 10 ordinary shares) was paid by the Company in respect of the year ended December 31, 2023. On June 23, 2025, the payment of a final dividend of approximately RMB170,748,000 in aggregate (RMB1.37 per 10 ordinary shares) was paid by the Company in respect of the year ended December 31, 2024.

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company for the Track Record Period is based on the following data:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Earnings					
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	614,623	700,483	847,551	655,096	821,839
	'000	'000	'000	'000	'000
Number of shares					
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,259,899	1,257,934	1,246,334	1,246,334	1,246,334
Effect of dilutive potential ordinary shares:					
Share awards	N/A	N/A	N/A	N/A	809
Share options	N/A	N/A	N/A	N/A	256
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,259,899	1,257,934	1,246,334	1,246,334	1,247,399

The weighted average number of ordinary shares outstanding during the nine months ended September 30, 2025 have been adjusted for the effect of the Company's share awards scheme and share option scheme granted in April 2025.

The Group has no potential dilutive ordinary shares in issue for the years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2024.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Plant and machinery	Motor vehicles	Electricity generation and related equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST							
At January 1, 2022	1,223,746	1,092,891	25,955	990,354	94,735	229,599	3,657,280
Additions	47,081	189,837	2,082	15,449	8,069	121,150	383,668
Acquisition of a subsidiary (note 43(a))	73,380	–	–	–	–	–	73,380
Transfers from construction in progress	30,739	36,377	–	–	28,152	(95,268)	–
Disposals	(4,425)	(67,076)	(1,470)	(5,979)	–	–	(78,950)
At December 31, 2022 and January 1, 2023	1,370,521	1,252,029	26,567	999,824	130,956	255,481	4,035,378
Additions	2,657	126,368	2,108	15,381	30,284	186,137	362,935
Transfers from construction in progress	51,124	26,110	–	–	14,077	(91,311)	–
Transferred to investment properties (note 19)	(7,335)	–	–	–	–	–	(7,335)
Disposals	(16,552)	(50,298)	(2,458)	(10,414)	–	–	(79,722)
At December 31, 2023 and January 1, 2024	1,400,415	1,354,209	26,217	1,004,791	175,317	350,307	4,311,256
Additions	2,083	190,532	4,074	33,447	20,190	226,661	476,987
Transfers from construction in progress	160,814	22,077	–	–	14,339	(197,230)	–
Disposals	(7,761)	(27,419)	(819)	(10,544)	–	–	(46,543)
At December 31, 2024 and January 1, 2025	1,555,551	1,539,399	29,472	1,027,694	209,846	379,738	4,741,700
Additions	–	456,305	1,274	51,806	23,707	235,061	768,153
Acquisition of a subsidiary (note 43(b))	–	11	–	–	–	8,067	8,078
Transfers from construction in progress	206	9,504	–	–	18,897	(28,607)	–
Disposals	(309)	(17,866)	(5,161)	(1,008)	(1,397)	–	(25,741)
Exchange adjustments	–	(295)	34	–	–	–	(261)
At September 30, 2025	1,555,448	1,987,058	25,619	1,078,492	251,053	594,259	5,491,929
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
At January 1, 2022	278,320	597,295	15,786	224,342	46,321	–	1,162,064
Depreciation provided for the year	38,235	82,529	2,928	53,494	17,262	–	194,448
Impairment provided for the year	–	1,521	–	131	–	–	1,652
Eliminated on disposals	(3,624)	(34,967)	(1,254)	(4,756)	–	–	(44,601)
At December 31, 2022 and January 1, 2023	312,931	646,378	17,460	273,211	63,583	–	1,313,563
Depreciation provided for the year	43,108	96,295	2,545	49,088	21,396	–	212,432
Transferred to investment properties (note 19)	(4,743)	–	–	–	–	–	(4,743)
Impairment provided for the year	–	76	–	7	–	–	83
Eliminated on disposals	(9,465)	(26,664)	(2,231)	(9,146)	–	–	(47,506)
At December 31, 2023 and January 1, 2024	341,831	716,085	17,774	313,160	84,979	–	1,473,829
Depreciation provided for the year	46,901	100,315	3,536	58,831	29,844	–	239,427
Impairment provided for the year	–	5,223	–	5	–	–	5,228
Eliminated on disposals	(70)	(21,068)	(725)	(10,081)	–	–	(31,944)
At December 31, 2024 and January 1, 2025	388,662	800,555	20,585	361,915	114,823	–	1,686,540
Depreciation provided for the period	35,469	89,318	1,752	42,872	32,653	–	202,064
Impairment provided for the period	–	75	–	35	–	–	110
Eliminated on disposals	(22)	(10,676)	(4,810)	(575)	(870)	–	(16,953)
Exchange adjustments	–	(117)	(1)	(14)	–	–	(132)
At September 30, 2025	424,109	879,155	17,526	404,233	146,606	–	1,871,629
CARRYING AMOUNT							
At December 31, 2022	1,057,590	605,651	9,107	726,613	67,373	255,481	2,721,815
At December 31, 2023	1,058,584	638,124	8,443	691,631	90,338	350,307	2,837,427
At December 31, 2024	1,166,889	738,844	8,887	665,779	95,023	379,738	3,055,160
At September 30, 2025	1,131,339	1,107,903	8,093	674,259	104,447	594,259	3,620,300

Property, plant and equipment with an aggregate amounts of RMB368,427,000, RMB354,836,000, RMB409,796,000 and RMB468,708,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively are pledged to secure bank borrowings (note 28) granted to the Group.

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group is in the process of obtaining the certificates of ownership in respect of certain buildings of the Group with carrying amounts of RMB170,976,000, RMB215,260,000, RMB6,381,000 and RMB5,913,000, respectively, from the relevant government authorities.

For the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, the management performed impairment assessments on property, plant and equipment, right-of-use assets, intangible assets and goodwill of certain subsidiaries which contains goodwill. The management assessed the recoverable amounts of these assets by assessing the recoverable amounts of the cash-generating units ("**CGUs**"), represented by the respective subsidiaries, to which they belong with reference to the value-in-use calculations of the CGUs. The details of the impairment assessments are disclosed in note 17.

In addition to the impairment assessments performed on the CGUs described above, the Group also conducted a review of the Group's production assets and identified certain assets owned by certain subsidiaries were idle and/or obsolete and that it was expected that these assets would not generate future benefit to the Group. Accordingly, impairment loss of RMB1,652,000, RMB83,000, RMB5,228,000 and RMB110,000 had been recognized for the years ended December 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

The Company

	Buildings	Plant and machinery	Motor vehicles	Electricity generation and related equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST							
At January 1, 2022	322,225	278,370	6,860	31,212	21,428	50,458	710,553
Additions	–	23,827	606	1,367	507	34,200	60,507
Transfers from construction in progress	20,813	10,814	–	–	4,654	(36,281)	–
Disposals	–	(6,181)	–	(2,653)	–	–	(8,834)
At December 31, 2022 and January 1, 2023	343,038	306,830	7,466	29,926	26,589	48,377	762,226
Additions	–	25,091	292	2,301	247	1,377	29,308
Transfers from construction in progress	3,172	9,126	–	–	5,477	(17,775)	–
Disposals	–	(13,068)	(1,978)	(7,596)	–	–	(22,642)
At December 31, 2023 and January 1, 2024	346,210	327,979	5,780	24,631	32,313	31,979	768,892
Additions	1,600	10,915	364	4,246	–	14,677	31,802
Transfers from construction in progress	6,989	13,240	–	–	1,451	(21,680)	–
Disposals	(2,853)	(160,566)	(408)	(4,255)	–	–	(168,082)
At December 31, 2024 and January 1, 2025	351,946	191,568	5,736	24,622	33,764	24,976	632,612
Additions	–	8,659	521	2,310	–	47,868	59,358
Transfers from construction in progress	206	1,382	–	–	7,098	(8,686)	–
Disposals	–	(11,225)	(634)	(197)	–	–	(12,056)
At September 30, 2025	352,152	190,384	5,623	26,735	40,862	64,158	679,914
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
At January 1, 2022	76,338	165,449	3,527	22,924	15,930	–	284,168
Depreciation provided for the year	7,883	17,582	797	2,449	3,953	–	32,664
Eliminated on disposals	–	(4,342)	–	(2,380)	–	–	(6,722)
At December 31, 2022 and January 1, 2023	84,221	178,689	4,324	22,993	19,883	–	310,110
Depreciation provided for the year	7,956	19,164	875	2,030	3,479	–	33,504
Eliminated on disposals	–	(10,854)	(1,780)	(6,919)	–	–	(19,553)
At December 31, 2023 and January 1, 2024	92,177	186,999	3,419	18,104	23,362	–	324,061
Depreciation provided for the year	8,044	18,230	890	1,510	2,636	–	31,310
Eliminated on disposals	(70)	(90,709)	(352)	(3,530)	–	–	(94,661)
At December 31, 2024 and January 1, 2025	100,151	114,520	3,957	16,084	25,998	–	260,710
Depreciation provided for the period	6,147	9,021	468	1,153	1,659	–	18,448
Eliminated on disposals	–	(1,587)	(570)	(143)	–	–	(2,300)
At September 30, 2025	106,298	121,954	3,855	17,094	27,657	–	276,858
CARRYING AMOUNT							
At December 31, 2022	258,817	128,141	3,142	6,933	6,706	48,377	452,116
At December 31, 2023	254,033	140,980	2,361	6,527	8,951	31,979	444,831
At December 31, 2024	251,795	77,048	1,779	8,538	7,766	24,976	371,902
At September 30, 2025	245,854	68,430	1,768	9,641	13,205	64,158	403,056

Property, plant and equipment with an aggregate amounts of RMB186,146,000, RMB180,635,000, RMB121,743,000 and RMB125,916,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively are pledged to secure bank borrowings (note 28) granted to the Company.

16. RIGHT-OF-USE ASSETS

The Group

	Land use rights	Leased properties	Total
	RMB'000	RMB'000	RMB'000
CARRYING AMOUNT			
At January 1, 2022	165,736	34,700	200,436
Additions	106,924	39,804	146,728
Early termination of lease	–	(3,696)	(3,696)
Disposals	(2,677)	(696)	(3,373)
Depreciation charge	(4,551)	(18,057)	(22,608)
Exchange re-alignment	–	450	450
At December 31, 2022 and January 1, 2023	265,432	52,505	317,937
Additions	–	22	22
Early termination of lease	–	(622)	(622)
Depreciation charge	(5,644)	(15,974)	(21,618)
Exchange re-alignment	–	131	131
At December 31, 2023 and January 1, 2024	259,788	36,062	295,850
Additions	9,785	162,996	172,781
Lease modification	–	53,547	53,547
Depreciation charge	(6,172)	(28,406)	(34,578)
Exchange re-alignment	–	22	22
At December 31, 2024 and January 1, 2025	263,401	224,221	487,622
Additions	249,080	11,050	260,130
Acquisition of a subsidiary (note 43(b))	4,291	–	4,291
Lease modification	–	854	854
Depreciation charge	(6,647)	(30,393)	(37,040)
Exchange re-alignment	–	(539)	(539)
At September 30, 2025	510,125	205,193	715,318

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Expense relating to short-term leases	10,507	11,187	18,074	12,769	19,654
Total cash outflow for leases	136,580	29,412	62,310	44,608	296,248

During the Track Record Period, the Group leases various offices, warehouses and factories for its operations. Lease contracts are entered into fixed term of 13 months to 13 years, 2 years to 13 years, 2 years to 10 years and 16 months to 10 years for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Certain land use rights with an aggregate amounts of RMB53,162,000, RMB51,850,000, RMB54,615,000 and RMB96,547,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively are pledged to secure bank borrowings (note 28) granted to the Group.

Details of impairment assessment are disclosed in note 17.

The Company

	Land use rights
	RMB'000
CARRYING AMOUNT	
At January 1, 2022	23,573
Depreciation charge	(642)
At December 31, 2022 and January 1, 2023	22,931
Depreciation charge	(641)
At December 31, 2023 and January 1, 2024	22,290
Depreciation charge	(641)
At December 31, 2024 and January 1, 2025	21,649
Depreciation charge	(481)
At September 30, 2025	21,168

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Expense relating to short-term leases	1,634	1,544	870	853	616
Total cash outflow for leases	1,634	1,544	870	853	616

Certain land use rights with an aggregate amounts of RMB22,931,000, RMB22,290,000 and RMB17,082,000 as at December 31, 2022, 2023 and the nine months ended September 30, 2025 respectively are pledged to secure bank borrowings (note 28) granted to the Company. During the year ended December 31, 2024, the land use rights pledged were released upon the repayment of the relevant bank borrowings.

17. GOODWILL

The Group

	RMB'000
COST	
At January 1, 2022, December 31, 2022, January 1, 2023, December 31, 2023, January 1, 2024, December 31, 2024, January 1, 2025 and September 30, 2025	807,960
IMPAIRMENT	
At January 1, 2022, December 31, 2022 and January 1, 2023	47,988
Impairment loss recognized for the year	28,665
At December 31, 2023 and January 1, 2024	76,653
Impairment loss recognized for the year	36,479
At December 31, 2024, January 1, 2025 and September 30, 2025	113,132
CARRYING AMOUNT	
At December 31, 2022	759,972
At December 31, 2023	731,307
At December 31, 2024	694,828
At September 30, 2025	694,828

For the purpose of impairment testing, the carrying amount of goodwill (net of accumulated impairment losses) is allocated to the Group's cash-generating units ("**CGUs**") as follows:

	At December 31,			At September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Shenzhen Orbit Systems Inc. ("**Shenzhen Orbit CGU**")	65,144	36,479	–	–
CYG Electronics (Group) **("CYG Electronics CGU")**	694,828	694,828	694,828	694,828
	759,972	731,307	694,828	694,828

In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective CGUs for the purposes of impairment assessment.

The recoverable amounts of the CGUs are determined based on value-in-use calculations based on cash flow forecasts derived from the estimated future cash flows covering a 5-year period and with the beyond budgeted period using zero growth rate approved by the directors of the Company.

The key assumptions used in the estimation of value in use are as below:

	At December 31,			At September 30,
	2022	2023	2024	2025
Shenzhen Orbit CGU				
Revenue (average growth rate)	16.36%	9.33%	3.00%	N/A
Pre-tax discount rate	14.87%	13.25%	13.00%	N/A
CYG Electronics CGU				
Revenue (average growth rate)	3.63%	3.53%	3.56%	2.58%
Pre-tax discount rate	12.70%	12.90%	12.80%	12.76%

The directors of the Company have determined the values assigned to each of the key assumptions as follows:

- Average revenue growth rate over the five-year forecast period is based on past performance and management's expectation of market development; and

- Pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the CGUs.

Impact of possible changes in key assumptions

The recoverable amount of Shenzhen Orbit CGU was estimated to exceed its carrying amount as at December 31, 2022 by approximately RMB3,793,000. The recoverable amount of Shenzhen Orbit CGU was estimated to be lower than its carrying amount as at December 31, 2023 and 2024 and impairment of goodwill of RMB28,665,000 and RMB36,479,000 were recognized for the years ended December 31, 2023 and 2024 respectively. No other impairment of assets of Shenzhen Orbit CGU is considered necessary.

The recoverable amount of CYG Electronics CGU is estimated to exceed its carrying amount at December 31, 2022, 2023 and 2024 and September 30, 2025 by approximately RMB116,018,000, RMB317,513,000, RMB526,004,000 and RMB1,148,655,000 respectively.

Management have undertaken sensitivity analysis on the impairment test of goodwill. The recoverable amount of each CGU would equal its carrying amount (net of impairment loss) if each key assumption was to change as follows with all other variables held constant:

	At December 31,			At September 30,
	2022	2023	2024	2025
Shenzhen Orbit CGU				
Revenue (average growth rate)	16.22%	Note (i)	N/A	N/A
Pre-tax discount rate	15.49%	Note (ii)	N/A	N/A
CYG Electronics CGU				
Revenue (average growth rate)	3.47%	3.13%	2.98%	1.90%
Pre-tax discount rate	13.45%	14.92%	15.98%	17.84%

Notes:

(i) As at December 31, 2023, if the revenue average growth rate was changed to 8.33%, while other parameters remain constant, the recoverable amount of Shenzhen Orbit CGU would be reduced to RMB28,999,000 and a further impairment of goodwill of RMB21,691,000 would be recognized.

(ii) As at December 31, 2023, if the discount rate was changed to 14.25%, while other parameters remain constant, the recoverable amount of Shenzhen Orbit CGU would be reduced to RMB58,921,000 and a further impairment of goodwill of RMB3,737,000 would be recognized.

(iii) Apart from the considerations described in determining the value-in-use of the CGUs above, the management of the Group believe that no reasonably possible change in any of the above key assumptions would cause the CGU's recoverable amount to fall below its carrying amount.

18. INTANGIBLE ASSETS

The Group

	Trademark	Patent	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
COST				
At January 1, 2022	20,705	288,129	7,758	316,592
Additions	1,664	5,616	–	7,280
Disposals	(201)	–	–	(201)
At December 31, 2022 and January 1, 2023	22,168	293,745	7,758	323,671
Additions	6,770	16,837	92	23,699
At December 31, 2023 and January 1, 2024	28,938	310,582	7,850	347,370
Additions	2,498	–	–	2,498
Disposals	(108)	–	–	(108)
At December 31, 2024 and January 1, 2025	31,328	310,582	7,850	349,760
Additions	1,579	3	–	1,582
Disposals	(92)	–	–	(92)
At September 30, 2025	32,815	310,585	7,850	351,250
ACCUMULATED AMORTIZATION AND IMPAIRMENT				
At January 1, 2022	19,097	256,227	6,963	282,287
Charge for the year	2,073	21,573	215	23,861
Eliminated on disposals	(201)	–	–	(201)
At December 31, 2022 and January 1, 2023	20,969	277,800	7,178	305,947
Charge for the year	2,879	2,410	70	5,359
At December 31, 2023 and January 1, 2024	23,848	280,210	7,248	311,306
Charge for the year	1,670	10,966	52	12,688
Eliminated on disposals	(108)	–	–	(108)
At December 31, 2024 and January 1, 2025	25,410	291,176	7,300	323,886
Charge for the period	2,364	3,596	37	5,997
Eliminated on disposals	(92)	–	–	(92)
At September 30, 2025	27,682	294,772	7,337	329,791
CARRYING AMOUNT				
At December 31, 2022	1,199	15,945	580	17,724
At December 31, 2023	5,090	30,372	602	36,064
At December 31, 2024	5,918	19,406	550	25,874
At September 30, 2025	5,133	15,813	513	21,459

The Company

	Trademark	Patent	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
COST				
At January 1, 2022	13,394	138,267	439	152,100
Additions	953	5,616	–	6,569
Disposals	(61)	–	–	(61)
At December 31, 2022 and January 1, 2023	14,286	143,883	439	158,608
Additions	3,887	16,837	–	20,724
At December 31, 2023 and January 1, 2024	18,173	160,720	439	179,332
Additions	1,760	–	–	1,760
Disposals	(308)	–	–	(308)
At December 31, 2024 and January 1, 2025	19,625	160,720	439	180,784
Additions	383	–	–	383
At September 30, 2025	20,008	160,720	439	181,167
ACCUMULATED AMORTIZATION				
At January 1, 2022	10,084	129,512	390	139,986
Charge for the year	1,559	2,978	28	4,565
Eliminated on disposals	(61)	–	–	(61)
At December 31, 2022 and January 1, 2023	11,582	132,490	418	144,490
Charge for the year	1,787	2,309	20	4,116
At December 31, 2023 and January 1, 2024	13,369	134,799	438	148,606
Charge for the year	138	10,966	1	11,105
Eliminated on disposals	(161)	–	–	(161)
At December 31, 2024 and January 1, 2025	13,346	145,765	439	159,550
Charge for the period	1,004	3,596	–	4,600
At September 30, 2025	14,350	149,361	439	164,150
CARRYING AMOUNT				
At December 31, 2022	2,704	11,393	21	14,118
At December 31, 2023	4,804	25,921	1	30,726
At December 31, 2024	6,279	14,955	–	21,234
At September 30, 2025	5,658	11,359	–	17,017

Details of impairment assessment are disclosed in note 17.

19. INVESTMENT PROPERTIES

The Group

	Properties located in PRC
	RMB'000
COST	
At January 1, 2022, December 31, 2022 and January 1, 2023	20,762
Transferred from properties, plant and equipment (note 15)	7,335
At December 31, 2023, January 1, 2024, December 31, 2024, January 1, 2025 and September 30, 2025	28,097
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
At January 1, 2022	5,176
Depreciation provided for the year	1,244
At December 31, 2022 and January 1, 2023	6,420
Depreciation provided for the year	1,234
Transferred from properties, plant and equipment (note 15)	4,743
At December 31, 2023 and January 1, 2024	12,397
Depreciation provided for the year	1,379
At December 31, 2024 and January 1, 2025	13,776
Depreciation provided for the period	1,070
At September 30, 2025	14,846
CARRYING AMOUNT	
At December 31, 2022	14,342
At December 31, 2023	15,700
At December 31, 2024	14,321
At September 30, 2025	13,251

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the cost of investment properties is depreciated over their estimated useful lives at an estimated rate of 4.85%, 4.24%, 4.24%, and 4.24% respectively.

Independent valuation of the Group's investment properties were performed by independent third party valuers to determine the fair value of the investment properties as at December 31, 2022, 2023 and 2024 and September 30, 2025. The fair value of these investment properties as at December 31, 2022, 2023 and 2024 and September 30, 2025 as assessed by the valuers by income approach, which were categorized under level 3 fair value hierarchy were approximately RMB21,500,000, RMB55,600,000, RMB54,400,000 and RMB53,900,000, respectively. In estimating the fair value of the investment properties, the highest and best use of the properties is their current use.

The above investment properties are depreciated on a straight-line basis on the following bases:

Properties	Over the term of the lease of investment properties

20. INTERESTS IN SUBSIDIARIES

The Company

(a) Interests in subsidiaries

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted shares, at cost	2,997,615	3,145,962	3,196,160	3,807,232

The Company tested its investments in subsidiaries for impairment by comparing the recoverable amounts with the carrying amounts. In determining the recoverable amount of the investments in the subsidiaries, the Company estimates its shares of present value of estimated future cash flows expected to generate from the operations of the subsidiaries. The Company tested its investments in subsidiaries for impairment annually or more frequently if events or changes in circumstances indicated that they might be impaired. During the Track Record Period, the estimated recoverable amounts of the investments in subsidiaries were greater than the carrying values and therefore no impairment was recognized.

(b) Amounts due from subsidiaries

As at December 31, 2022, 2023 and 2024 and September 30, 2025, amounts due from subsidiaries of approximately RMB142,748,000, RMB62,237,000, RMB88,688,000 and RMB111,000,000, respectively carrying the fixed interest rate range from 3.50% to 3.65%, 3.50%, 3.00% and 2.50% per annum, respectively. The remaining balances of amounts due from subsidiaries are interest-free and repayment on demand.

(c) Amounts due to subsidiaries

As at December 31, 2022, 2023 and 2024 and September 30, 2025, amounts due to subsidiaries of approximately RMB446,400,000, RMB632,800,000, RMB233,830,000 and RMB207,000,000, respectively carrying the fixed interest rate range from 3.08% to 4.50%, 3.08% to 3.75%, 1.50% to 3.00% and 2.50% per annum, respectively. The remaining balances of amounts due to subsidiaries are interest-free and repayment on demand.

21. INTERESTS IN ASSOCIATES

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of unlisted investment	116,091	114,131	108,907	103,057
Share of post-acquisition loss and other comprehensive expense, net of dividends received	(67,667)	(59,667)	(51,534)	(51,826)
	48,424	54,464	57,373	51,231

Details of the Group's major associates at December 31, 2022, 2023 and 2024 and September 30, 2025 are as follows:

Name	Place of establishment and operation	Equity/beneficial interest held by the Group as at December 31, 2022	December 31, 2023	December 31, 2024	September 30, 2025	At date of this report	Principal activities	Note
		%	%	%	%	%		
Shanghai Shi Long Hi-Tech Co., Ltd. ("**Shanghai Shi Long**")	PRC	44.37%	44.37%	44.37%	44.37%	44.37%	Production and sales of battery separators and functional plastics	n/a
Shenzhen Heqiwor Investment Enterprise (Limited Partnership) ("**Heqiwor**")	PRC	48.51%	48.51%	48.51%	48.51%	48.51%	Engaged in venture capital business	(a)
Shenzhen Fujiawor Technology Enterprise (Limited Partnership) ("**Fujiawor**")	PRC	48.51%	48.51%	48.51%	48.51%	48.51%	Engaged in venture capital business	(b)
Guizhou Huier	PRC	N/A	N/A	39.00%	N/A	N/A	Research and development, production and sales of flame retardants	(c)

Notes:

(a) During the year ended December 31, 2023, Hequiwor passed a member's resolution to reduce the paid-up capital from RMB151,500,000 to RMB147,500,000. Accordingly, RMB1,960,000 was refund to the Group.

(b) During the year ended December 31, 2024, Fujiawor passed a member's resolution to reduce the paid-up capital from RMB37,128,000 to RMB14,528,000. Accordingly, RMB11,074,000 was refund to the Group.

(c) During the year ended December 31, 2024, WOER HEAT-SHRINKABLE, a wholly owned subsidiary of the Company entered into an agreement with other two independent third parties, which WOER HEAT-SHRINKABLE contributed cash of RMB5,850,000 into Guizhou Huier and acquired 39.00% of equity interest in Guizhou Huier. In May 2025, WOER HEAT-SHRINKABLE contributed RMB1,000,000 capital into Guizhou Huier. In June 2025, WOER HEAT-SHRINKABLE entered into a sale and purchase agreement with a shareholder of the associate to acquire 21.51% of equity interest in Guizhor Huier at a consideration of RMB3,000,000. Upon the completion of the transaction, Guizhor Huier became a non-wholly owned subsidiary of the Group. Details are set in note 43(b).

Summarized financial information of a material associate

Summarized financial information in respect of the Group's material associate is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS Accounting Standards.

The associates are accounted for using the equity method in the Historical Financial Information.

Shanghai Shi Long

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	68,903	70,355	80,837	83,358
Non-current assets	25,132	24,546	22,220	20,786
Current liabilities	(7,483)	(5,463)	(5,649)	(7,864)
Non-current liabilities	(1,885)	(127)	(49)	(47)
Net assets	84,667	89,311	97,359	96,233

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	35,207	38,537	42,813	37,403
Profit and total comprehensive income for the year/period	9,954	8,875	11,820	8,922
Dividends received from the associate during the year/period	2,361	1,877	1,674	4,457

Reconciliation of the above summarized financial information to the carrying amount of the interest in the associate recognized in the Historical Financial Information:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net assets	84,667	89,311	97,359	96,233
Proportion of the Group's ownership interest	44.37%	44.37%	44.37%	44.37%
The Group's share of net assets	37,567	39,627	43,198	42,699

Aggregate information of associates that are not individually material

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The Group's share of profit and total comprehensive income	1,643	5,939	4,562	205
Aggregate carrying amount of the Group's interests in these associates	10,857	14,837	14,175	8,532

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of interest in associates	116,091	114,131	103,057	103,057
Share of post-acquisition loss and other comprehensive expense, net of dividends received	(67,667)	(59,667)	(51,442)	(51,826)
	48,424	54,464	51,615	51,231

22. Equity instruments at FVTOCI/ Financial assets at FVTPL

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Equity instruments at FVTOCI (note a)				
Listed equity investments, at fair value (note b)	141,122	158,789	145,964	107,626
Equity investments listed in NEEQ, at fair value (note c)	–	7,557	9,879	–
Unlisted equity investments, at fair value	20,000	20,000	20,000	17,780
	161,122	186,346	175,843	125,406
Current assets				
Financial assets at FVTPL				
Wealth management products (note d)	–	60,245	145,169	120,000

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Equity instruments at FVTOCI (note a)				
Listed equity investments, at fair value (note b)	141,122	158,789	145,964	107,626
Unlisted equity investments, at fair value	20,000	20,000	20,000	17,780
	161,122	178,789	165,964	125,406

Notes:

(a) The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.

(b) As at December 31, 2022, 2023 and 2024 and September 30, 2025, the fair values of the listed shares in the PRC were determined based on the quoted bid price available on the Shenzhen Stock Exchange or Shanghai Stock Exchange.

(c) During the nine months ended September 30, 2025, the Group disposed of the equity investments listed in NEEQ, at a consideration of RMB15,286,000. A cumulative gain on disposal of RMB3,387,000 has been transferred to retained profits.

(d) The wealth management product was issued by banks in the PRC and were low-risk in nature. The wealth management products are structured fixed deposits with financial institutions with maturities within one year. The principal of the structured fixed deposits will be invested in debt instruments or derivative markets. The Group received variable return depending on the return of the derivative. The returns of these investments were determined by reference to the performance of the expected return rates stated in the contracts.

23. INVENTORIES

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials and consumables	244,221	238,081	292,617	466,146
Work in progress	23,673	22,889	27,532	35,934
Finished goods	433,357	449,307	545,158	636,975
	701,251	710,277	865,307	1,139,055

The written-down of inventories of approximately RMB13,766,000, RMB17,514,000, RMB25,378,000 and RMB28,948,000 are recognized for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials and consumables	42,163	35,008	38,985	62,160
Work in progress	11,726	10,437	8,420	10,154
Finished goods	103,656	90,128	41,710	51,042
	157,545	135,573	89,115	123,356

The written-down of inventories of approximately RMB1,339,000, RMB3,511,000, RMB2,336,000 and RMB3,888,000 are recognized for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

24. CONTRACT ASSETS

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract assets arising from:				
Sales of electronics & electricity products	16,658	4,685	18,615	17,693
Sales of new energy products	–	900	–	1,670
MOM and MES software development, sales and implementation services	16,987	21,357	25,734	28,901
	33,645	26,942	44,349	48,264
Less: allowance for credit losses	(6,701)	(2,590)	(4,128)	(6,731)
	26,944	24,352	40,221	41,533
Analysis for reporting purposes:				
Non-current portion	8,216	4,189	8,016	5,282
Current portion	18,728	20,163	32,205	36,251
	26,944	24,352	40,221	41,533

As the amounts of retentions held by customers for contract works included in contract assets were approximately as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts of retentions in contract assets	11,134	5,306	17,684	16,654

The significant increase in contract assets as at December 31, 2024 is the result of increase in sales of electronics & electricity products at the end of the year.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract assets arising from:				
Sales of electronics & electricity products	16,658	4,685	18,615	17,692
Less: allowance for credit losses	(5,524)	(235)	(931)	(2,256)
	11,134	4,450	17,684	15,436
Analysis for reporting purposes:				
Non-current portion	8,216	4,189	8,016	5,081
Current portion	2,918	261	9,668	10,355
	11,134	4,450	17,684	15,436

As the amounts of retentions held by customers for contract works included in contract assets were approximately as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts of retentions in contract assets	11,134	4,450	17,684	15,436

As at January 1, 2022, contract assets of the Group and the Company amounted to RMB12,380,000 and nil, respectively.

Contract assets included retention receivables of the Group and the Company that are consideration withheld by customers which are unsecured, interest-free and recoverable after the completion of defect liability period of the relevant contracts, usually being 1 to 2 years from the date of acceptance of the control of goods transferred to the customers.

Contract assets arising from the MOM and MES software development, sales and implementation services as the receipt of consideration is conditional on successful progress of completion of provision of the services. Upon the progress of completion of provision of the services and acceptance by the customer, the amounts recognized as contract assets are reclassified to trade receivables.

Details of impairment assessment of contract assets of the Group and the Company are set out in note 37(b).

25. TRADE AND OTHER RECEIVABLES

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	1,904,347	2,300,451	2,652,617	2,926,705
Bills receivables	537,350	549,187	701,546	746,894
Other receivables (note)	294,835	265,963	399,824	542,296
	2,736,532	3,115,601	3,753,987	4,215,895
Less: allowance for expected credit losses	(132,704)	(149,140)	(175,319)	(181,614)
	2,603,828	2,966,461	3,578,668	4,034,281
Analysis for reporting purposes:				
Non-current portion	62,480	45,716	113,318	243,242
Current portion	2,541,348	2,920,745	3,465,350	3,791,039
	2,603,828	2,966,461	3,578,668	4,034,281

Note: As at December 31, 2022, 2023 and 2024 and September 30, 2025, other receivables mainly included VAT recoverable amounted to RMB84,729,000, RMB109,683,000, RMB142,009,000 and RMB137,612,000, respectively and prepayment for purchase of property, plant and equipment amounted to RMB39,573,000, RMB35,384,000, RMB104,627,000 and RMB233,533,000, respectively. As at September 30, 2025, the deferred issue costs and prepaid listing expenses amounted to RMB13,606,000.

As at January 1, 2022, trade receivables from contracts with customers amounted to RMB1,740,753,000.

The Group's trading terms with its customers are mainly on credit. The credit period is mainly within three months. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

The following is an aged analysis of trade receivables net of allowance for expected credit losses presented based on revenue recognition date.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	1,173,661	1,449,662	1,683,335	1,924,852
90 to 180 days	317,606	308,621	300,948	520,598
180 to 270 days	68,779	89,921	88,908	103,426
270 days to 1 year	110,403	168,923	212,088	62,069
1 year to 2 years	105,712	121,374	153,021	114,997
2 years to 3 years	6,390	21,463	51,445	29,859
	1,782,551	2,159,964	2,489,745	2,755,801

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group continued to recognize the full carrying amounts of bills receivables endorsed to certain of its suppliers in order to settle the trade payables due to such suppliers amounting to RMB224,682,000, RMB226,393,000, RMB277,516,000 and RMB327,426,000, respectively and carrying amounts of bills receivables discounted to certain banks amounting to RMB93,143,000, RMB106,077,000, RMB110,936,000 and RMB92,000,000, respectively since the Group has not transferred the significant risks and rewards relating to these receivables. The relevant payables are accounted for as "endorsed bills payables" under "bank and other borrowings". All bills received by the Group are with a maturity period of less than one year.

Other than bills discounted and endorsed as disclosed in note 37, carrying amount of trade and other receivables amounted to RMB85,173,000, RMB387,812,000, RMB349,196,000 and RMB361,584,000 have been pledged as security for the Group's bank borrowings as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	641,010	763,510	704,953	697,910
Bills receivables	145,835	110,967	147,418	119,456
Other receivables	141,495	63,114	59,862	127,113
	928,340	937,591	912,233	944,479
Less: allowance for expected credit losses	(53,184)	(61,198)	(62,417)	(95,101)
	875,156	876,393	849,816	849,378
Analysis for reporting purposes:				
Non-current portion	48,740	28,624	14,513	20,032
Current portion	826,416	847,769	835,303	829,346
	875,156	876,393	849,816	849,378

The Company's trading terms with its customers are mainly on credit. The credit period is generally from one month to three months. The Company seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

The following is an aged analysis of trade receivables net of allowance for expected credit losses presented based on revenue recognition date.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	319,532	375,900	327,995	370,079
90 to 180 days	99,067	110,424	97,506	152,532
180 to 270 days	40,957	55,929	49,266	41,462
270 days to 1 year	86,196	108,084	95,084	36,899
1 year to 2 years	43,122	52,280	70,569	40,294
2 years to 3 years	4,466	3,315	5,070	4,404
	593,340	705,932	645,490	645,670

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Company continued to recognize the full carrying amounts of bills receivables endorsed to certain of its suppliers in order to settle the trade payables due to such suppliers amounting to RMB99,276,000, RMB105,033,000, RMB63,074,000 and RMB75,189,000, respectively since the Company has not transferred the significant risks and rewards relating to these receivables. The relevant payables are accounted for as "endorsed bills" under "bank and other borrowings". All bills received by the Company are with a maturity period of less than one year.

Other than bills discounted and endorsed as disclosed in note 37, carrying amount of trade and other receivables amounted to RMB11,526,000, RMB54,431,000, RMB79,069,000 and RMB75,188,000 have been pledged as security for the Company borrowings as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

26. BANK BALANCES AND CASH, RESTRICTED AND PLEDGED BANK DEPOSITS

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank balances and cash				
Cash and cash at banks included in cash and cash equivalents in the consolidated statements of cash flows	799,820	879,070	877,485	931,647
Fixed time deposit	–	–	10,025	–
Non-pledged time deposits with original maturity of more than three months when acquired	–	60,000	80,000	20,000
Bank balances and cash in the consolidated statements of financial position	799,820	939,070	967,510	951,647
Restricted bank deposits	23	4,154	1,264	1,863
Pledged bank deposits	64,721	62,140	59,489	32,989
	864,564	1,005,364	1,028,263	986,499

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Non-pledged time deposits with original maturity of more than three months when acquired carry fixed interest rate at 2.8%, 2.5% and 1.7% as at December 31, 2023, and 2024 and September 30, 2025, respectively.

Fixed time deposit with original maturity within three months when acquired carry interest rate at 2.4% as at December 31, 2024.

Restricted bank deposits amounting to RMB23,000, RMB4,154,000, RMB1,264,000 and RMB1,863,000 as at December 31, 2022, 2023, and 2024, respectively, have been frozen by the PRC court pending the outcome of the legal proceedings initiated by the Group's creditor relating to certain sales or purchases contracts. Restricted bank deposits carry fixed interest rate at 0.25%, 0.2%, 0.1% and 0.1% as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, restricted bank deposits amounting to RMB991,000, nil, RMB4,142,000 and RMB3,000 were released from restriction, respectively.

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. Pledged bank deposits amounting to RMB64,721,000, RMB62,140,000, RMB59,489,000 and RMB32,989,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively, have been pledged to secure bills payables and bank borrowings and are therefore classified as current assets. Pledged bank deposits carry fixed interest rate ranged from 0.25% to 2.7%, 0.1% to 2.75%, 0.1% to 1.95% and 0.1% to 2.2% as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank balances and cash				
Cash at banks	155,918	218,765	169,429	181,814
Non-pledged time deposits with original maturity of more than three months when acquired	–	30,000	–	20,000
Cash and bank balances in the statements of financial position of the Company	155,918	248,765	169,429	201,814
Restricted bank deposits	9	2,859	23	23
Pledged bank deposits	33,109	17,354	16,491	23,991
	189,036	268,978	185,943	225,828

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Non-pledged time deposits with original maturity of more than three months when acquired carry fixed interest rate at 2.8% as at December 31, 2023.

Restricted bank deposits amounting to RMB9,000, RMB2,859,000, RMB23,000 and RMB23,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively, have been frozen by the PRC court pending the outcome of the legal proceedings initiated by the Company's creditor relating to certain sales or purchases contracts. Restricted bank deposits carry fixed interest rate at 0.25%, 0.2%, 0.1% and 0.1% as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, restricted bank deposits amounting to nil, nil, RMB2,850,000 and nil were released from restriction, respectively.

Pledged bank deposits amounting to RMB33,109,000, RMB17,354,000, RMB16,491,000 and RMB23,991,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively, have been pledged to secure bills payables and bank borrowings and are therefore classified as current assets. Pledged bank deposits carry fixed interest rate ranged from 0.25% to 2.7%, 0.2% to 2.75%, 0.1% to 1.95% and 0.1% to 2.2% as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

The conversion of the RMB denominated balances maintained in the PRC into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

Details of impairment assessment of bank balances and restricted and pledged bank deposits of the Group and the Company are set out in note 37(b).

27. TRADE AND OTHER PAYABLES

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	614,332	709,886	975,403	1,050,167
Bills payable	285,912	342,886	369,105	518,416
Other payables (note)	424,560	463,270	555,423	753,413
	1,324,804	1,516,042	1,899,931	2,321,996

Note: As at December 2022, 2023 and 2024 and September 30, 2025, other payables included staff costs payables amounted to RMB169,509,000, RMB197,389,000, RMB234,679,000 and RMB252,884,000, respectively and payable for purchase of property, plant and equipment amounted to RMB82,200,000, RMB138,837,000, RMB168,496,000 and RMB289,490,000, respectively. As at September 30, 2025, the accrued listing expenses amounted to RMB3,853,000.

The following is an aged analysis of trade payables as at December 31, 2022, 2023 and 2024 and September 30, 2025, presented based on the invoice date.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 180 days	533,265	639,938	732,030	1,025,101
180 days to 1 year	63,620	38,361	168,825	11,472
1 year to 2 years	9,051	15,670	61,004	1,558
2 years to 3 years	3,630	9,023	3,182	2,638
Over 3 years	4,766	6,894	10,362	9,398
	614,332	709,886	975,403	1,050,167

The trade payables are non-interest-bearing and are normally settled on terms range from 30 days to 90 days.

The bills payable are guaranteed by banks in the PRC and have maturities of 6 months to 1 year.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	89,294	89,242	125,684	124,594
Bills payable	50,362	45,616	26,251	70,285
Other payables (note)	182,619	169,474	196,270	221,224
	322,275	304,332	348,205	416,103

Note: As at December 2022, 2023 and 2024 and September 30, 2025, other payables included staff costs payables amounted to RMB41,199,000, RMB46,703,000, RMB42,870,000 and RMB46,923,000, respectively.

The following is an aged analysis of trade payables as at December 31, 2022, 2023 and 2024 and September 30, 2025, presented based on the invoice date.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 180 days	65,763	75,526	89,566	120,538
180 days to 1 year	17,795	5,519	31,739	934
1 year to 2 years	3,080	3,447	2,291	336
2 years to 3 years	964	2,816	205	1,777
Over 3 years	1,692	1,934	1,883	1,009
	89,294	89,242	125,684	124,594

The trade payables are non-interest-bearing and are normally settled on terms range from 30 days to 90 days.

The bills payable are guaranteed by banks in the PRC and have maturities of 6 months to 1 year.

28. BANK AND OTHER BORROWINGS

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings				
Secured (note a)	735,576	537,131	621,736	804,495
Unsecured	432,269	794,311	614,688	1,047,947
	1,167,845	1,331,442	1,236,424	1,852,442
Bank borrowings under supplier finance arrangements	94,482	18,653	51,049	40,486
Endorsed bills payable	317,825	332,470	388,452	419,426
Bond payables (note b)	306,794	–	–	–
	1,886,946	1,682,565	1,675,925	2,312,354

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The carrying amounts of the above bank borrowings are repayable (based on scheduled repayment dates set out in the loan agreements):				
Within one year	613,170	708,810	334,951	1,025,804
Within a period of more than one year but not exceeding two years	356,023	196,173	634,813	284,267
Within a period of more than two years but not exceeding five years	131,196	287,907	237,590	482,701
Within a period of more than five years	67,456	138,552	29,070	59,670
	1,167,845	1,331,442	1,236,424	1,852,442
The carrying amounts of the above bank borrowings under supplier finance arrangements are repayable within one year	94,482	18,653	51,049	40,486
The carrying amounts of the above endorsed bills payable are repayable within one year	317,825	332,470	388,452	419,426
The carrying amounts of the above bond payables are repayable within one year	306,794	–	–	–
	1,886,946	1,682,565	1,675,925	2,312,354
Less: Amounts due within one year shown under current liabilities	(1,332,271)	(1,059,933)	(774,452)	(1,485,716)
Amounts shown under non-current liabilities	554,675	622,632	901,473	826,638

The exposure of the Group's bank borrowings are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed-rate borrowings	704,166	712,516	417,184	444,635
Variable-rate borrowings	463,679	618,926	819,240	1,407,807
	1,167,845	1,331,442	1,236,424	1,852,442

The Group's variable-rate bank borrowings carry interest at Loan Prime Rate. Interest is reset every six months.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
Effective interest rate:				
Fixed-rate borrowings	3.65%-4.40%	2.70%-4.40%	2.60%-4.40%	2.35%-2.80%
Variable-rate borrowings	3.35%-5.94%	3.00%-5.94%	2.60%-3.40%	2.25%-2.90%

Notes:

(a) As at December 31, 2022, 2023 and 2024 and September 30, 2025, these bank borrowings were pledged by certain assets, details refer to note 41.

(b) On June 22, 2020, the Company issued bonds with principal amount of RMB300,000,000 with coupon rates of 4.58% per annum. The maturity of the bonds is June 21, 2023. The principal together with interest payables were fully settled on the maturity date.

The Group has entered into certain supplier finance arrangements with banks, under which the Group obtained extended credit in respect of the invoice amounts owed to certain suppliers of raw materials. Under these arrangements, the banks advanced funds to the Group for the settlement to suppliers on the original due dates of the invoices. The Group then settles with the banks between 2 to 360 days, 7 to 359 days, 20 to 359 days and 18 to 364 days after loans granted by the banks with interest rates ranging from 3.60% to 4.35%, 3.20% to 4.00%, 2.90% to 3.75% and 2.60% to 3.50% per annum for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively. These arrangements provide the Group with extended payment terms, compared to the original due dates of the respective invoices. Therefore, the Group classifies the amounts payable to banks as bank borrowings. The interest rates are consistent with the Group's short-term borrowing rates. Information of the Group's supplier finance arrangements is set out in note 45.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings				
Secured (note a)	325,000	242,255	309,985	380,195
Unsecured	418,901	651,833	547,869	1,037,947
	743,901	894,088	857,854	1,418,142
Bank borrowings under supplier finance arrangements	89,543	16,408	51,049	32,512
Endorsed bills payable	99,276	105,033	63,074	75,189
Bond payables (note b)	306,794	–	–	–
	1,239,514	1,015,529	971,977	1,525,843

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The carrying amounts of the above bank borrowings are repayable (based on scheduled repayment dates set out in the loan agreements):				
Within one year	331,401	512,513	148,614	859,752
Within a period of more than one year but not exceeding two years	337,500	167,350	599,740	221,590
Within a period of more than two years but not exceeding five years	75,000	214,225	109,500	336,800
	743,901	894,088	857,854	1,418,142
The carrying amounts of the above bank borrowings under supplier finance arrangements are repayable within one year	89,543	16,408	51,049	32,512
The carrying amounts of the above endorsed bills payable are repayable within one year	99,276	105,033	63,074	75,189
The carrying amounts of the above bond payables are repayable within one year	306,794	–	–	–
	1,239,514	1,015,529	971,977	1,525,843
Less: Amounts due within one year shown under current liabilities	(827,014)	(633,954)	(262,737)	(967,453)
Amounts shown under non-current liabilities	412,500	381,575	709,240	558,390

The exposure of the Company's bank borrowings are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed-rate borrowings	436,401	514,913	148,614	260,672
Variable-rate borrowings	307,500	379,175	709,240	1,157,470
	743,901	894,088	857,854	1,418,142

The Company's variable-rate bank borrowings carry interest at Loan Prime Rate. Interest is reset every six months.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Company's bank borrowings are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
Effective interest rate:				
Fixed-rate borrowings	3.65%-4.40%	2.70%-4.40%	2.70%-4.40%	2.35%-2.50%
Variable-rate borrowings	3.75%-5.94%	3.90%-5.94%	2.60%-3.35%	2.25%-2.80%

Notes:

(a) As at December 31, 2022, 2023 and 2024 and September 30, 2025, these bank loans were pledged by certain assets, details refer to note 41.

(b) On June 22, 2020, the Company issued bonds with principal amount of RMB300,000,000 with coupon rates of 4.58% per annum. The maturity of the bonds is June 21, 2023. The principal together with interest payables were fully settled on the maturity date.

The Company has entered into certain supplier finance arrangements with banks, under which the Company obtained extended credit in respect of the invoice amounts owed to certain suppliers of raw materials. Under these arrangements, the banks advanced funds to the Company for the settlement to suppliers on the original due dates of the invoices. The Company then settles with the banks between 2 to 360 days, 7 to 359 days, 20 to 359 days and 19 to 364 days after loans granted by the banks with interest rates ranging from 3.60% to 4.35%, 3.20% to 4.00%, 2.90% to 3.75% and 2.60% to 3.50% per annum for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 respectively. These arrangements provide the Company with extended payment terms, compared to the original due dates of the respective invoices. Therefore, the Company classifies the amounts payable to banks as bank borrowings. The interest rates are consistent with the Company's short-term borrowing rates. Information of the Company's supplier finance arrangements is set out in note 45.

29. LEASE LIABILITIES

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities payable:				
Within one year	16,372	4,937	32,980	39,710
Within a period of more than one year but not more than two years	5,189	4,158	32,749	40,706
Within a period of more than two years but not more than five years	10,820	11,841	90,148	79,711
Within a period of more than five years	21,534	16,339	70,513	58,016
	53,915	37,275	226,390	218,143
Less: Amounts for settlement with 12 months shown under current liabilities	(16,372)	(4,937)	(32,980)	(39,710)
Amount due for settlement after 12 months shown under non-current liabilities	37,543	32,338	193,410	178,433

The weighted average incremental borrowing rates applied to lease liabilities at 4.5%, 4.5%, 4.1% and 3.8% as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

30. CONTRACT LIABILITIES

The Group

The Group recognized the following revenue-related contract liabilities:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of electronic material products and electrical cable accessories products	45,107	57,765	47,759	48,800
Sales of telecoms cable products	2,417	2,073	2,941	2,526
Sales of NEV power transmission products	3,339	4,531	4,837	5,785
Sales of wind power	7,692	7,170	6,649	6,388
Others	12,551	18,745	17,120	20,305
	71,106	90,284	79,306	83,804

The Group receives certain amount of the contract values as receipt in advances upon receiving the purchase orders from customers. The receipt in advance results in contract liabilities being recognized until the customer obtains control of the goods.

As at January 1, 2022, contract liabilities amounted to RMB50,175,000. The contract liabilities amounted of RMB41,287,000, RMB58,891,000, RMB76,166,000 and RMB67,163,000 as at January 1, 2022, 2023, 2024 and 2025 were recognized as revenue during the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

As at December 31, 2023, the significant increase in contract liabilities was mainly due to the increase in advances received from customers. As at December 31, 2024, the significant decrease in contract liabilities was mainly due to the decrease in advances received from customers.

The Company

The Company recognized the following revenue-related contract liabilities:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of electronic material products	35,727	47,568	30,468	23,162

The Company receives certain amount of the contract values as receipt in advances upon receiving the purchase orders from customers. The receipt in advance results in contract liabilities being recognized until the customer obtains control of the goods.

As at January 1, 2022, contract liabilities amounted to RMB27,784,000. The contract liabilities amounted of RMB20,793,000, RMB29,586,000, RMB42,365,000 and RMB27,775,000 as at January 1, 2022, 2023, 2024 and 2025 were recognized as revenue during the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

As at December 31, 2023, the significant increase in contract liabilities was mainly due to the increase in advances received from customers. As at December 31, 2024, the significant decrease in contract liabilities was mainly due to the decrease in advances received from customers.

31. DEFERRED INCOME

The Group

	RMB'000
At January 1, 2022	77,628
Addition during the year	15,145
Recognized in consolidated statement of profit or loss	(13,717)
At December 31, 2022 and January 1, 2023	79,056
Addition during the year	5,110
Recognized in consolidated statement of profit or loss	(9,575)
At December 31, 2023 and January 1, 2024	74,591
Addition during the year	2,737
Recognized in consolidated statement of profit or loss	(8,778)
At December 31, 2024 and January 1, 2025	68,550
Addition during the period	3,645
Recognized in consolidated statement of profit or loss	(6,149)
Refunded during the period	(3,850)
At September 30, 2025	62,196

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Analysis for reporting purposes:				
Non-current portion	70,630	66,266	60,076	54,254
Current portion	8,426	8,325	8,474	7,942
	79,056	74,591	68,550	62,196

The Company

	RMB'000
At January 1, 2022	51,321
Addition during the year	9,983
Recognized in consolidated statement of profit or loss	(6,781)
At December 31, 2022 and January 1, 2023	54,523
Addition during the year	2,210
Recognized in consolidated statement of profit or loss	(7,902)
At December 31, 2023 and January 1, 2024	48,831
Addition during the year	791
Recognized in consolidated statement of profit or loss	(6,580)
At December 31, 2024 and January 1, 2025	43,042
Recognized in consolidated statement of profit or loss	(4,249)
Refunded during the period	(3,850)
At September 30, 2025	34,943

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Analysis for reporting purposes:				
Non-current portion	47,541	42,614	36,688	29,677
Current portion	6,982	6,217	6,354	5,266
	54,523	48,831	43,042	34,943

Deferred income mainly represents the PRC local government grants received from relevant PRC authorities for compensate the Group for investments of property, plant and equipment. Government grants received for compensate for the Group's development costs which has not yet been undertaken are included in deferred income and recognized as income on a systematic basis of over the periods that the cost, which it is intended to compensate, are expensed. Government grants received relates to assets invested in laboratory equipment and plant were credited to deferred income and are recognized as income over the expected useful lives of the relevant assets.

32. DEFERRED TAX

The Group

The following are the Group's major deferred tax assets/(liabilities) recognized and movements thereon during the Track Record Period:

	Impairment of assets	Tax losses	Deferred income	Accelerated tax depreciation	Leases	Fair value adjustment on business combination not under common control	Right-of-use assets	Fair value adjustments of equity instruments at FVTOCI	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	27,078	2,860	7,052	342	5,482	(56,576)	(5,482)	15,405	14,400	10,561
Credited/(charged) to profit or loss	4,853	1,922	1,142	(10,036)	2,916	2,079	(2,633)	–	(422)	(179)
Credited to other comprehensive income (note 10 (b))	–	–	–	–	–	–	–	5,790	–	5,790
At December 31, 2022 and January 1, 2023	31,931	4,782	8,194	(9,694)	8,398	(54,497)	(8,115)	21,195	13,978	16,172
(Charged)/credited to profit or loss	(1,422)	(2,009)	1,313	(12,948)	(5,257)	2,079	5,188	–	(555)	(13,611)
Charged to other comprehensive income (note 10 (b))	–	–	–	–	–	–	–	(2,062)	–	(2,062)
Effect of change in tax rate	1,059	–	–	–	–	–	–	–	–	1,059
At December 31, 2023 and January 1, 2024	31,568	2,773	9,507	(22,642)	3,141	(52,418)	(2,927)	19,133	13,423	1,558
Credited/(charged) to profit or loss	2,713	2,581	(885)	(8,150)	34,710	2,043	(36,148)	–	(681)	(3,817)
Credited to other comprehensive income (note 10 (b))	–	–	–	–	–	–	–	1,577	–	1,577
Effect of change in tax rate	(374)	–	–	(535)	1,905	–	(1,631)	–	–	(635)
At December 31, 2024 and January 1, 2025	33,907	5,354	8,622	(31,327)	39,756	(50,375)	(40,706)	20,710	12,742	(1,317)
Credited/(charged) to profit or loss	2,798	21,626	(496)	(57,315)	(1,317)	1,540	4,067	–	2,791	(26,306)
Credited to other comprehensive income (note 10 (b))	–	–	–	–	–	–	–	5,844	–	5,844
Effect of change in tax rate	32	841	–	(753)	87	–	(76)	–	–	131
Exchange realignment	(8)	–	–	–	–	–	(6)	–	–	(14)
At September 30, 2025	36,729	27,821	8,126	(89,395)	38,526	(48,835)	(36,721)	26,554	15,533	(21,662)

For the purpose of presentation in the Historical Financial Information, certain deferred tax assets and liabilities have been offset. The following is the analysis of the net deferred tax balances for financial reporting purposes:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets	73,247	55,276	61,081	65,830
Net deferred tax liabilities	(57,075)	(53,718)	(62,398)	(87,492)
	16,172	1,558	(1,317)	(21,662)

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group has unused tax losses of RMB260,879,000, RMB258,145,000, RMB309,328,000 and RMB326,646,000, respectively available for offset against future profits. A deferred tax asset has been recognized in respect of RMB29,383,000, RMB16,456,000, RMB26,465,000 and RMB32,018,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively of such losses. No deferred tax asset has been recognized in respect of the remaining RMB231,496,000, RMB241,689,000, RMB282,863,000 and RMB294,628,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively due to the unpredictability of future profit streams.

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group has other deductible temporary differences of RMB70,391,000, RMB19,803,000, RMB48,482,000 and RMB97,157,000, respectively. No deferred tax asset has been recognized in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

The Group has unused tax losses that were not recognized as deferred tax assets due to the unpredictability of future profit streams. The unused tax losses can be carried forward for ten years from the year of the incurrence and an analysis of their expiry dates are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Unused tax losses expiring in:				
2023	1,080	–	–	–
2024	25,880	24,849	–	–
2025	13,042	12,470	10,643	10,643
2026	28,016	28,081	17,204	16,770
2027	64,703	63,939	45,795	45,795
2028	18,971	56,618	40,049	40,036
2029	2,053	–	26,914	21,256
2030	6,018	4,514	652	12,704
2031	35,561	35,561	48,428	48,428
2032	36,172	8,405	30,714	30,714
2033	–	7,252	32,625	32,625
2034	–	–	29,839	30,150
2035	–	–	–	5,507
	231,496	241,689	282,863	294,628

The Company

The following are the Company's major deferred tax assets/(liabilities) recognized and movements thereon during the Track Record Period:

	Impairment of assets	Tax losses	Deferred income	Accelerated tax depreciation	Fair value adjustments of equity instruments at FVTOCI	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	13,433	12,517	5,494	–	15,405	547	47,396
Credited/(charged) to profit or loss	2,381	(12,517)	1,191	(2,019)	–	11,762	798
Credited to other comprehensive income	–	–	–	–	5,790	–	5,790
At December 31, 2022 and January 1, 2023	15,814	–	6,685	(2,019)	21,195	12,309	53,984
Credited/(charged) to profit or loss	300	–	639	(9,995)	–	(615)	(9,671)
Charged to other comprehensive income	–	–	–	–	(2,650)	–	(2,650)
At December 31, 2023 and January 1, 2024	16,114	–	7,324	(12,014)	18,545	11,694	41,663
(Charged)/credited to profit or loss	(249)	–	(975)	6,304	–	13	5,093
Credited to other comprehensive income	–	–	–	–	1,924	–	1,924
At December 31, 2024 and January 1, 2025	15,865	–	6,349	(5,710)	20,469	11,707	48,680
(Charged)/credited to profit or loss	(659)	–	(1,108)	(476)	–	431	(1,812)
Credited to other comprehensive income	–	–	–	–	6,084	–	6,084
At September 30, 2025	15,206	–	5,241	(6,186)	26,553	12,138	52,952

33. SHARE CAPITAL

The Company

	Number of shares	Amount
	'000	RMB'000
Registered, issued and fully paid ordinary shares with par value of RMB1.00 each share		
At January 1, 2022, December 31, 2022, January 1, 2023, December 31, 2023, January 1, 2024, December 31, 2024, January 1, 2025 and September 30, 2025	1,259,899	1,259,899

Notes:

(a) At December 31, 2022, 2023 and 2024 and September 30, 2025, the Company had outstanding treasury shares of nil, 13,565,000, 13,565,000 and 13,565,000 shares respectively.

(b) During the year ended December 31, 2023, the Company repurchased the Company's own ordinary shares on Shenzhen Stock Exchange, 13,565,000 ordinary shares were repurchased with aggregate consideration of approximately RMB100,061,000 for the purpose of the future share award or share option scheme issued to the employee of the Group. The above repurchase of ordinary shares are performed by the Company. No other subsidiaries of the Company purchased, sold or redeemed any of the Company's listed securities during the Track Record Period.

34. RESERVES

The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of changes in equity of the Historical Financial Information.

Capital reserve

Capital reserve mainly comprised the excess/deficiency of the considerations paid for/received from over the changes in the carrying amounts of non-controlling interests in the acquisition of further interests in subsidiaries or disposal of part interests in subsidiaries, the fair value of restricted shares granted by the subsidiaries which are yet to be vested and restricted share granted which are be exercised.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Statutory reserve

Statutory reserves of the Group were established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the PRC. Appropriations to the reserves were approved by the respective boards of directors. The statutory reserve consists of statutory reserve funds and maintenance and production funds.

In accordance with the relevant PRC Regulations, the PRC subsidiaries of the Group are required to appropriate 10% of the annual statutory net profit, after offsetting any prior years' losses to the statutory reserve fund before distributing the net profit. When the respective balance of the statutory reserve fund reaches 50% of the share capital of the PRC subsidiaries, any further appropriation is at the discretion of shareholders of the PRC subsidiaries.

For the entities concerned, statutory reserves fund can be used to offset accumulated losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance after such conversion is not less than 25% of the registered capital.

Share-based payments reserve

The share-based payments reserve represents the fair value of awards shares granted which are yet to be vested and share options granted which are yet to be exercised. The amount will either be transferred to the capital reserve when the related awarded shares are released from restriction and the related options are exercised, or be transferred to retained profits when the related shares are vested and related options are expired or are forfeited.

Fair value reserve

Fair value reserve represents the changes in fair value of equity instruments at FVTOCI, net of tax.

The Company

	Capital reserve	Treasury share	Share based payment reserve	Fair value reserve	Statutory reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	207,148	–	–	(87,295)	179,148	1,121,513	1,420,514
Profit for the year	–	–	–	–	–	360,896	360,896
Fair value loss on investments in equity instruments at FVTOCI	–	–	–	(32,813)	–	–	(32,813)
Total comprehensive income for the year	–	–	–	(32,813)	–	360,896	328,083
Appropriation to statutory reserve	–	–	–	–	36,090	(36,090)	–
Dividend paid	–	–	–	–	–	(44,096)	(44,096)
At December 31, 2022 and January 1, 2023	207,148	–	–	(120,108)	215,238	1,402,223	1,704,501
Profit for the year	–	–	–	–	–	312,815	312,815
Fair value gain on investments in equity instruments at FVTOCI	–	–	–	15,017	–	–	15,017
Total comprehensive income for the year	–	–	–	15,017	–	312,815	327,832
Appropriation to statutory reserve	–	–	–	–	31,282	(31,282)	–
Dividend paid	–	–	–	–	–	(50,396)	(50,396)
Repurchase of shares	(11)	(100,050)	–	–	–	–	(100,061)
At December 31, 2023 and January 1, 2024	207,137	(100,050)	–	(105,091)	246,520	1,633,360	1,881,876
Profit for the year	–	–	–	–	–	338,337	338,337
Fair value loss on investments in equity instruments at FVTOCI	–	–	–	(10,900)	–	–	(10,900)
Total comprehensive income for the year	–	–	–	(10,900)	–	338,337	327,437
Appropriation to statutory reserve	–	–	–	–	33,834	(33,834)	–
Dividend paid	–	–	–	–	–	(211,877)	(211,877)
At December 31, 2024 and January 1, 2025	207,137	(100,050)	–	(115,991)	280,354	1,725,986	1,997,436
Profit for the period	–	–	–	–	–	480,226	480,226
Fair value loss on investments in equity instruments at FVTOCI	–	–	–	(34,475)	–	–	(34,475)
Total comprehensive income for the period	–	–	–	(34,475)	–	480,226	445,751
Appropriation to statutory reserve	–	–	–	–	48,023	(48,023)	–
Dividend paid	–	–	–	–	–	(170,748)	(170,748)
Share-based payment	–	–	8,657	–	–	–	8,657
At September 30, 2025	207,137	(100,050)	8,657	(150,466)	328,377	1,987,441	2,281,096

35. CAPITAL COMMITMENTS

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Capital expenditure in respect of acquisition of property and equipment and intangible assets contracted for but not provided in the Historical Financial Information	19,109	20,259	470,575	1,044,794

36. SHARE-BASED PAYMENT TRANSACTIONS

Share award scheme

Shenzhen Orbit Systems Inc

A non-wholly owned subsidiary, Shenzhen Orbit's share award scheme (the "**Shenzhen Orbit Share Award Scheme**") was adopted pursuant to a resolution in writing passed on December 16, 2019 for the primary purpose of providing incentives to eligible directors and employees of Shenzhen Orbit (the "**Shenzhen Orbit Awardees**"). Under the Shenzhen Orbit Share Award Scheme, it will be implemented in three tranches. The first phase was implemented on December 16, 2019, the second phase to be implemented within 12 months after the first phase is completed, and the third phase to be implemented within 12 months after the second phase is completed.

On December 16, 2019, 550,000 shares of Shenzhen Orbit were granted to the Shenzhen Orbit Awardees ("**2019 Shenzhen Orbit Share Award**"). The Shenzhen Orbit Awardees are required to pay RMB3.74 per 2019 Shenzhen Orbit Share Award at the date of grant. Subject to the acceptance of the Shenzhen Orbit Awardees, that the Shenzhen Orbit Awardees remain as employees of Shenzhen Orbit on the vesting date of the 2019 Shenzhen Orbit Share Award and fulfill certain conditions under the Shenzhen Orbit Share Award Scheme.

On July 24, 2020, a resolution was passed by the Shenzhen Orbit, pursuant to resolution, the implementation of the second and third phases of the Shenzhen Orbit Share Award Scheme will be postponed. The second phase will be postponed to 2021, and the implementation time of third phase will be within 12 months after the completion of second phase. On May 11, 2021, a resolution was passed by the Shenzhen Orbit, pursuant to resolution, the implementation of the second and third phases of the Shenzhen Orbit Share Award Scheme will be postponed. The second phase will be postponed to 2022, and the implementation time of third phase will be within 12 months after the completion of second phase.

On July 13, 2022, 387,000 shares of Shenzhen Orbit were granted to the Shenzhen Orbit Awardees ("**2022 Shenzhen Orbit Share Award**"). The Awardees are required to pay RMB5.63 per 2022 Shenzhen Orbit Share Award at the date of grant. Subject to the acceptance of the Awardees, that the Awardees remain as employees of Shenzhen Orbit on the vesting date of the 2022 Shenzhen Orbit Share Award and fulfill certain conditions under the Shenzhen Orbit Share Award Scheme. Upon the fulfillment of the vesting conditions, the awarded shares were restricted from transfer by the Awardees.

On November 23, 2022, a resolution was passed by the Shenzhen Orbit, pursuant to resolution, no further awarded shares were granted to directors or employees of Shenzhen Orbit, the third phase were lapsed.

The 2019 Shenzhen Orbit Share Award and 2022 Shenzhen Orbit Share Award are granted and forfeited as below:

Date of grant	Vesting period
December 16, 2019	December 16, 2019 to December 16, 2022
July 13, 2022	July 13, 2022 to July 13, 2025

The following table discloses movements of the 2019 Shenzhen Orbit Share Award and 2022 Shenzhen Orbit Share Award under the Shenzhen Orbit Share Award Scheme during the Track Record Period:

2019 Shenzhen Orbit Share Award

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	'000	'000	'000	'000
2019 Shenzhen Orbit Share Award under restriction at January 1	512	–	–	–
Issue of 2019 Shenzhen Orbit Share Award	–	–	–	–
Vested during the year/period	(418)	–	–	–
Forfeited during the year/period	(94)	–	–	–
2019 Shenzhen Orbit Share Award under restriction at December 31/September 30	–	–	–	–

2022 Shenzhen Orbit Share Award

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	'000	'000	'000	'000
2022 Shenzhen Orbit Share Award under restriction at January 1	–	387	288	271
Issue of 2022 Shenzhen Orbit Share Award	387	–	–	–
Vested during the year/period	–	–	–	(263)
Forfeited during the year/period	–	(99)	(17)	(8)
2022 Shenzhen Orbit Share Award under restriction at December 31/September 30	387	288	271	–

The share award outstanding at December 31, 2022, 2023 and 2024 and September 30, 2025 had a weighted average remaining contractual life of 3, 2, 1 and nil years, respectively.

During the year ended December 31, 2022, 387,000 shares were issued to Shenzhen Orbit Awardees on July 13, 2022. The fair value of share award granted on the grant date amounted to RMB4,958,000.

These fair values were calculated using income approach. The inputs into the discounted cash flow model were as follows:

Date of grant	**July 13, 2022**
Share price on the date of grant	RMB6.59
Exercise price	RMB 5.63
Pre-tax discount rate	17.81%
Discounts for lack of marketability	15.70%
Contractual life	3
Risk-free rate	3.17%
Weighted average exercise price	RMB 5.63

Shenzhen Orbit recognized share award expenses of RMB945,000, RMB1,240,000, RMB771,000 and RMB617,000 during the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, in respect of the 2019 Shenzhen Orbit Share Award and 2022 Shenzhen Orbit Share Award granted.

LTK Electric

An indirectly non-wholly owned subsidiary of the Company, LTK Electric's share award scheme (the "**LTK Electric Share Award Scheme**") was adopted on March 1, 2023 for the primary purpose of providing incentives to eligible director and employees of LTK Electric (the "**LTK Electric Awardees**").

On March 1, 2023, 2,622,000 shares of LTK Electric were granted to the LTK Electric Awardees ("**2023 LTK Electric Share Award**"). The LTK Electric Awardees are required to pay RMB7.30 per 2023 LTK Electric Share Award at the date of grant. Subject to the acceptance of the LTK Electric Awardees, that the LTK Electric Awardees remain as employees of LTK Electric on the vesting date of the 2023 LTK Electric Share Award and fulfill certain conditions under the LTK Electric Share Award Scheme. Upon the fulfillment of the vesting conditions, the awarded shares were restricted from transfer by the LTK Electric Awardees.

The 2023 LTK Electric Share Award is granted and forfeited as below:

Date of grant	**Vesting period**
March 1, 2023	March 1, 2023 to March 1, 2028

The following table discloses movements of the 2023 LTK Electric Share Award under the 2023 LTK Electric Share Award Scheme during the Track Record Period:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	'000	'000	'000	'000
2023 LTK Electric Share Award under restriction at January 1	–	–	2,622	831
Issue of 2023 LTK Electric Share Award	–	2,622	–	–
Forfeited during the year/period	–	–	(1,791)	–
2023 LTK Electric Share Award under restriction at December 31/September 30	–	2,622	831	831

The share award outstanding at December 31, 2023 and 2024 and September 30, 2025 had a weighted average remaining contractual life of 4, 3 and 2 years, respectively.

During the year ended December 31, 2023, 2,622,000 shares were issued to LTK Electric Awardees on March 1, 2023. The fair value of share award granted on the grant date amounted to RMB3,645,000.

These fair values were calculated using income approach. The inputs into the discounted cash flow model were as follows:

Date of grant	**March 1, 2023**
Share price on the date of grant	RMB8.69
Exercise price	RMB7.30
Pre-tax discount rate	16.85%
Discounts for lack of marketability	15.70%
Contractual life	5
Risk-free rate	3.13%
Weighted average exercise price	RMB7.30

LTK Electric recognized share award expenses of RMB422,000, RMB1,323,000 and RMB95,000 during the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively, in respect of the 2023 LTK Electric Share Award granted.

2025 Share Award Scheme

On April 9, 2025, the Company's share award scheme (the "**2025 Share Award Scheme**") was adopted pursuant to a resolution passed on March 21, 2025 for the primary purpose incentives to eligible directors and employees of the Company (the "**Company's Awardees**"). Under the 2025 Share Award Scheme, 3,281,400 shares of the Company were granted to the Company's Awardees (collectively referred to as the "**Awarded Shares**"). The Company's Awardees are required to paid RMB10.87 per Awarded Share at the date of grant. Subject to the acceptance of the Company's Awardees, that the Company's Awardees remain as employees of the Company on the vesting date of the Awarded Shares and fulfill certain conditions under the Share Award Scheme, the Awarded Shares shall be vested as below:

Date of grant	Vesting period
April 9, 2025	April 9, 2025 to April 8, 2027

The following table discloses movements of the Awarded Shares under the 2025 Share Award Scheme during the Track Record Period:

	Directors	Employees	Total
	'000	'000	'000
Awarded Shares under restriction at January 1, 2025	–	–	–
Issue of Awarded Shares	240	3,041	3,281
Forfeited during the period	–	(11)	(11)
Awarded Shares under restriction at September 30, 2025	240	3,030	3,270

The share award outstanding at September 30, 2025 had a weighted average remaining contractual life of 2 years.

The fair value of the Awarded Shares was based on the closing price per share of the Company immediately before date of grant. No other feature of the Awarded Shares was incorporated into the measurement of fair values. The fair value of share award granted on the grant date amounted to RMB16,816,000.

The Company recognized share award expenses of RMB6,056,000 during the nine months ended September 30, 2025, in respect of the Awarded Shares.

Share option scheme

2025 Share Option Scheme

The Company's share option scheme (the "**2025 Share Option Scheme**") was adopted pursuant to a resolution in writing passed by all the shareholders of the Company on April 24, 2025 for the primary purpose of recognizing and a knowledging the contribution of the eligible participants had or may have made to the Group. Under the 2025 Share Option Scheme, the board of directors of the Company may grant options to eligible participants, to subscribe for shares of the Company.

On April 25, 2025, the Company granted 8,137,400 share options to the employees, to subscribe for the ordinary shares of the Company at RMB21.73 per share. The closing price of the shares immediately before the date of grant was at RMB17.98 per share.

Vesting of the shares options is conditional upon the fulfilment of certain performance targets as set out in the respective offer letters to the grantees including financial targets of the Group and individuals performance targets for certain periods.

As at September 30, 2025, the number of shares in respect of which options had been granted and remained outstanding under the 2025 Share Option Scheme was 8,137,400, representing approximately 0.65% of the shares of the Company in issue at that date.

Details of the share options are as follows:

Date of grant	Number of share options granted (note) '000	Exercisable period	Vesting period	Exercise price
April 25, 2025	4,069	April 25, 2026 to April 24, 2027	April 25, 2025 to April 24, 2026	RMB21.73 per share
	4,069	April 25, 2027 to April 24, 2028	April 25, 2025 to April 24, 2027	
	8,138			

Note: The options are vested upon the fulfillment of certain performance targets to the grantees including financial targets of the Group and individual performance targets for certain periods.

The following table discloses movement of the Company's share options under 2025 Share Option Scheme during the Track Record Period:

	'000
At January 1, 2025	–
Granted during the period	8,138
Forfeited during the period	(33)
At September 30, 2025	8,105
Exercisable at the end of the period	–

As at September 30, 2025, the weighted average exercise price is RMB21.73 and had a weighted average remaining contractual life of 2 years.

The fair value of the share options were calculated using the Black-Scholes Model. The input into the model were as follows:

Grant date	**April 25, 2025**
Share price on the date of grant	RMB17.98
Exercise price	RMB21.73
Expected volatility	25.49%-29.92%
Contractual life	2-3 years
Risk-free rate	1.45%-1.48%
Expected dividend yield	0.94%

The Group recognized share option expenses of RMB2,600,000 during the nine months ended September 30, 2025, in respect of the 2025 Share Option Scheme.

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
At FVTOCI	161,122	186,346	175,843	125,406
At FVTPL	–	60,245	145,169	120,000
At amortized cost	3,225,816	3,746,832	4,285,739	4,542,834
	3,386,938	3,993,423	4,606,751	4,788,240
Financial liabilities				
At amortized cost	3,214,657	3,217,975	3,757,873	4,792,227

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
At FVTOCI	161,122	178,789	165,964	125,406
At amortized cost	1,459,361	1,454,035	1,598,145	1,414,397
	1,620,483	1,632,824	1,764,109	1,539,803
Financial liabilities				
At amortized cost	2,422,494	2,299,946	2,283,671	2,502,880

(b) Financial risk management objectives and policies

The Group's major financial instruments include equity instruments at FVTOCI, financial assets at FVTPL, certain trade and other receivables, restricted and pledged bank deposits, bank balances and cash, certain trade and other payables, bank and other borrowings and lease liabilities. Details of the financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

Currency risk

The Group undertakes certain transactions denominated in foreign currencies, which expose the Group to foreign currency risk. The Group currently does not use derivative financial instrument to hedge the foreign exchange risk. The Group manages the foreign currency risk by closely monitoring the movement of the foreign currency rate.

The Group's foreign currency monetary assets are mainly trade and other receivables and bank balances and deposits, and the Group's foreign currency monetary liabilities are mainly trade and other payables.

The carrying amounts of the Group entitles' foreign currency denominated monetary assets and liabilities at the end of each reporting period are as follows:

	December 31, 2022		December 31, 2023		December 31, 2024		September 30, 2025	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
United States dollar ("US$")	240,328	18,834	253,750	78,741	262,410	26,587	304,732	79,628
Hong Kong dollar ("HK$")	4,383	2,454	2,016	149,367	1,223	143,116	5,525	893

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase or decrease in RMB against the relevant currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of reporting period for a 5% change in foreign currency rates. A negative number below indicates a decrease in profit where RMB strengthen 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.

Effect on profit for the year/period

	December 31,			September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
US$	8,306	6,563	8,778	8,441
HK$	72	(5,526)	(5,321)	174

Interest rate risk

The Group's interest rate risk arises primarily from bank balances and deposits, bank and other borrowings and lease liabilities. Bank balances and deposits at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk, respectively. The Group's bank balances and deposits are placed with banks and the management of the Group manages this risk by placing deposits at various maturities and interest rate terms. The Group is also exposed to fair value interest rate risk for bank and other borrowings and lease liabilities. The Group's cash flow interest rate risk is mainly concentrated on the fluctuations of the market rates from bank balances. The Group currently does not hedge its exposure to cash flow and fair value interest rate risk.

No sensitivity analysis is presented since the management of the Group consider the exposure of cash flow interest rate risk arising from variable-rate bank and other borrowings, bank balances and term deposits is insignificant.

Price risk

Equity price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to price risk arising from listed equity securities classified as FVTOCI (note 22) at December 31, 2022, 2023 and 2024 and September 30, 2025.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day during the track record period, and its respective highest and lowest point during the track record period was as follows:

	December 31, 2022	High	Low
	RMB	RMB	RMB
Shenzhen Stock Exchange -Component Index	11,016	14,941	10,088
Shanghai Stock Exchange -Component Index	3,089	3,652	2,864

	December 31, 2023	High	Low
	RMB	RMB	RMB
Shenzhen Stock Exchange -Component Index	9,525	12,246	9,106
Shanghai Stock Exchange -Component Index	2,975	3,419	2,882

	December 31, 2024	High	Low
	RMB	RMB	RMB
Shenzhen Stock Exchange -Component Index	10,415	11,864	7,684
Shanghai Stock Exchange -Component Index	3,352	3,674	2,635

	September 30, 2025	High	Low
	RMB	RMB	RMB
Shenzhen Stock Exchange -Component Index	13,527	13,527	9,365
Shanghai Stock Exchange -Component Index	3,883	3,883	3,097

Sensitivity analysis

The sensitivity analyzes have been determined based on the exposure to equity price risk at the track record period. Sensitivity analyzes for unquoted equity securities with fair value measurement categorized within Level 3 were disclosed in note 37(b).

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

	December 31, 2022			
	Carrying amount of equity investments	Increase/ (decrease) in price	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in other component of equity
	RMB'000	%	RMB'000	RMB'000
Investments listed in:				
Stock Exchanges of Shenzhen and Shanghai	141,122	37.82	–	45,367
		(37.82)	–	(45,367)

	December 31, 2023			
	Carrying amount of equity investments	Increase/ (decrease) in price	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in other component of equity
	RMB'000	%	RMB'000	RMB'000
Investments listed in:				
Stock Exchanges of Shenzhen and Shanghai	158,789	26.56	–	35,842
		(26.56)	–	(35,842)

	December 31, 2024			
	Carrying amount of equity investments	Increase/ (decrease) in price	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in other component of equity
	RMB'000	%	RMB'000	RMB'000
Investments listed in:				
Stock Exchanges of Shenzhen and Shanghai	145,964	46.91	–	58,207
		(46.91)	–	(58,207)

	September 30, 2025			
	Carrying amount of equity investments	Increase/ (decrease) in price	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in other component of equity
	RMB'000	%	RMB'000	RMB'000
Investments listed in:				
Stock Exchanges of Shenzhen and Shanghai	107,626	34.92	–	31,943
		(34.92)	–	(31,943)

Credit risk and impairment assessment

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statements of financial position.

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and bills receivables, contract assets, other receivables, restricted and pledged bank deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimize the credit risk, the management of the Group assesses the potential customer's credit quality and defines credit limits by customer and the credit limits assigned to each customer is regularly reviewed by the management of the Group. Follow-up actions are taken by the Group to recover overdue debts if any. The Group only accepts bills issued or guaranteed by reputable PRC banks if trade receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed bills is significantly reduced. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Trade receivables and contract assets

For trade receivables and contract assets, the management of the Group assesses the collectability of the trade receivables and contract assets regularly individually and/or collectively for the determination of any loss allowance for the trade receivables and contract assets by taking into account the customers' financial condition, current creditworthiness, past settlement history, business relationship with the Group and other factors such as current market conditions.

Certain customers of the Group which has a significant outstanding trade receivables and contract assets balances due to the Group with gross carrying amount of RMB132,901,000, RMB158,883,000, RMB183,987,000 and RMB150,332,000 in aggregate as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively, was assessed for allowance for credit losses individually. The management assessed for the allowance for credit losses for lifetime by estimating default rate taking into account historical and forward looking information. As at December 31, 2022, 2023 and 2024 and September 30, 2025, allowance for expected credit losses of RMB4,540,000, RMB1,113,000, RMB536,000 and RMB44,000 respectively, was made on the trade receivables and contract assets due from these customers. During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, reversal of impairment losses on trade receivables and contract assets due from these debtors amounted to RMB1,156,000, RMB1,423,000, RMB532,000 and RMB492,000 were recognized and included in the profit or loss, respectively.

For the remaining debtors, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL, as the Group's historical credit loss experience does not indicate significant different loss patterns for different customer segments and the allowance for credit losses based on the past due status is not further distinguished between the Group's customer bases. During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, impairment losses on trade receivables and contract assets due from remaining debtors amounted to RMB25,962,000, RMB18,940,000, RMB26,372,000 and RMB12,040,000 were recognized and included in the profit or loss, respectively.

The following table provides information about the Group's exposure to credit risk within lifetime ECL for trade receivables and contract assets due from customers other than the abovementioned individually evaluated customers, which are assessed based on provision matrix as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively:

	As at December 31, 2022				As at December 31, 2023				As at December 31, 2024				As at September 30, 2025			
	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount
		RMB'000	RMB'000	RMB'000		RMB'000	RMB'000	RMB'000		RMB'000	RMB'000	RMB'000		RMB'000	RMB'000	RMB'000
ECL assessed collectively based on debtors' aging																
Within 90 days	5.03%	1,204,474	(60,551)	1,143,923	5.00%	1,497,846	(74,893)	1,422,953	5.00%	1,749,309	(87,464)	1,661,845	5.00%	2,024,440	(101,215)	1,923,225
90 to 180 days	5.01%	317,744	(15,904)	301,840	5.00%	309,365	(15,468)	293,897	5.00%	304,073	(15,203)	288,870	5.00%	538,668	(26,933)	511,735
180 to 270 days	4.58%	63,712	(3,185)	60,527	5.00%	85,389	(4,269)	81,120	5.00%	82,908	(4,146)	78,762	5.00%	95,656	(4,783)	90,873
270 days to 1 year	5.00%	114,862	(5,277)	109,585	5.00%	162,721	(8,136)	154,585	5.00%	219,674	(10,984)	208,690	5.00%	57,699	(2,886)	54,813
1 to 2 years	19.99%	73,043	(14,602)	58,441	19.74%	82,806	(16,348)	66,458	19.11%	122,784	(23,468)	99,316	20.00%	71,132	(14,226)	56,906
2 to 3 years	50.00%	13,638	(6,820)	6,818	40.69%	11,804	(4,804)	7,000	47.98%	16,554	(7,943)	8,611	50.00%	18,989	(9,495)	9,494
Over 3 years	100.00%	17,618	(17,618)	–	97.14%	18,579	(18,046)	533	97.62%	17,677	(17,256)	421	100.00%	18,053	(18,053)	–
		1,805,091	(123,957)	1,681,134		2,168,510	(141,964)	2,026,546		2,512,979	(166,464)	2,346,515		2,824,637	(177,591)	2,647,046
Individually evaluated customers		132,901	(4,540)	128,361		158,883	(1,113)	157,770		183,987	(536)	183,451		150,332	(44)	150,288
Balance as at		1,937,992	(128,497)	1,809,495		2,327,393	(143,077)	2,184,316		2,696,966	(167,000)	2,529,966		2,974,969	(177,635)	2,797,334

Note: The management of the Group determined the ECL rates for portfolio of trade receivables and contract assets due from customers with reference to past-due status of such balances by estimating their default rates taking into account historical information (e.g. historical flow rate of receivables moving into the next aging bucket in the subsequent period, actual historical loss, etc.) and forward-looking information.

Movements in the allowance for expected credit losses in respect of trade receivables and contract assets during the Track Record Period are as follows:

	Lifetime ECL (Not credit impaired)	Lifetime ECL (Credit impaired)	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2022	100,935	20,663	121,598
Transfer to credit-impaired	(2,940)	2,940	–
Impairment loss recognized/(reversed), net	25,962	(1,156)	24,806
Impairment losses written off	–	(17,907)	(17,907)
At December 31, 2022 and January 1, 2023	123,957	4,540	128,497
Transfer to credit-impaired	(933)	933	–
Impairment loss recognized/(reversed), net	18,940	(1,423)	17,517
Impairment losses written off	–	(2,937)	(2,937)
At December 31, 2023 and January 1, 2024	141,964	1,113	143,077
Transfer to credit-impaired	(1,937)	1,937	–
Impairment loss recognized/(reversed), net	26,372	(532)	25,840
Impairment losses written off	–	(1,982)	(1,982)
Exchange re-alignment	65	–	65
At December 31, 2024 and January 1, 2025	166,464	536	167,000
Transfer to credit-impaired	(831)	831	–
Impairment loss recognized/(reversed), net	12,040	(492)	11,548
Impairment losses written off	–	(831)	(831)
Exchange re-alignment	(82)	–	(82)
At September 30, 2025	177,591	44	177,635

Bills receivables

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group has exposed to credit risk on bills receivables with gross carrying amount of RMB537,350,000, RMB549,187,000, RMB701,546,000 and RMB746,894,000. As part of the Group's credit risk management, the Group assessed the expected credit losses for bills receivables where RMB418,000, and RMB2,147,000 were recognized in profit or loss for the years ended December 31, 2023 and 2024, and reversal of RMB1,028,000 and RMB755,000 was recognized in profit or loss for the year ended December 31, 2022 and the nine months ended September 30, 2025. The management of the Group considers the historical data, current and forecast of the economic environment of the debtors operate. The credit risk on the bills receivables are insignificant as the probability of default is significantly reduced after assessing the counterparties' financial background and creditability.

Movement in the loss allowance account in respect of bills receivables during the Track Record Period is as follows:

	12m ECL
	RMB'000
At January 1, 2022	4,552
Impairment loss reversed, net	(1,028)
At December 31, 2022 and January 1, 2023	3,524
Impairment loss recognized, net	418
At December 31, 2023 and January 1, 2024	3,942
Impairment loss recognized, net	2,147
At December 31, 2024 and January 1, 2025	6,089
Impairment loss reversed, net	(755)
At September 30, 2025	5,334

Other receivables

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group has exposed to credit risk on others receivables with gross carrying amount of RMB52,259,000, RMB40,970,000, RMB78,632,000 and RMB64,350,000. As part of the Group's credit risk management, the Group assessed the expected credit losses for other receivables where RMB144,000 and RMB1,894,000 were recognized in profit or loss for the years ended December 31, 2022 and 2024 respectively, and reversal of RMB2,501,000 and RMB871,000 were recognized in profit or loss for the year ended December 31, 2023 and the nine months ended September 30, 2025, respectively. The management of the Group considers the historical data, current and forecast of the economic environment of the debtors operate. The credit risk on the others receivables are insignificant as the probability of default is significantly reduced after assessing the counterparties' financial background and creditability.

Movement in the loss allowance account in respect of other receivables during the Track Record Period is as follows:

	Lifetime ECL (Not credit impaired)	Lifetime ECL (Credit impaired)	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2022	7,981	43	8,024
Transfer to credit-impaired	(784)	784	–
Impairment loss recognized/(reversed), net	154	(10)	144
Impairment losses written off	–	(784)	(784)
At December 31, 2022 and January 1, 2023	7,351	33	7,384
Transfer to credit-impaired	(163)	163	–
Impairment loss (reversed)/recognized, net	(2,523)	22	(2,501)
Impairment losses written off	–	(172)	(172)
At December 31, 2023 and January 1, 2024	4,665	46	4,711
Transfer to credit-impaired	(224)	224	–
Impairment loss recognized, net	1,888	6	1,894
Impairment losses written off	–	(247)	(247)
At December 31, 2024 and January 1, 2025	6,329	29	6,358
Transfer to credit-impaired	(102)	102	–
Impairment loss reversed, net	(870)	(1)	(871)
Impairment losses written off	–	(102)	(102)
Exchange re-alignment	(9)	–	(9)
At September 30, 2025	5,348	28	5,376

Restricted and pledged bank deposits and bank balances

Credit risk on restricted and pledged bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies or state-owned banks in the PRC.

Transferred financial assets that are derecognized in their entirety

At December 31, 2022, 2023 and 2024 and September 30, 2025, the Group, endorsed certain bills receivables accepted by banks in the PRC (the "**Derecognized Bills**") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB470,745,000, RMB535,417,000, RMB673,560,000 and RMB737,309,000, respectively.

The Derecognized Bills had a maturity of one to nine months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognized Bills have a right of recourse against the Group if the PRC banks default (the "**continuing involvement**"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognized Bills. Accordingly, it has derecognized the full carrying amounts of the Derecognized Bills and the associated trade payables. The maximum exposure to loss from the Group's continuing involvement in the Derecognized Bills and the undiscounted cash flows to repurchase these Derecognized Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's continuing involvement in the Derecognized Bills are not significant.

During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, the Group has not recognized any gain or loss on the date of transfer of the Derecognized Bills. No gains or losses were recognized from the continuing involvement, both during the Track Record Period or cumulatively. The endorsement has been made evenly throughout the year.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilization of bank and other borrowings and ensures compliance with loan covenants.

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay.

	Weighted average interest rate	On demand and/or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total contractual undiscounted cash flow	Total carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2022							
Trade and other payables	–	1,273,796	–	–	–	1,273,796	1,273,796
Bank and other borrowings	3.89%	1,377,239	392,723	147,395	72,016	1,989,373	1,886,946
Lease liabilities	4.52%	18,411	6,899	15,850	23,183	64,343	53,915
		2,669,446	399,622	163,245	95,199	3,327,512	3,214,657
At December 31, 2023							
Trade and other payables	–	1,498,135	–	–	–	1,498,135	1,498,135
Bank and other borrowings	3.61%	1,088,208	231,765	321,570	152,747	1,794,290	1,682,565
Lease liabilities	4.52%	6,431	5,504	15,100	18,447	45,482	37,275
		2,592,774	237,269	336,670	171,194	3,337,907	3,217,975
At December 31, 2024							
Trade and other payables	–	1,855,558	–	–	–	1,855,558	1,855,558
Bank and other borrowings	3.05%	799,093	660,213	273,099	29,867	1,762,272	1,675,925
Lease liabilities	4.07%	41,467	39,976	103,638	76,647	261,728	226,390
		2,696,118	700,189	376,737	106,514	3,879,558	3,757,873
At September 30, 2025							
Trade and other payables	–	2,261,730	–	–	–	2,261,730	2,261,730
Bank and other borrowings	2.54%	1,529,079	286,888	501,619	62,673	2,380,259	2,312,354
Lease liabilities	3.80%	47,556	46,870	90,853	62,136	247,415	218,143
		3,838,365	333,758	592,472	124,809	4,889,404	4,792,227

(c) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged during the Track Record Period.

The capital structure of the Group consists of net debt, which includes the bank and other borrowings and lease liabilities disclosed in notes 28 and 29 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, retained profits and other reserves.

The directors of the Company review the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the maturity of lease liabilities as well as new share issues and increase of banking facilities or redemption of existing debt.

(d) Fair value measurements of financial instruments

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the Historical Financial Information approximate their fair values at the end of each reporting period based on discounted cash flow analysis.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2022				
Equity instruments at FVTOCI	141,122	–	20,000	161,122
At December 31, 2023				
Equity instruments at FVTOCI	158,789	–	27,557	186,346
Financial assets at FVTPL	–	–	60,245	60,245
	158,789	–	87,802	246,591
At December 31, 2024				
Equity instruments at FVTOCI	145,964	–	29,879	175,843
Financial assets at FVTPL	–	–	145,169	145,169
	145,964	–	175,048	321,012
At September 30, 2025				
Equity instruments at FVTOCI	107,626	–	17,780	125,406
Financial assets at FVTPL	–	–	120,000	120,000
	107,626	–	137,780	245,406

The following table presents the changes in level 3 instruments of equity instruments at FVTOCI and financial assets at FVTPL as at December 31, 2022, 2023 and 2024 and September 30, 2025.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
FVTOCI (Note (i))				
At the beginning of the year/period	20,000	20,000	27,557	29,879
Additions	–	11,479	–	–
Changes in fair value	–	(3,922)	2,322	2,971
Disposals	–	–	–	(15,070)
At the end of the year/period	20,000	27,557	29,879	17,780
FVTPL (Note (ii))				
At the beginning of the year/period	–	–	60,245	145,169
Additions	80,000	260,000	2,141,000	1,125,000
Disposals	(80,093)	(200,345)	(2,062,406)	(1,152,913)
Changes in fair value	93	590	6,330	2,744
At the end of the year/period	–	60,245	145,169	120,000

Notes:

(i) The fair values of equity instruments at FVTOCI as at December 31, 2022, 2023 and 2024 and September 30, 2025 have been arrived at on the basis of a valuation carried out on the respective dates by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent qualified professional valuer not connected to the Group.

			Key unobservable input(s)		
	RMB'000	Valuation Techniques	Discount for lack of marketability ("DLOM")	Price-to-book value ("P/B")	Relationship of unobservable inputs to fair values
Financial assets					
Unlisted equity instruments at FVTOCI					
At December 31, 2022	20,000	Adjusted recent transaction	N/A	1.00	An increase in DLOM used would result in a decrease in the fair value measurement of the unlisted equity instruments, and vice versa.
At December 31, 2023	20,000	Market approach	15.70%	0.71	An increase in P/B used would result in an increase in the fair value measurement of the unlisted equity instruments, and vice versa.
At December 31, 2024	20,000	Market approach	15.60%	0.79	
At September 30, 2025	17,780	Market approach	15.60%	0.54	

	RMB'000	Valuation Techniques	Key unobservable input(s)		Relationship of unobservable inputs to fair values
			Discount for lack of marketability ("DLOM")	EV/EBITDA Ratio	
Financial assets					
Equity investments listed in NEEQ at FVTOCI					
At December 31, 2023	7,557	Market approach	15.70%	8.10	An increase in DLOM used would result in a decrease in the fair value measurement of the equity investments listed in NEEQ, and vice versa. An increase in EV/EBITDA ratio used would result in an increase in the fair value measurement of the equity investments listed in NEEQ, and vice versa.
At December 31, 2024	9,879	Market approach	15.60%	9.04	

(ii) As at December 31, 2022, 2023 and 2024 and September 30, 2025, the fair value of financial assets at FVTPL amounting to nil, RMB60,245,000, RMB145,169,000 and RMB120,000,000, respectively, is determined by the spot rate quoted by the issuer of the financial products. These wealth management products are structured fixed deposits with financial institutions with maturities within one year. Details are disclosed in note 22.

If the fair values of the financial assets at FVTPL held by the Group had been 5% higher/lower, the profit before taxation for the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025 would have been approximately nil, RMB3,012,000, RMB7,258,000 and RMB6,000,000, higher/lower respectively.

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025.

38. RECONCILIATION OF LIABILITIES GENERATED FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities:

	Bank and other borrowings	Lease liabilities	Other payables
	RMB'000	RMB'000	RMB'000
At January 1, 2022	2,219,865	35,467	–
Net financing cash flows	(417,227)	(126,073)	–
Non-cash transactions			
Finance cost recognized	84,308	1,239	–
New leases entered	–	146,728	–
Early termination of lease	–	(3,716)	–
Exchange re-alignment	–	270	–
At December 31, 2022 and January 1, 2023	1,886,946	53,915	–
Net financing cash flows	(265,386)	(18,225)	–
Non-cash transactions			
Finance cost recognized	61,005	2,150	–
New leases entered	–	22	–
Early termination of lease	–	(622)	–
Exchange re-alignment	–	35	–
At December 31, 2023 and January 1, 2024	1,682,565	37,275	–
Net financing cash flows	(56,102)	(44,236)	–
Non-cash transactions			
Finance cost recognized	49,462	7,079	–
New leases entered	–	172,781	–
Lease modification	–	53,547	–
Exchange re-alignment	–	(56)	–

	Bank and other borrowings	Lease liabilities	Other payables
	RMB'000	RMB'000	RMB'000
At December 31, 2024 and January 1, 2025	1,675,925	226,390	–
Net financing cash flows	606,918	(276,594)	(9,753)
Non-cash transactions			
Finance cost recognized	29,511	6,652	–
New leases entered	–	260,130	–
Lease modification	–	854	–
Deferred and accrued listing expenses	–	–	13,606
Exchange re-alignment	–	711	–
At September 30, 2025	2,312,354	218,143	3,853

39. RELATED PARTY TRANSACTIONS

The following significant transactions were carried out between the Group and its related parties during the Track Record Period. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Name and relationship with related parties

The following companies are related parties of the Group that had balances and/or transactions with the Group during the Track Record Period.

Name of related parties	Relationship with the Group
Heqiwor	Associate of the Company
Fujiawor	Associate of the Company

(b) Significant related party transactions

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Rental income from:					
Heqiwor	23	23	23	17	17
Fujiawor	23	23	23	17	17
	46	46	46	34	34

(c) Significant balances with related parties

As disclosed in the consolidated statements of financial position, the Group had outstanding balances with related parties at December 31, 2022, 2023 and 2024 and September 30, 2025 as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other receivables from (Note (i))				
Heqiwor	–	–	6	–
Fujiawor	–	–	6	–
	–	–	12	–

Note:

(i) The balances with related parties are trade in nature, unsecured, interest-free and repayable on demand.

(d) Key management personnel compensations

The remuneration of directors and other members of key management during the year/period was as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Short-term employee benefits	10,396	10,563	11,282	8,485	10,613
Retirement benefit expense	357	303	312	310	343
Equity-settled share-based payments	–	22	21	(3)	1,068
	10,753	10,888	11,615	8,792	12,024

40. NON-WHOLLY OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of entities	Proportion of ownership interests and voting rights held by non-controlling interests				Profit allocated to non-controlling interests				Accumulated non-controlling interest			
	As at December 31,			As at September 30,	Year ended December 31,			Nine months ended September 30,	As at December 31,			As at September 30,
	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Shanghai Keter New Materials	21.24%	21.24%	21.24%	21.24%	11,991	11,336	12,135	7,538	51,386	62,773	74,908	82,446
CYG Electronics (Group) (note)	25.00%	25.00%	25.00%	0%	16,427	23,923	31,137	23,496	270,494	294,453	325,590	N/A
Shenzhen Woer New Energy Electric Technology	23.39%	23.29%	23.29%	23.29%	13,624	15,837	20,956	18,265	34,365	74,134	94,780	109,661

Note: In September 2025, the Group acquired additional equity interests in CYG Electronics (Group) and the Group's effective equity interests in CYG Electronics (Group) increased from 75% to 100%.

Summarized financial information in respect of Shanghai Keter New Materials is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	278,995	356,258	444,053	421,473
Non-current assets	181,760	190,387	326,907	354,953
Current liabilities	(172,429)	(210,678)	(289,585)	(263,113)
Non-current liabilities	(46,398)	(40,425)	(128,701)	(125,149)

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	317,883	385,452	506,301	357,603	355,987
Total expense	(261,426)	(332,079)	(449,169)	(313,932)	(320,497)
Profit and total comprehensive income for the year/period	56,457	53,373	57,132	43,671	35,490
Net cash flows from operating activities	50,538	16,795	25,113	11,245	7,528
Net cash flows used in investing activities	(86,957)	(14,165)	(7,781)	(7,503)	(3,215)
Net cash flows generated from/(used in) financing activities	41,889	(18,150)	3,261	(7,066)	(13,510)
Net increase/(decrease) in cash and cash equivalents	5,470	(15,520)	20,593	(3,324)	(9,197)

Summarized financial information in respect of CYG Electronics (Group) is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	904,571	989,605	1,206,109	N/A
Non-current assets	528,829	514,726	538,427	N/A
Current liabilities	(294,040)	(268,885)	(345,261)	N/A
Non-current liabilities	(57,385)	(57,635)	(96,915)	N/A

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	964,846	1,027,333	1,186,578	849,231	605,234
Total expense	(899,139)	(931,640)	(1,062,029)	(749,244)	(511,251)
Profit and total comprehensive income for the year/period	65,707	95,693	124,549	99,987	93,983
Net cash flows from operating activities	189,339	171,321	94,902	47,611	N/A
Net cash flows used in investing activities	(62,096)	(45,484)	(165,481)	(251,951)	N/A
Net cash flows (used in)/from financing activities	(28,709)	(68,005)	185,009	188,384	N/A
Net increase/(decrease) in cash and cash equivalents	98,534	57,832	114,430	(15,956)	N/A

Summarized financial information in respect of Shenzhen Woer New Energy Electric Technology is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	439,870	543,622	688,186	773,090
Non-current assets	26,539	73,526	134,239	172,680
Current liabilities	(316,624)	(251,096)	(372,323)	(444,656)
Non-current liabilities	(2,863)	(47,742)	(43,148)	(30,262)

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	528,715	712,621	893,470	564,334	806,806
Total expense	(470,469)	(644,623)	(803,490)	(510,825)	(728,380)
Profit and total comprehensive income for the year/period	58,246	67,998	89,980	53,509	78,426
Net cash flows from/(used in) operating activities	26,918	(123,982)	61,611	23,225	(8,363)
Net cash flows used in investing activities	(8,963)	(21,811)	(33,277)	(32,460)	(13,173)
Net cash flows (used in)/from financing activities	(15,328)	151,342	9,812	9,918	(13,745)
Net increase/(decrease) in cash and cash equivalents	2,627	5,549	38,146	683	(35,281)

41. PLEDGE OF ASSETS

The Group's bank borrowings had been secured by the Group's assets and the carrying amounts of the respective assets are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	368,427	354,836	409,796	468,708
Right-of-use assets	53,162	51,850	54,615	96,547
Trade and other receivables	85,173	387,812	349,196	361,584
Pledge bank deposits	64,721	62,140	59,489	32,989
	571,483	856,638	873,096	959,828

The Company's bank borrowings had been secured by the Company's assets and the carrying amounts of the respective assets are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	186,146	180,635	121,743	125,916
Right-of-use asset	22,931	22,290	–	17,082
Trade and other receivables	11,526	54,431	79,069	75,188
Pledge bank deposits	33,109	17,354	16,491	23,991
	253,712	274,710	217,303	242,177

As at December 31, 2022, bank borrowings were secured by 75% of equity of a subsidiary with a carrying amount of interests in subsidiaries of RMB1,192,500,000.

42. OPERATING LEASING ARRANGEMENTS

All of the properties held for rental purposes have committed lessees for the next 3 years to 12 years.

Undiscounted lease payments receivable on leases are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	1,515	1,448	3,877	3,920
In the second year	1,448	1,265	3,812	3,973
In the third year	1,265	1,201	3,756	2,929
In the fourth year	1,201	900	2,828	2,911
In the fifth year	900	–	2,821	2,877
After five years	–	–	19,101	16,876
	6,329	4,814	36,195	33,486

43. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Shanghai Ricoro Film Co., Ltd. ("Shanghai Ricoro")

On August 8, 2022, a partially owned subsidiary, Surgwave Electronics (Shanghai) Co., Ltd. entered in an agreement with two independent third parties to acquire 100% equity interest of Shanghai Ricoro at a consideration of RMB73,380,000. The fair value of the consideration was amounted to RMB73,380,000 as at the date of acquisition.

Shanghai Ricoro is an investment holding company incorporated in PRC which own buildings erected on leasehold land in the PRC of which the land use rights will legally expire in 2055. These buildings were built on the piece of leasehold land.

The Group elected to apply the optional concentration test in accordance with IFRS 3 "Business Combinations" and concluded that the land and buildings are considered as single identified asset.

Consequently, the Group determined that substantially all of the fair value of the gross assets acquired is concentrated in a single identified asset and concluded that the acquired set of activities and assets is not a business.

	RMB'000
Assets recognized at the date of acquisition	
Property, plant and equipment	73,380

Net cash outflow arising on acquisition of Shanghai Ricoro

	RMB'000
Consideration paid in cash	73,380
Less: cash and cash equivalents acquired	–
	73,380

(b) Acquisition of Guizhou Huier

On May 16, 2025, a wholly owned subsidiary, WOER HEAT-SHRINKABLE entered into an agreement with an independent third party to acquire 21.51% equity interest of "Guizhou Huier" at a consideration of RMB3,000,000, resulting an increase in shareholding from 49.10% to 70.61%. The fair value of the consideration was amounted to RMB3,000,000 as at the date of acquisition.

Guizhou Huier is principally engaged in research and development, production and sales of flame retardants incorporated in the PRC of which the land use rights will legally expire in 2069. The acquisition was determined by the Directors to be the acquisition of assets and liabilities through acquisition of a subsidiary rather than a business combination as the assets acquired and liabilities assumed did not constitute a business as defined under IFRS 3 "*Business Combinations*".

	RMB'000
Assets recognized at the date of acquisition	
Property, plant and equipment	8,078
Right-of-use asset	4,291
Cash and cash equivalents	875
Prepayment and other receivables	2,767
Trade and other payables	(2,061)
Net assets	13,950
Non-controlling interests	(4,100)
Fair value of interests transferred from interests in associates	(6,850)
Total consideration	3,000

	RMB'000
Net cash outflow arising on acquisition of Guizhou Huier	
Consideration paid in cash	3,000
Less: cash and cash equivalents acquired	(875)
	2,125

44. TRANSACTION WITH NON-CONTROLLING INTERESTS

(a) Deemed partial disposal of interests in subsidiary without losing control

LTK Electric

During the year ended December 31, 2022, LTK Electric, an indirectly wholly owned subsidiary of the Company, entered into a capital injection agreement with a company owned by the founder member of the Company, Mr. Zhou Heping, and a director of the Company, Ms. Yi Huarong, and three partnerships corporates owned by certain employees of the Group ("Purchasers A") ("Agreement A"). Pursuant to Agreement A, Purchasers A agreed to contribute RMB69,774,000 to LTK Electric for 7.11% equity interests of LTK Electric. After that, the Group's effective interests in LTK Electric were diluted from 100% to 92.89%. As a result, the Group recognized an increase in non-controlling interests of approximately RMB53,383,000 and increase in equity attributable to owners of the Company of approximately RMB16,391,000.

During the year ended December 31, 2023, LTK Electric entered into a capital injection agreement with three partnerships corporates owned by certain employees of LTK Electric ("Purchasers B") ("Agreement B"). Pursuant to Agreement B, Purchasers B agreed to contribute RMB19,142,000 to LTK Electric for 1.96% equity interests of LTK Electric. After that, the Group's effective interests in LTK Electric were diluted from 92.89% to 90.93%. As a result, the Group recognized an increase in non-controlling interests of approximately RMB16,882,000 and increase in equity attributable to owners of the Company of approximately RMB2,260,000.

	Year ended December 31,	
	2022	2023
	RMB'000	RMB'000
Carrying amount of equity interests obtained by non-controlling interests	(53,383)	(16,882)
Capital contributed by non-controlling interests	69,774	19,142
Excess of consideration received recognized within equity	16,391	2,260

(b) Acquisition of additional interests in subsidiaries without change in control

Shenzhen Woer New Energy Electric Technology

During the year ended December 31, 2023, the Company, two independent third parties ("Purchasers C") and Shenzhen Woer New Energy Electric Technology, a directly non-wholly owned subsidiary of the Company, entered into capital injection agreement. Pursuant to the agreement, the Company and the Purchasers C agreed to contribute RMB80,000,000 and RMB23,389,000 to Shenzhen Woer New Energy Electric Technology for the equity interests of 10.13% and 2.96% of Shenzhen Woer New Energy Electric Technology, respectively. After that, the Group's effective equity interests in Shenzhen Woer New Energy Electric Technology from 76.61% to 76.71%. As a result, the Group recognized an increase in non-controlling interests of RMB23,866,000 and decrease in equity attributable to owners of the Group of RMB477,000.

	Year ended December 31,
	2023
	RMB'000
Carrying amount of equity interests obtained by non-controlling interests	(23,866)
Capital contributed by non-controlling interests	23,389
Excess of consideration received recognized within equity	(477)

LTK Electric

During the year ended December 31, 2024, the Group acquired additional equity interest of 3.39% of LTK Electric at a consideration of approximately RMB32,566,000 from six partnerships corporate, which owned by certain employees of LTK Electric. After that, the Group's effective equity interests in LTK Electric increased from 90.93% to 94.32%. The carrying amount of the non-controlling interests in this subsidiary on the date of acquisition was approximately RMB30,317,000. The Group recognized a decrease in non-controlling interests of RMB30,317,000 and decrease in equity attributable to owners of the Company of RMB2,249,000.

	Year ended December 31,
	2024
	RMB'000
Carrying amount of non-controlling interests acquired	30,317
Consideration paid to non-controlling interests	(32,566)
Deficit of consideration received recognized within equity	(2,249)

CYG Electronics (Group)

During the nine months ended September 30, 2025, the Group acquired additional equity interest of 25% CYG Electronics (Group) at a consideration of approximately RMB340,000,000 from an non-controlling shareholder of CYG Electronics (Group). After that, the Group's effective equity interests in CYG Electronics (Group) increased from 75% to 100%. The carrying amount of the non-controlling interests in this subsidiary on the date of acquisition was approximately RMB348,970,000. The Group recognized a decrease in non-controlling interests of approximately RMB348,970,000 and an increase in equity attributable to owners of the Company of approximately RMB8,970,000.

	Nine months ended September 30,
	2025
	RMB'000
Carrying amount of non-controlling interests acquired	348,970
Consideration paid to non-controlling interests	(340,000)
Deficit of consideration paid recognized within equity	8,970

Huizhou Dingding Special Cable Co., Ltd.

During the nine months ended September 30, 2025, the Company entered into capital injection agreement with Huizhou Dingding Special Cable Co., Ltd., wholly owned subsidiaries of LTK Electric, pursuant to which the Company, agreed to contribute approximately RMB34,000,000 to Huizhou Dingding Special Cable Co., Ltd., for the equity interests of 97.14% of Huizhou Dingding Special Cable Co., Ltd.. After that, the Group's effective equity interests in Huizhou Dingding Special Cable Co., Ltd. increased from 94.32% to 99.84%. The Group recognized increase in non-controlling interest of approximately RMB49,000 and decrease in equity attributable to owners of the Company of approximately RMB49,000.

Huizhou Dingding Technology Co., Ltd.

During the nine months ended September 30, 2025, the Company entered into capital injection agreement with Huizhou Dingding Technology Co., Ltd., wholly owned subsidiaries of LTK Electric, pursuant to which the Company, agreed to contribute approximately

RMB34,000,000 to Huizhou Dingding Technology Co., Ltd., for the equity interests of 97.14% of Huizhou Dingding Technology Co., Ltd.. After that, the Group's effective equity interests in Huizhou Dingding Technology Co., Ltd. increased from 94.32% to 99.84%. The Group recognized increase in non-controlling interest of approximately RMB48,000 and decrease in equity attributable to owners of the Company of approximately RMB48,000.

Guizhou Huier

During the nine months ended September 30, 2025, WOER HEAT-SHRINKABLE, a wholly owned subsidiary of the Company, acquired additional equity interests in Guizhou Huier for a consideration of approximately RMB4,100,000 from an non-controlling shareholder of Guizhou Huier. After that, the Group's effective equity interests in Guizhou Huier increased from 70.61% to 100%.

45. INFORMATION OF SUPPLIER FINANCE ARRANGEMENTS

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount of the financial liabilities that are subject to supplier finance arrangements				
Presented as part of "Bank and other borrowings" (note 28)	94,482	18,653	51,049	40,486
- Of which suppliers have already received payment from the finance provider	94,482	18,653	51,049	40,486

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount of financial liabilities that are subject to supplier finance arrangements				
Presented as part of "Bank and other borrowings" (note 28)	89,543	16,408	51,049	32,512
- Of which suppliers have already received payment from the finance provider	89,543	16,408	51,049	32,512

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	Days	Days	Days	Days
Range of payment due dates				
For liabilities that are part of "Bank and other borrowings"				
- Liabilities that are part of supplier finance arrangements	90-360	90-360	180-360	90-365
- Comparable trade payables that are not part of supplier finance arrangement	30-90	30-90	30-90	30-90

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, borrowings under supplier finance arrangement of RMB112,826,000, RMB38,553,000, RMB57,851,000 and RMB46,305,000, respectively, represent the payments to the suppliers by the relevant banks directly.

46. MAJOR NON-CASH TRANSACTIONS

During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, the Group endorsed bills receivables of RMB224,682,000, RMB226,393,000, RMB277,516,000 and RMB327,426,000 to settle trade and other payables.

47. SUBSEQUENT EVENT

There were no significant events after September 30, 2025 and up to date of this report.

48. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to September 30, 2025.

The information set forth in this appendix does not form part of the Accountants' Report prepared by Moore CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed ''Financial Information'' in this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules and with reference to Accounting Guideline 7 ''Preparation of Pro Forma Financial Information for inclusion in Investment Circulars'' issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2025 as if it had taken place on September 30, 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Global Offering been completed as of September 30, 2025 or any future dates. It is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2025 as shown in the Accountants' Report as set out in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma adjusted consolidated net tangible assets does not form part of the Accountants' Report as set out in Appendix I to this prospectus.

	Consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2025	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2025 per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$20.09 per Share	5,457,233	2,441,066	7,898,299	5.70	6.38

Notes:

(1) The consolidated net tangible assets of the Group attributable to owners of the Company as of September 30, 2025 is extracted from ''Appendix I—Accountants' Report'' to the prospectus, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as of September 30, 2025 of approximately RMB6,173,520,000 less goodwill of approximately RMB694,828,000 and intangible assets of approximately RMB21,459,000 as of September 30, 2025.

(2) The estimated net proceeds from the Global Offering are based on the 139,988,800 Offer Shares at HK$20.09 per Offer Share, after deduction of the underwriting fees and other related expenses payable by the Group (excluding the listing expenses that have been charged to profit or loss during the Track Record Period). The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.12 to

RMB1, which was the exchange rate prevailing on January 27, 2026. No representation is made that Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate.

(3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is calculated based on 1,386,322,362 Shares (excluding treasury shares) in issue immediately following the completion of the Global Offering had it been completed as of September 30, 2025.

(4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners to owners of the Company per Share is converted from RMB into Hong Kong dollars at an exchange rate of HK$1.12 to RMB1. No representation is made that Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate.

(5) No adjustment has been made to the unaudited pro forma adjusted net tangible assets of the Group attributable to owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to September 30, 2025.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the Company's reporting accountants, Moore CPA Limited, Certified Public Accountants, Hong Kong, for the purpose for inclusion in this prospectus.

Moore CPA Limited
1001-1010, North Tower, World Finance Centre,
Harbour City, 19 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

大華馬施雲會計師事務所有限公司
香港九龍尖沙咀廣東道19號
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To the Directors of Shenzhen Woer Heat-Shrinkable Material Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (the ''**Company**'') and its subsidiaries (hereinafter collectively referred to as the ''**Group**'') by the directors of the Company (the ''**Directors**'') for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at September 30, 2025, and related notes (the ''**Unaudited Pro Forma Financial Information**'') as set out on pages IIA-1 to IIA-2 of Appendix IIA to the prospectus dated February 5, 2026 issued by the Company (the "**Prospectus**"), in connection with the proposed initial public offering of the shares of the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in notes thereto.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at September 30, 2025 as if the transaction had taken place at September 30, 2025. As part of this process, information about the Group's financial position as at September 30, 2025 has been extracted by the Directors from the Group's historical financial information for each of the three years ended December 31, 2024 and the nine months ended September 30, 2025, on which an accountants' report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the ''**Listing Rules**'') and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" (''**AG 7**'') issued by the Hong Kong Institute of Certified Public Accountants (the ''**HKICPA**'').

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at September 30, 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Moore CPA Limited
Certified Public Accountants

Hong Kong, February 5, 2026

The estimated consolidated profit attributable to owners of our Company for the year ended December 31, 2025 is set in "Financial Information-Profit estimate for the year ended December 31, 2025' in this prospectus.

A. BASES

Our Directors have prepared the estimate of the consolidated profit attributable to owners of our Company for the year ended December 31, 2025 (the "**Profit Estimate**") on the basis of (i) the audited consolidated results of our Group for the nine months ended September 30, 2025; and (ii) the unaudited consolidated results of our Group for the three months ended December 31, 2025 based on the management accounts of our Group.

The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group as summarized in the Accountants' Report as set in Appendix I to this prospectus.

B. PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

On the basis set out in Appendix IIB to this prospectus, and in the absence of unforeseen circumstances, we estimate that our unaudited consolidated profit attributable to owners of our Company for the year ended December 31, 2025 is as follows:

Estimated consolidated profit attributable to owners of our Company	Not less than RMB1.1billion

C. LETTER FROM THE REPORTING ACCOUNTANTS

The following is the text of a letter, prepared for the inclusion in this prospectus, received from our Company's reporting accountants, Moore CPA Limited, Certified Public Accountants, Hong Kong, in connection with the estimate of the consolidated profit attributable to owners of our Company for the year ended December 31, 2025.

MOORE

Moore CPA Limited
1001-1010, North Tower, World Finance Centre,
Harbour City, 19 Canton Road,
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大華馬施雲會計師事務所有限公司
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February 5, 2026

The Board of Directors
Shenzhen Woer Heat-Shrinkable Material Co., Ltd.

China Securities (International) Corporate Finance Company Limited
China Merchants Securities (HK) Co., Limited

Dear Sirs,

Shenzhen Woer Heat-Shrinkable Material Co., Ltd. ("the Company")

Profit estimate for the year ended December 31, 2025

We refer to the estimate of the consolidated profit attributable to owners of the Company for the year ended December 31, 2025 ("the Profit Estimate") set forth in the section headed "Financial Information" in the prospectus of the Company dated February 5, 2026 (the "Prospectus").

Directors' Responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the audited consolidated results of the Company and its subsidiaries (collectively referred to as "the Group") for the nine months ended September 30, 2025 and the unaudited consolidated results based on the management accounts of the Group for the three months ended December 31, 2025.

The Company's directors are solely responsible for the Profit Estimate.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "*Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness*" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in Appendix IIB of the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report dated February 5, 2026, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully,

Moore CPA Limited
Certified Public Accountants

Hong Kong, February 5, 2026

D. LETTER FROM THE JOINT SPONSORS ON PROFIT ESTIMATE

The following is the text of a letter, prepared for the inclusion in this prospectus, received from China Securities (International) Corporate Finance Company Limited and China Merchants Securities (HK) Co., Limited, the Joint Sponsors, in relation to our Group's profit estimate for the year ended December 31, 2025.

China Securities (International) Corporate Finance Company Limited
18/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

China Merchants Securities (HK) Co., Limited
48/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

February 5, 2026

The Directors
Shenzhen Woer Heat-Shrinkable Material Co., Ltd.

Dear Sirs and Madams,

We refer to the estimate of the consolidated profits attributable to the owners of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (the "**Company**", together with its subsidiaries, collectively referred to as the "**Group**") for the year ending December 31, 2025 (the "**Profit Estimate**"), for which the directors of the Company (the "**Directors**") are solely responsible, as set forth in the section headed "Financial Information — Profit estimate for the year ending December 31, 2025" in the prospectus of the Company dated February 5, 2026 (the "**Prospectus**").

The Profit Estimate has been prepared by the Directors based on the audited consolidated results of the Group for the nine months ended September 30, 2025 and the unaudited consolidated results based on the management accounts of the Group for the three months ended December 31, 2025.

We have discussed with you the basis and assumptions made by the Directors as set out in Appendix IIA to the Prospectus, upon which the Profit Estimate has been made. We have also considered the letter dated February 5, 2026 addressed to you and us from the Company's reporting accountants, Moore CPA Limited, regarding the accounting policies and calculations upon which the Profit Estimate has been made.

On the basis of the information comprising the Profit Estimate and on the basis of the accounting policies and calculations adopted by you and reviewed by Moore CPA Limited, we are of the opinion that the Profit Estimate, for which you as the Directors are solely responsible, has been made after due and careful enquiry.

For and on behalf of
China Securities (International) Corporate Finance Company Limited

For and on behalf of
China Merchants Securities (HK) Co., Limited

This Appendix mainly provides investors with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to investors.

SHARE ISSUE

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank pari passu with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by subscribers.

INCREASE, DECREASE AND REPURCHASE OF SHARES

According to the operation and development needs of the Company, subject to the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the Company may increase the capital by the following ways upon approval of resolutions at the Shareholders' meeting:

(i) Issuance of shares to non-particular targets;

(ii) Issuance of shares to particular targets;

(iii) Distribution of bonus shares to existing shareholders;

(iv) Converting the reserve funds into share capital;

(v) Other means required by the laws, administrative regulations, securities regulatory authority in the place where the Company's shares are listed or approved by the securities regulatory authority in the place where the Company's shares are listed.

The Company may decrease our registered share capital. The Company's decrease of registered share capital shall comply with the procedures stipulated in the PRC Company Law and other relevant provisions and the Articles of Association.

The Company may, pursuant to requirements of laws, administrative regulations, departmental rules and the Articles of Association, repurchase its own shares in the following circumstances:

(i) Reduce the Company's registered capital;

(ii) Merger with other companies which hold our shares;

(iii) Use the shares as an employee stock ownership plan or equity incentive plan;

(iv) Purchase its shares from shareholders, who have voted against the resolutions on the merger or division of the Company at a Shareholders' meeting upon their request;

(v) Use of shares for conversion of corporate bonds convertible into shares issued by the Company;

(vi) Necessary for the Company to maintain its value and protect the interests of the shareholders.

Subject to applicable laws and the securities regulatory rules of the place where the Company's shares are listed, the Company may repurchase its own shares by one of the following ways under the circumstances (i), (ii) and (iv) set out above:

a) by way of centralized bidding at stock exchange;

b) by way of offer;

c) other methods recognized by the securities regulatory rules of the place where the Company's shares are listed and the securities regulatory authority of the place where the Company's shares are listed.

If the share repurchase is made under the circumstances stipulated in (iii), (v) or (vi) above, it shall be conducted by way of open centralized trading.

The Company's repurchase of it own shares under the circumstances (i) and (ii) set out above shall be subject to approval at a Shareholders' meeting. Repurchase of the Company's shares under the circumstances (iii), (v) or (vi) set out above shall be approved at the Board meeting attended by more than two thirds of the directors.

After the Company has repurchased its shares under the foregoing provisions, such shares shall be cancelled within ten days after repurchase in the circumstance (i), or shall be transferred or cancelled within six months in the circumstances (ii) and (iv); and in the circumstances (iii), (v) or (vi) set out above, the total number of the Company's shares held by the Company shall not exceed 10% of its total issued shares, and shall be transferred or cancelled within three years.

TRANSFER

Shares of the Company shall be transferred in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Directors and senior management personnel of the Company shall notify the Company of their holdings of shares of same class in the Company and the changes therein. The shares transferrable by them during each year of their tenures as determined on their appointment shall not exceed 25% of their total holdings of shares of same class in the Company. The shares in the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares in the Company held by them shall not be transferred within half a year from their departure from the Company.

Any gains from sale of Company's shares or other securities with an equity nature by the Directors and senior management members or shareholders holding over 5% of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with an equity nature by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company, and the Board of Directors of the Company shall be responsible for recovering such gains from the above mentioned parties. However, a securities company which holds over 5% of the Company's shares as a result of its undertaking of the untaken shares in an offer or there are other circumstances stipulated by the CSRC, sale those Company's shares shall not be subject to the six-month time limit.

Shares or other securities with the nature of equity held by Directors, senior executives and individual shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts.

If the Board of Directors of the Company fails to implement the provisions mentioned above, the responsible Directors shall bear joint and several liability in accordance with law.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

General Provisions of Shareholders

The Company shall make a register of shareholders on the basis of the certificates provided by the securities registrar of the place where the Company's shares are listed. The register of shareholders shall be the sufficient evidence proving the holding of the shares of the Company by the shareholders. The original register of shareholders of H Shares listed in Hong Kong is kept in Hong Kong and is available for inspection by

shareholders. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

When the Company holds a Shareholders' meeting, distributes dividends, liquidates and engages in other acts requiring confirmation of shareholdings, the Board of Directors or the convener of the Shareholders' meeting shall decide the share register date, and shareholders who registered after market close on the share register date are entitled to relevant rights and interests.

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Listing Rules") on the period of closure of register of members before the Shareholders' meeting or the reference date for the Company's distribution of dividends shall prevail.

The rights of our shareholders are as follows:

(i) to receive distribution of dividends and other forms of benefits according to the number of shares held;

(ii) to legally require, convene, preside over, participate in or authorize proxies of shareholders to attend the Shareholders' meeting and exercise corresponding voting rights;

(iii) to supervise operational activities of the Company, provide suggestions or submit queries;

(iv) to transfer, grant or pledge shares they held according to the provisions of the laws, administrative regulations and the Articles of Association;

(v) to read the Articles of Association, the list of shareholders, Company bond stubs, Shareholders' meeting minutes, resolutions of meetings of the Board of Directors, and financial and accounting reports;

(vi) to participate in the distribution of the remaining assets of the Company according to the proportion of shares held upon our termination or liquidation;

(vii) to require the Company to acquire the shares from shareholders voting against any resolutions adopted at the Shareholders' meeting concerning the merger and division of the Company;

(viii) other rights conferred by laws, administrative regulations, departmental rules, or the Articles of Association.

Where any shareholder demands to read the relevant information or obtain any of the aforesaid materials, he/she shall submit to the Company written documents proving the class(es) and number of share he/she holds in the Company. The Company shall provide the same in accordance with the shareholder's demand after verifying the shareholder's identity.

In the event that any resolution of the Shareholders' meeting or resolution of the Board of Directors violates laws or administrative regulations, the shareholder is entitled to request the People's Court to deem it as invalid.

If the convening procedure or voting method of the Shareholders' meeting or the Board meeting violates laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the shareholders shall have the right to request the People's Court to revoke such resolution within sixty days from the date of the resolution. However, this shall not apply if the convening procedure or voting method of a Shareholders' meeting or Board meeting has only minor defects that do not have a material impact on the resolution.

Where a director or a senior management personnel other than the member of the Audit Committee violates any laws, administrative regulations or the Articles of Association in the course of performing his or her duties and thereby causes losses to the Company, the shareholders individually or jointly holding more than 1% of the

Company's shares for 180 consecutive days or more shall have the right to request, in written form, the Audit Committee to initiate a legal proceeding in the people's court. Where a member of the Audit Committee violates any laws, administrative regulations or the Articles of Association in the course of performing his or her duties and thereby causes losses to the Company, the aforesaid shareholders may request, in written form, the Board of Directors to initiate a legal proceeding in the people's court.

In the event that the Audit Committee and the Board of Directors refuse to initiate legal proceedings upon receiving the written request from a shareholder, as specified in the preceding paragraph, or fails to initiate such legal proceedings within 30 days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will cause irreparable damage to the Company's interests, shareholders mentioned in the preceding paragraph shall have the right to initiate legal proceedings in the people's court directly in their own names for the benefit of the Company.

Where the legitimate rights and interests of the Company are damaged and the Company thereby suffers any loss, the shareholders individually or collectively holding over 1% of the Company's shares for 180 consecutive days may initiate a legal proceeding in the people's court in accordance with the provisions of the preceding two paragraphs.

Where any director or a senior management personnel damages the shareholders' interests by violating any laws, administrative regulations or the Articles of Association, the shareholders may initiate a legal proceeding in the people's court.

The obligations of shareholders are as follows:

(i) to abide by laws, administrative regulations and the Articles of Association;

(ii) to provide share capital according to the shares subscribed for and share participation methods;

(iii) not to return shares unless prescribed otherwise in laws and administrative regulations;

(iv) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to damage the interests of the Company's creditors;

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law.

Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

(v) other duties that shall be assumed as stipulated by laws, administrative regulations and the Articles of Association.

General Provisions for Shareholders' Meetings

Shareholders' meeting of the Company comprises all shareholders. The Shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with laws:

(i) to elect and remove the Directors (other than the employee representatives) and to decide on matters relating to the remuneration of Directors;

(ii) to examine and approve reports of the Board of Directors;

(iii) to examine and approve the Company's proposals for profit distribution plans and loss recovery plans;

(iv) to decide on any increase or decrease of the Company's registered capital;

(v) to decide on the issuance of bonds by the Company;

(vi) to decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(vii) to amend the Articles of Association;

(viii) resolution on appointment and dismissal of an accounting firm that provides audits for the Company;

(ix) to examine and approve the provision of guarantees stipulated in Article 42 of the Articles of Association;

(x) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;

(xi) to examine and approve matters relating to changes in the use of proceeds;

(xii) to examine the equity incentive plans and employee stock ownership plans;

(xiii) to examine other matters as required by the laws, administrative regulations, departmental rules, or the Articles of Association, which shall be decided by the Shareholders' meeting.

The Shareholders' meeting may authorize the Board of Directors to make resolutions on issuance of bonds by the Company.

Except for otherwise provided by laws, administrative regulations, requirements of the CSRC or the securities regulatory rules of the place where the Company's shares are listed, the aforesaid powers of the Shareholders' meeting shall not be exercised by the Board of Directors or any other institution or individual on its behalf upon authorization.

The following acts of external guarantee by the Company shall be submitted to the Shareholders' meeting for deliberation and approval:

(i) any guarantee to be provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries has exceeded 50% of the Company's net assets as audited in the latest period;

(ii) any guarantee to be provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries has exceeded 30% of the Company's total assets as audited in the latest period;

(iii) any guarantee to be provided to a party whose ratio of liabilities to assets exceeds 70% as per its most recent financial statements;

(iv) a single guarantee for an amount of more than 10% of the net assets audited in the latest period;

(v) the guarantee to be provided to a shareholder, or to de facto controller or related party thereof;

(vi) based on the cumulative guarantee amount within latest twelve months, guarantee with a total amount exceeding 30% of the Company's total assets audited in the latest period;

(vii) Other guarantees stipulated by the CSRC, stock exchanges or the Articles of Association.

The following acts of external financial assistance of the Company shall be submitted to the Shareholders' meeting for deliberation and approval:

(i) any financial assistance to be provided to a party whose ratio of liabilities to assets exceeds 70% as per its most recent financial statements;

(ii) a single financial assistance or cumulative financial assistance provided within any consecutive 12 months with amount of more than 10% of the Company's net assets audited in the latest period;

(iii) Other circumstances stipulated by Shenzhen Stock Exchange or the Articles of Association.

The Company shall not provide financial assistance to any Director, senior management personnel, controlling shareholder, de facto controller and other connected persons.

Where the Company provides financial assistance to other connected persons, it shall submit the same for consideration at a Shareholders' meeting and connected shareholders shall abstain from voting on the matter when it is considered at the Shareholders' meeting.

Shareholders' meetings comprise annual Shareholders' meetings and extraordinary Shareholders' meetings. An annual Shareholders' meeting shall be held once a year and within six months after the end of the prior accounting year.

The Company shall convene an extraordinary Shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

(i) the number of directors is less than the number provided for in the PRC Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(ii) the losses of the Company that have not been made up reach one-third of its total share capital;

(iii) such is requested by a shareholder alone or shareholders jointly holding over 10% of the Company's voting shares;

(iv) when the Board considers it necessary;

(v) when the Audit Committee proposes that such a meeting shall be held;

(vi) other circumstances as specified by laws, administrative regulations, department rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Convening of Shareholders' Meetings

Independent directors shall have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and the exercise of such power by the independent directors shall be approved by more than half of all independent directors. Regarding the proposal requesting to convene an extraordinary Shareholders' meeting by independent directors, the Board of Directors shall give a written reply stating its agreement or disagreement to the convening of the extraordinary Shareholders' meeting within 10 days after receiving the proposal in accordance with the laws, administrative regulations and the Articles of Association.

Where the Board of Directors approves the convening of the extraordinary Shareholders' meeting, it shall send the notice thereof within 5 days after the said approval resolution of the Board of Directors; otherwise, the reasons for such disapproval shall be stated and announced.

The Audit Committee shall have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and such proposal shall be submitted in writing. The Board of Directors shall give a

written reply stating its agreement or disagreement to the convening of the extraordinary Shareholders' meeting within 10 days after receiving the proposal in accordance with the laws, administrative regulations and the Articles of Association. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the Board of Directors and any changes to the original proposal contained in the notice shall be subject to the approval of the Audit Committee.

If the Board of Directors disagrees to convene the extraordinary Shareholders' meeting or does not give any written reply within 10 days after receiving the proposal, the Board of Directors shall be deemed as failing to perform the duty of convening a Shareholders' meeting. In such cases, the Audit Committee may convene and preside over the meeting.

Shareholders individually or jointly holding more than 10% of shares of the Company are entitled to request the Board of Directors in writing to convene an extraordinary Shareholders' meeting. The Board of Directors shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the request.

If the Board of Directors agrees to convene the extraordinary Shareholders' meeting, it shall issue a notice of convening the Shareholders' meeting within 5 days after the date of the resolution of the Board of Directors. Any changes made to the original proposal in the notice shall be agreed by the relevant shareholders.

If the Board of Directors disagrees to convene the extraordinary Shareholders' meeting or does not reply within 10 days upon receipt of the proposal, shareholders individually or jointly holding more than 10% of the shares of the Company are entitled to request the Audit Committee in writing to convene an extraordinary Shareholders' meeting.

If the Audit Committee agrees to convene the extraordinary Shareholders' meeting, it shall issue a notice of convening the Shareholders' meeting within 5 days upon receipt of the proposal. Any changes made to the original proposals in the notice shall be agreed upon by the relevant shareholders.

If the Audit Committee does not issue the notice of a Shareholders' meeting within the prescribed period, it shall be deemed as the Audit Committee not convening and not holding the Shareholders' meeting. Then the shareholders individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days are entitled to convene and hold the meeting by themselves.

Where the Audit Committee or shareholders decide to convene a Shareholders' meeting by themselves, a written notice shall be submitted to the Board of Directors and a file shall be made with the stock exchange.

Before making an announcement on the resolution(s) of the Shareholders' meeting, the shareholders convening the meeting shall hold not less than 10% of the shares.

The Audit Committee or the shareholders convening the meeting shall submit relevant evidencing materials to the stock exchange before the notice of Shareholders' meeting and the announcement on resolutions of the Shareholders' meeting are dispatched.

Where the Audit Committee or shareholders convene and hold a Shareholders' meeting by themselves, the expenses necessarily accrued therefrom shall be borne by the Company.

Proposals and Notices of Shareholders' Meetings

The Company may convene a Shareholders' meeting, and the Board of Directors, the Audit Committee, as well as shareholders who individually or collectively hold more than 1% of the Company's shares, have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may submit a temporary proposal in writing to the convener 10 days prior to the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days after receiving the proposal, announcing the content of the temporary proposal and submit the temporary proposal for consideration at the Shareholders' meeting. However, this does not apply if the temporary proposal violates the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or if it is not within the scope of the Shareholders' meeting's authority.

Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the Shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

Any proposal that is not stated in the notice of the Shareholders' meeting or do not comply with the Articles of Association shall not be voted and approved at the Shareholders' meeting.

The convener shall notify each shareholder by announcement at least 21 days before the annual Shareholders' meeting, and at least 15 days before the extraordinary Shareholders' meeting.

When calculating the period for giving notice, the day of the meeting shall not be included.

A notice of a Shareholders' meeting shall include the following:

(i) the time, venue and duration of the meeting;

(ii) matters and proposals submitted to the meeting for consideration;

(iii) a prominent written statement that all shareholders are entitled to attend Shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;

(iv) the record date of registration of shareholders entitled to attend the Shareholders' meeting;

(v) the name and telephone number of the regular contact person for the meeting.

CONVENING OF SHAREHOLDERS' MEETINGS

All shareholders registered on the share right registration date or their proxies shall be entitled to attend the general meetings and exercise voting rights in accordance with relevant laws, regulations and these Articles of Association.

Shareholder may attend the Shareholders' meeting in person, or appoint proxy(ies) to attend or vote on behalf of such shareholder.

Individual shareholder attending the meeting in person shall present his or her identity card or other valid license or certificate that can prove his or her identity. Proxies attending the meeting on others' behalf shall present valid proof of their identities and the power of attorney from the appointing shareholder.

Corporate shareholders shall attend the meeting by its legal representative or the proxy appointed by its legal representative. Where the legal representative attends the meeting, he shall present his identification card and valid proof that can prove his qualification as legal representative, copy of business license (with official seal) and valid proof of equity; and where he appoints a proxy to attend the meeting, the proxy shall present his own identification card , and the written power of attorney, copy of business license (with official seal) and valid proof of equity legally issued by the legal representative of the corporate shareholder (except for shareholders that are recognized clearing houses and their proxies).

If the said shareholder is a recognized clearing house (or its agent) as defined by relevant laws and regulations of the place where the Company's shares are listed, the shareholder may authorize one or more

suitable persons or corporate representatives to act as its representative at any general meeting (including but not limited to Shareholders' meeting and creditors' meeting); however, if more than one person are authorized,the proxy form shall clearly indicate the number and types of shares each person is authorized in relation to. The proxy form shall be signed by authorized person(s) of the clearing house. The persons after such authorization may represent the recognized clearing house (or its agent) to attend such meetings (without the need to produce evidence in respect of shareholding, notarized authorization and/or further evidence to prove due authorization) to exercise the rights, speak at the meeting and exercise rights (including but not limited to voting rights) as if they were the individual shareholders of the Company.

Voting and Resolutions of the Shareholders' Meeting

Resolutions of the Shareholders' meeting shall be divided into ordinary resolutions and special resolutions. An ordinary resolution at a Shareholders' meeting shall be passed by a majority of the votes held by the shareholders (including shareholders' proxies) present at the Shareholders' meeting. A special resolution at a Shareholders' meeting shall be passed by at least two-thirds of the votes held by shareholders (including shareholders' proxies) present at the Shareholders' meeting.

The following matters shall be resolved by an ordinary resolution at a Shareholders' meeting:

(i) work reports of the Board of Directors;

(ii) profit distribution proposals and loss recovery proposals of the Board of Directors;

(iii) appointment and removal of members of non-employee representative directors, their emolument and manner of payment;

(iv) annual reports of the Company;

(v) matters other than those required by laws, administrative regulations, requirements of securities regulatory rules of the place where the Company's shares are listed or by the Articles of Association to be adopted by special resolution.

The following matters shall be resolved by a special resolution at a Shareholders' meeting:

(i) increase or reduction of the Company's registered capital;

(ii) the split, division, merger, dissolution and liquidation of the Company;

(iii) amendments to the Articles of Association;

(iv) the Company's purchase or disposal of major assets within one year or guarantee amount exceeding 30% of the latest audited total assets of the Company;

(v) the share incentive plan;

(vi) other matters required to be resolved by way of a special resolution by the laws, administrative regulations or the Articles of Association, and matters which, according to an ordinary resolution of the Shareholders' meeting, may have a significant impact on the Company and shall be resolved by way of a special resolution.

Shareholders (including proxies thereof) may exercise their voting rights based on the number of voting shares they represent. Each share is entitled to one vote, unless individual shareholders are required to abstain from voting on individual matters in accordance with the securities regulatory rules of the place where the shares of the Company are listed. On a poll taken at a meeting, a shareholder (including proxy thereof) entitled to two or more votes need not cast all his/her/its votes in the same way.

When considering the material matters affecting the interests of minority investors at the Shareholders' meeting, the votes by minority investors shall be counted separately, and the results of such separate vote counting shall be publicly disclosed in a timely manner.

The shares of the Company held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a Shareholders' meeting.

Shareholders who purchase the voting shares of the Company in violation of the provisions of Clause 1 and Clause 2 of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within thirty-six months after the purchase, and such number shall not be counted in the total number of voting shares represented by shareholders attending a Shareholders' meeting.

The Board, independent directors and shareholders who hold more than 1% of voting shares of the Company or investors protection institutes established in accordance with laws, administrative regulations or rules of the CSRC may publicly solicit for the voting rights from shareholders. Information including the specific voting intention shall be fully disclosed to the shareholders from whom voting rights are being collected. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions of Directors

Directors of the Company comprise executive Directors, non-executive Directors and independent Directors. Directors of the Company shall be natural persons. A person may not serve as a Director of the Company if he is:

(i) a person who does not have or who has limited capacity for civil acts;

(ii) a person who has been sentenced to criminal punishment for corruption, bribery, infringement of property, misappropriation of property or for damaging the order of the socialist market economy, or who has been deprived of his/her political rights due to criminal offense, where less than 5 years have elapsed since the sentence was served, or less than 2 years have elapsed since the date of expiration of the probationary period if such person is sentenced to probation;

(iii) a person who served as a director, or factory director or manager and who bore personal liability for the bankruptcy liquidation of a company or enterprise, where less than 3 years have elapsed since the date of completion of the bankruptcy liquidation of such company or enterprise;

(iv) a person who served as a legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to violation of law and who bore personal liability for such violation, where less than 3 years have elapsed since the date of the revocation of business license and order to close down of such company or enterprise;

(v) a person who has a relatively large amount of debts which have fallen due but have not been settled and was listed as a dishonest person subject to enforcement by the people's court;

(vi) a person who is banned by the CSRC from entering into the securities market for a period which has not yet expired;

(vii) the period of being publicly identified by the stock exchange as unsuitable to serve as directors and senior management members of listed companies has not yet expired;

(viii) Other contents required by the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed.

Directors shall comply with laws, administrative regulations and the Articles of Association, and shall owe the following duties of loyalty to the Company and take measures to avoid the conflict between their own interests and those of the Company and shall not seek any improper interests by taking advantage of their powers.

Directors shall bear the following duties of loyalty to the Company:

(i) not to expropriate the Company's property or misappropriate the Company's funds;

(ii) not to open any account in their own name or in any other name for the deposit of the Company's funds;

(iii) not to exploit their positions to accept bribes or obtain other illegal income;

(iv) not to enter into any contract or transaction, directly or indirectly, with the Company without reporting to the Board or the general meeting and approval by a resolution of the Board or the general meeting in accordance with the provisions of the Articles of Association;

(v) not to use the advantages of his/her position to obtain for himself/herself or for others business opportunities attributable to the Company, unless it has been reported to the Board or the general meeting and approved by a resolution of the general meeting, or the Company is forbidden to use such business opportunities in accordance with the provisions of laws, administrative regulations or the Articles of Association;

(vi) not to operate a business similar to that of the Company for his/her own account or on behalf of others without reporting to the Board or the general meeting and approval bya resolution of the general meeting;

(vii) not to accept commissions from others on transactions with the Company for their own benefit;

(viii) not to disclose secrets of the Company without authorization;

(ix) not to use their connected relations to impair the interests of the Company;

(x) other obligations of loyalty stipulated by laws, administrative regulations, department rules and the Articles of Association.

The income obtained by the Directors in violation of the provisions of this Article shall belong to the Company; losses caused to the Company by such persons shall be indemnified by the same.

In compliance with the laws, administration regulations and the Articles of Association, the Directors shall perform obligations of diligence to the Company and exercise the reasonable care normally expected of management personnel in the best interests of the Company in the performance of their duties.

The Directors shall have the following obligations of diligence to the Company:

(i) to exercise the rights conferred by the Company prudently, conscientiously and diligently to ensure that the Company's commercial acts comply with the requirements of national laws and administrative regulations and various national economic policies,and that its commercial activities do not exceed the scope of business specified in the business license;

(ii) to treat all shareholders fairly;

(iii) to keep abreast of the Company's business operation and management status;

(iv) to sign written confirmation on regular reports of the Company and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;

(v) to truthfully provide relevant information and materials to the Audit Committee and shall not impede the Audit Committee in the exercise of their duties and powers;

(vi) other obligations of diligence as stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

The Board of Directors

The Board of Directors of the Company consists of nine Directors, including three non-employee representative Directors, three independent Directors. At least one independent Director shall be accounting professional who meets the relevant regulations. The Board of Directors shall have one chairman and one vice chairman.

The Board of Directors shall exercise the following duties and powers:

(i) to convene Shareholders' meetings and report to Shareholders' meetings;

(ii) to implement the resolutions of the Shareholders' meeting;

(iii) to determine the operation plans and investment plans of the Company;

(iv) to formulate the profit distribution plans and loss recovery plans of the Company;

(v) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;

(vi) to formulate plans for substantial acquisition, repurchase of the Company's shares, or merger, division, dissolution and change of corporate form of the Company;

(vii) under the provision of the Articles of Association, to decide on the repurchase of the Company's shares applied for the purpose of employee stock ownership plan or equity-based incentives, converting the shares into corporate bonds issued by listed company/companies that could be converted into shares or, where it is necessary, maintaining the Company's value and shareholders' rights;

(viii) to decide on external investment, acquisition and disposal of assets, pledge of assets, external guarantee, entrusted wealth management, connected transactions, external donations and other matters under the authority granted by the Shareholders' meeting;

(ix) to determinate the structure of the Company's internal management organization;

(x) to decide on the appointment or removal of the Company's manager, Secretary to the Board and other senior management personnel, and determine their remunerations matters and incentives and disincentives matters; and, based on the recommendations of the manager, to decide on the appointment or removal of such senior management personnel as the vice manager(s) and financial controller of the Company;

(xi) to develop the basic management system of the Company;

(xii) to formulate the amendment to the Articles of Association;

(xiii) to manage the information disclosure of the Company;

(xiv) to propose to the Shareholders' meeting the engagement or replacement of the accounting firm that provides audits for the Company;

(xv) to debrief the work report of the manager of the Company and check the works of the manager;

(xvi) other functions and powers granted by the laws, administrative regulations, departmental rules, the Articles of Association or the Shareholders' meeting. Matters beyond the scope of authorization of the Shareholders' meeting shall be submitted for consideration at the Shareholders' meeting.

Where a Director is connected to the enterprise involved in the resolution of the Board meeting, he/she shall not exercise the right to vote on the resolution, nor shall he/she exercise the right to vote on behalf of another Director. The Board meeting can be held by more than half of the uninterested Directors. The resolutions of the Board meeting shall be adopted by more than half of the uninterested Directors. If the number of uninterested Directors present at the Board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for consideration.

Special Committees under the Board

The Audit Committee shall comprise three directors, all of whom shall be non-executive Directors who do not hold any senior management position in the Company. The majority of the members shall be independent Directors. Among the members, there shall be an accounting professional who meets relevant provisions and the convenor shall be the accounting professional among independent non-executive Directors.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, and supervising and evaluating internal and external auditing work and internal control. The following matters shall be submitted to the Board of Directors for consideration after being approved by more than half of all Audit Committee members:

(i) Disclosure of financial information in the financial accounting report and periodic report, as well as the internal control and evaluation report;

(ii) Engagement or dismissal of the accounting firm performing audit of the Company;

(iii) Appointment or dismissal of the officer in charge of finance of the Company;

(iv) Change of accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;

(v) Other matters as stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed, provisions of stock exchanges and the Articles of Association.

Under the Board of Directors there shall be other special committees as a Strategy and Investment Decision-making Committee, a Remuneration and Appraisal Committee and a Nomination Committee, to perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and the proposals of the special committees shall be submitted to the Board of Directors for consideration and decision. The detailed rules for the work of the special committees shall be formulated by the Board of Directors. Independent Directors shall constitute the majority of the Remuneration and Appraisal Committee and the Nomination Committee, who shall also serve as the convener.

SENIOR MANAGEMENT PERSONNEL

The Company has one general manager, who will be nominated by the chairman and appointed or dismissed at the discretion of the Board.

The Company has several deputy general managers, who will be appointed or dismissed at the discretion of the Board.

The Company's general manager, deputy general manager, financial controller and secretary to the Board are senior management personnel of the Company.

The general manager shall be accountable to the Board and exercise the following functions and powers:

(i) to be in charge of the production, operation and management of the Company, to organise the implementation of the resolutions of the Board, and to report on his or her work to the Board;

(ii) to arrange for the implementation of the Company's annual business plans and investment plans; to be entitled to approve investment projects with a total external investment amount not exceeding 5% of the most recently audited net assets, within the investment plan approved by the Board;

(iii) to draft the plan for establishment of the Company's internal management organisation;

(iv) to draft the Company's basic management system;

(v) to formulate the detailed rules and regulations of the Company;

(vi) to request the Board to engage or dismiss deputy general manager and chief financial officer;

(vii) to decide on the appointment or dismissal of management personnel other than those to be engaged or dismissed by the Board;

(viii) other functions and powers granted by the Articles of Association or the Board.

The Company shall have a secretary to the Board, who shall be responsible for the preparation of the Shareholders' meetings and Board meetings of the Company, keeping of documents, management of shareholders' information of the Company and handling matters such as information disclosure. The secretary to the Board shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting and Profit Distribution Systems

The Company shall submit and disclose its annual reports to the securities regulatory authority in the place where the Company's shares are listed and stock exchanges within four months upon the expiration of each fiscal year, and its interim reports to the securities regulatory authority in the place where the Company's shares are listed and stock exchanges within two months upon the expiration of the first six months of each fiscal year.

The above-mentioned annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations, the CSRC and requirements of stock exchanges.

The Company shall not set up any other accounting books except for the legal accounting books. The funds of the Company shall not be deposited into an account established in the name of any individual.

When the Company distributes the after-tax profits of the current year, it shall allocate 10% of the profits into the statutory reserve fund. The Company may not withdraw statutory common reserve fund if the cumulative amount has exceeded 50% of the Company's registered capital.

Where the statutory common reserve fund of the Company is not sufficient to recover its losses in the previous years, the profits of the current year shall be used to make up the loss before the withdrawing of the statutory common reserve fund in accordance with the above provisions.

After withdrawing the statutory common reserve fund from the after-tax profit by the Company, the discretionary reserve may be withdrawn from the after-tax profit with the approval from the Shareholders' meeting.

After the Company has made up its losses and made allocations to its common reserves,the remaining after-tax profits shall be distributed in proportion to the shareholdings of its shareholders, unless these Articles of Association provide that distributions are to be made otherwise than proportionally.

If the Shareholders' meeting violates the aforesaid provision and distributes profits to shareholders before the Company has made up its losses and made allocations to its statutory common reserve fund, the shareholders shall return the profits distributed in violation of the provisions to the Company.

The Company's shares held by the Company shall not be subject to profit distribution.

The Company shall appoint one or more payment receiving agents in Hong Kong for shareholders of H shares. The payment receiving agent shall receive and hold on behalf of such shareholders of H shares any dividends allocated to H shares and other amounts payable by the Company, for future payments to such shareholders of H shares. The payment receiving agent appointed by the Company shall satisfy the requirements under the laws and regulations and the securities regulations and rules of the places where the Company's shares are listed.

The Company's common reserves shall be used to make up the Company's losses, to expand the Company's production and operations or, through conversion into capital, to increase the Company's registered capital.

In the case of making up the Company's losses, the discretionary common reserve and legal common reserve shall be utilized firstly; and, if any shortfall, the capital common reserve may be utilized in accordance with the regulations.

When funds in the statutory common reserve are converted into registered capital increase, the funds remaining in such reserve will not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company shall implement the internal audit system, which specifies the leadership mechanism, responsibility and authority, staffing, financial security, use of audit results and accountability in respect of internal audit work. The internal audit organization of the Company supervises and inspects the business activities, risk management, internal control, financial information and other matters of the Company.

Employment of Accounting Firms

The Company employs an accounting firm that complies with the provisions of the Securities Law to conduct audits of accounting statements, internal control audit, verification of net assets and other related consulting services for a period of one year, which may be renewed.

Employing and dismissing an accounting firm for the Company shall be decided by a Shareholders' meeting through an ordinary resolution. The Board shall not appoint an accounting firm before a Shareholders' meeting is held.

The Company shall guarantee to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the hired accounting firm,and shall not refuse, conceal or make false reports.

The remuneration or method of determining the remuneration of an accounting firm shall be determined by the Shareholders' meeting.

When the Company dismisses or does not renew the employment of an accounting firm, it shall give a 30-day prior notice to the accounting firm, and the accounting firm shall have the right to state its opinions at the general meeting where a voting process concerning the dismissal of such accounting firm is carried out.

Where an accounting firm tenders its resignation, it shall inform the Shareholders' meeting of whether there is any irregularity in the Company.

MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Reduction

Merger of the Company may take the form of merger by absorption or merger by new establishment.

A company absorbs other companies as an absorption merger, and the absorbed company is dissolved. The merger of two or more companies to create a new company is a new merger, and the merging parties are dissolved.

In the case of a merger, parties to the merger shall execute a merger agreement, and shall prepare the balance sheets and a schedule of assets. The Company shall notify its creditors within 10 days from the date of making the merger resolution, and make an announcement in a media the Company designated for information disclosure or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may require the Company to pay off debts or provide corresponding guarantees within 30 days from the date of receiving the announcement or within 45 days from the date of announcement if they fail to receive it.

In the event of a merger of companies, the debts and liabilities of the merging parties shall be inherited by the surviving company or the new company established after the merger.

If the Company is to be divided, its property shall be divided accordingly.

For the division of the Company, a balance sheet and a list of assets shall be prepared. The Company shall notify its creditors within ten days from the date of making the resolution on division, and make an announcement in media the Company designated for information disclosure or on the National Enterprise Credit Information Publicity System within 30 days. Where there are provisions under the rules of the places where the Company's shares are listed, such provisions shall prevail.

The Company shall prepare a balance sheet and a property list for any reduction of registered capital.

The Company shall notify its creditors within 10 days from the date of making the resolution on decrease of registered capital, and make an announcement in a media the Company designated for information disclosure or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may require the Company to pay off debts or provide corresponding guarantees within 30 days from the date of receiving the announcement or within 45 days from the date of announcement if they fail to receive it.

Where the merger or division of the Company results in a change in its registered particulars, such change shall be registered with the company registrar according to law.Where the Company is dissolved, it shall cancel its registration according to law. Where a new company is established, its establishment shall be registered according to law.

The increase or reduction of the Company's registered capital shall be registered with the company registrar according to law.

DISSOLUTION AND LIQUIDATION

The Company shall be dissolved for the following reasons:

(i) Expiry of term of business stipulated in the Articles of Association or occurrence of any other trigger for dissolution stipulated in the Articles of Association;

(ii) The Shareholders' meeting adopts a resolution to dissolve;

(iii) The Company needs to be dissolved for the purpose of merger or division;

(iv) The business license is revoked, or the Company is ordered to close or be eliminated according to applicable law;

(v) Where the Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of voting rights of the Company may request the People's Court to dissolve the Company.

If the Company falls under the circumstance (i) above, it may continue to exist by amending the Articles of Association.

Any amendment to the Articles of Association in accordance with the provisions of the preceding paragraph shall be approved by more than 2/3 of the voting rights held by the shareholders attending the Shareholders' meeting.

The Directors, as the obligor of the Company's liquidation, shall form a liquidation committee to carry out the liquidation within 15 days from the date when the cause of dissolution arises. The liquidation committee shall comprise the Directors, unless the Shareholders' meeting resolves to elect another person. Where the Company is dissolved due to the provisions set forth in (i), (ii), (iv) and (v) above, the Company shall be liquidated.

Within 10 days of the establishment of the liquidation committee, the creditors shall be notified and an announcement shall be published in the information disclosure media designated by the Company or the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their claims to the liquidation committee within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received.

If the liquidation committee, after liquidating the Company's properties and preparing a balance sheet and property list, finds that the Company's properties are insufficient to settle its debts, it shall apply for bankruptcy liquidation with the People's Court in accordance with the law. After the People's Court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation affairs to the bankruptcy administrator appointed by the People's Court.

After the Company is declared bankrupt according to law, the company implement insolvency and liquidation according to the law of insolvency.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, the Company shall amend the Articles of Association:

(i) Following the revision of the PRC Company Law or relevant laws and administrative regulations, matters stipulated in the Articles of Association contradict the provisions of the revised laws and administrative regulations;

(ii) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association;

(iii) A Shareholders' meeting has decided on making amendments to the Articles of Association.

If the amendment to the Articles of Association adopted by resolution of the shareholders' meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of Company registration, the registration of the changes shall be made in accordance with the law.

FURTHER INFORMATION ABOUT OUR COMPANY AND OUR MAJOR SUBSIDIARIES

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on June 19, 1998 and was converted into a joint stock company with limited liability on September 28, 2004 under the laws of the PRC. Our Company completed its listing of A Shares on the Shenzhen Stock Exchange (stock code: 002130) in April 2007. As of the Latest Practicable Date, the registered share capital of our Company was RMB1,259,898,562 divided into 1,259,898,562 shares with a nominal value of RMB1.00 each.

Our Company has established a place of business in Hong Kong at Room 504, 5/F, Cheong Tai Commercial Building, 60–66 Wing Lok Street, Sheung Wan, Hong Kong, and has registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on June 20, 2025. Tam Ka Lung has been appointed as our authorized representative for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

2. Changes in Share Capital of Our Company

When our Company was converted into a joint stock liability company with limited liability under the PRC Company Law, our initial registered capital was RMB40,350,000, divided into 40,350,000 shares with a nominal value of RMB1.00 each.

Upon completion of our Company's A Share listing in April 2007, the registered capital of our Company increased from RMB 40,350,000 to RMB54,350,000.

On May 12, 2025, 3,281,400 treasury A Shares were transferred to participants of the 2025 Restricted Share Scheme.

For further details on the historical change of share capital of our Company, see "History, Development and Corporate Structure" in this prospectus. Save as disclosed above, there has been no alteration in our share capital within two years immediately preceding the date of this prospectus.

3. Resolutions of the Shareholders

Pursuant to a general meeting of our Company held on June 3, 2025, the following resolutions, among others, were passed by our shareholders:

(a) the issue by our Company of H Shares of a nominal value of RMB1.00 each and that such H Shares be listed on the Hong Kong Stock Exchange;

(b) that the number of H Shares to be issued shall not be more than 10% of the total issued share capital of our Company as enlarged by the Global Offering;

(c) subject to the completion of the Global Offering, the adoption of the Articles of Association which shall become effective on the Listing Date, and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(d) authorization of our Board to handle all relevant matters relating to, among other things, the issue and listing of the H Shares.

4. Changes in the Share Capital of Our Subsidiaries

Our subsidiaries are referred to in Note 1 to Part II of the Accountants' Report, the text of which is set out in Appendix I. Save for the subsidiaries mentioned in the Accountants' Report, we do not have any other subsidiaries.

The following subsidiaries have been incorporated within the two years immediately preceding the date of this prospectus:

Huizhou Wo'er Intelligent Technology Co., Ltd.

On November 25, 2024, Huizhou Wo'er Intelligent Technology Co., Ltd. (惠州市沃爾智能科技有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB1,000,000.

Huizhou Wo'er Electronic Materials Co., Ltd.

On November 25, 2024, Huizhou Wo'er Electronic Materials Co., Ltd. (惠州市沃爾電子材料有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB1,000,000.

Huizhou Dingding Special Cable Co., Ltd.

On November 25, 2024, Huizhou Dingding Special Cable Co., Ltd. (惠州市樂庭特種線纜有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB1,000,000.

Huizhou Dingding Technology Co., Ltd.

On November 25, 2024, Huizhou Dingding Technology Co., Ltd. (惠州市樂庭科技有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB1,000,000.

Shanghai Anda Run Nano Materials Co., Ltd.

On January 10, 2024, Shanghai Anda Run Nano Materials Co., Ltd. (上海安達潤納米材料有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB50,000,000.

Shanghai WoDarun New Materials Co., Ltd.

On July 12, 2024, Shanghai WoDarun New Materials Co., Ltd. (上海沃達潤新材料有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB10,000,000.

Huizhou Woer Heat Shrinkable Material Co., Ltd.

On December 27, 2024, Huizhou Wo'er Heat Shrinkable Material Co., Ltd. (惠州市沃爾熱縮材料有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB1,000,000.

Shenzhen Kenaite Precision Technology Co., Ltd.

On February 8, 2025, Shenzhen Kenaite Precision Technology Co., Ltd. (深圳市科耐特傳導精密技術有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB1,000,000.

Huizhou Wolidate Technology Co., Ltd.

On June 30, 2025, Huizhou Wolidate Technology Co., Ltd. (惠州市沃力達特導科技有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB1,000,000.

WOER NEW (MATERIAL) SDN. BHD. (formerly known as Woer Trading (Malaysia) SDN. BHD.)

On January 13, 2025, WOER NEW (MATERIAL) SDN. BHD. was incorporated in Malaysia with an initial registered capital of 1,000 Malaysian Ringgit.

Woer International (Malaysia) SDN. BHD.

On April 23, 2025, Woer International (Malaysia) SDN. BHD. was incorporated in Malaysia with an initial registered capital of 100 Malaysian Ringgit.

Suzhou Darun New Materials Co., Ltd.

On November 14, 2025, Suzhou Darun New Materials Co., Ltd. (蘇州達潤新材料有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB80,000,000.

KTG ELECTRONICS PTE. LTD.

On December 5, 2025, KTG ELECTRONICS PTE. LTD. was incorporated in Singapore with an initial registered capital of SGD50,000.

Woerfa Power Equipment (Alxa League) Co., Ltd.

On December 29, 2025, Woerfa Power Equipment (Alxa League) Co., Ltd. (沃爾法電力設備(阿拉善盟)有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB1,000,000.

The following alterations in the share capital of our subsidiaries have taken place within the two years immediately preceding the date of this prospectus:

Shenzhen Woer Intelligent Equipment Co., Ltd.

On November 7, 2024, the registered capital of Shenzhen Woer Intelligent Equipment Co., Ltd. (深圳市沃爾智能裝備有限公司) was decreased from RMB10,000,000 to RMB8,000,000.

Huizhou Wal Technology Development Co., Ltd.

On November 29, 2023, the registered capital of Huizhou Wal Technology Development Co., Ltd. (惠州市沃爾科技發展有限公司) was increased from RMB1,000,000 to RMB100,000,000.

Huizhou Wo'er Intelligent Technology Co., Ltd.

On April 23, 2025, the registered capital of Huizhou Wo'er Intelligent Technology Co., Ltd. (惠州市沃爾智能科技有限公司) was increased from RMB1,000,000 to RMB40,000,000.

Huizhou Wo'er Electronic Materials Co., Ltd.

On April 23, 2025, the registered capital of Huizhou Wo'er Electronic Materials Co., Ltd. (惠州市沃爾電子材料有限公司) was increased from RMB1,000,000 to RMB40,000,000.

Beijing Woerfa Electrical Co., Ltd.

On December 12, 2024, the registered capital of Beijing Woerfa Electrical Co., Ltd. (北京沃爾法電氣有限公司) was decreased from RMB10,000,000 to RMB3,500,000.

Shenzhen Changyuan

On December 5, 2023, the registered capital of Shenzhen Changyuan was increased from RMB44,000,000 to RMB148,000,000.

On July 31, 2024, the registered capital of Shenzhen Changyuan was increased from RMB148,000,000 to RMB252,700,000.

Huizhou Changyuan Tefa Technology Co., Ltd.

On July 9, 2024, the registered capital of Huizhou Changyuan Tefa Technology Co., Ltd. (惠州市長園特發科技有限公司) was increased from RMB10,000,000 to RMB20,000,000.

Changzhou Changyuan Tefa Technology Co., Ltd.

On July 23, 2024, the registered capital of Changzhou Changyuan Tefa Technology Co., Ltd. (常州長園特發科技有限公司) was increased from RMB10,000,000 to RMB20,000,000.

Huizhou Dingding Special Cable Co., Ltd.

On April 24, 2025, the registered capital of Huizhou Dingding Special Cable Co., Ltd. (惠州市樂庭特種線纜有限公司) was increased from RMB1,000,000 to RMB40,000,000.

Huizhou Dingding Technology Co., Ltd.

On April 23, 2025, the registered capital of Huizhou Dingding Technology Co., Ltd. (惠州市樂庭科技有限公司) was increased from RMB1,000,000 to RMB40,000,000.

Shenzhen Woer New Energy Electric Technology Co., Ltd.

On December 13, 2023, the registered capital of Shenzhen Woer New Energy Electric Technology Co., Ltd. (深圳市沃爾新能源電氣科技股份有限公司) was increased from RMB73,378,200 to RMB84,435,900.

Shenzhen Guodian Julong Electrical Technology Co., Ltd.

On November 12, 2024, the registered capital of Shenzhen Guodian Julong Electrical Technology Co., Ltd. (深圳市國電巨龍電氣技術有限公司) was decreased from RMB20,000,000 to RMB2,000,000.

Shenzhen Wolida Trading Co., Ltd.

On December 30, 2025, the registered capital of Shenzhen Wolida Trading Co., Ltd. (深圳市沃力達貿易有限公司) was decreased from RMB5,000,000 to RMB1,000,000.

Liangcheng County Xinyuan Wind Power Generation Co., Ltd.

On November 27, 2023, Liangcheng County Xinyuan Wind Power Generation Co., Ltd. was dissolved on a voluntary basis by way of deregistration.

Shenzhen Huawo Zhilian Technology Co., Ltd.

On July 29, 2024, Shenzhen Huawo Zhilian Technology Co., Ltd was dissolved on a voluntary basis by way of deregistration.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. Summary of Material Contract

We have entered into the following contract (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that is or may be material:

(a) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, HHLR Advisors, Ltd. ("**HHLRA**"), China Securities (International) Corporate Finance Company Limited

(中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which HHLRA agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of Hong Kong dollar equivalent of US$25,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(b) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, Huatai Capital Investment Limited ("**HTCI**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which HTCI agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of Hong Kong dollar equivalent of US$18,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares) and hold such Offer Shares on a non-discretionary basis to hedge a series of cross-border delta-one OTC swap transactions entered into by HTCI, Huatai Securities Company Limited and Shanghai Greenwoods Asset Management Co., Ltd. (上海景林資產管理有限公司) as fund manager for and on behalf of the investment fund;

(c) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, Jump Trading Pacific Pte. Ltd. ("**Jump Trading**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which Jump Trading agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of Hong Kong dollar equivalent of US$3,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(d) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, Huizhou Huilian Investment Partnership (Limited Partnership) (惠州市惠聯投資合夥企業（有限合夥）) ("**Huizhou Huilian**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which Huizhou Huilian agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of Hong Kong dollar equivalent of RMB180,000,000 (inclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(e) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, Guotai Junan Investments (Hong Kong) Limited ("**GTINV**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which GTINV agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of Hong Kong dollar equivalent of US$3,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares) and hold such Offer Shares on a non-discretionary basis to hedge a series of cross-border delta-one OTC swap transactions entered into by GTINV, Guotai Haitong Securities Co., Ltd and JCC (Beijing) Investment Co., Ltd. (江西銅業（北京）國際投資有限公司) as fund manager for and on behalf of the investment fund;

(f) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, Shen Zhen New World Investment (H.K) Limited (深圳市新世界投資（香港）有限公司) ("**Shenzhen New World**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which Shenzhen New World agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of HK$60,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(g) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, BEST CHEER DEVELOPMENT LIMITED (高時發展有限公司) ("**Best Cheer**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which Best Cheer

agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of HK$34,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(h) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, RIME Capital Limited ("**RIME**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which RIME agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of HK$8,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(i) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, SCV Alpha LP ("**SCV Alpha**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which SCV Alpha agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of Hong Kong dollar equivalent of US$3,500,000 (inclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(j) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, Yield Royal Investment Holding (Singapore) PTE. LTD. ("**Yield Royal**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which Yield Royal agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of Hong Kong dollar equivalent of US$3,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(k) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, Guohui (HK) Holdings Co., Limited （國惠（香港）控股有限公司）("**Guohui HK**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which Guohui HK agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of Hong Kong dollar equivalent of US$5,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(l) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, GTINV, China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which GTINV agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of HK$39,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares) and hold such Offer Shares on a non-discretionary basis to hedge a series of cross-border delta-one OTC swap transactions entered into by GTINV, Guotai Haitong Securities Co., Ltd and ichuan Pu Xin Industry-Finance Investment Co., Ltd.（四川璞信產融投資有限責任公司） as fund manager for and on behalf of the investment fund;

(m) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, CAPCHEM (HONGKONG) CO., LIMITED (新宙邦(香港)有限公司) ("**Capchem Hong Kong**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which Capchem Hong Kong agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of HK$55,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(n) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, Enhanced Investment Products Limited ("**EIP**"), China Securities (International) Corporate Finance

Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限 公司), pursuant to which EIP agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of Hong Kong dollar equivalent of US$5,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(o) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, Factorial Master Fund ("**Factorial**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which Fatorial agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of Hong Kong dollar equivalent of US$2,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares);

(p) the cornerstone investment agreement dated February 3, 2026 entered into among the Company, Qianhai Starlight Capital SPC ("**Qianhai Starlight**"), China Securities (International) Corporate Finance Company Limited (中信建投（國際）融資有限公司) and China Merchants Securities (HK) Co., Limited (招商證券（香港）有限公司), pursuant to which Qianhai Starlight agreed to subscribe for such number of H Shares at the Offer Price in an aggregate investment amount of Hong Kong dollar equivalent of US$6,000,000 (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee in respect of such number of H Shares); and

(q) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be material to our business:

No.	Trademark	Place of Registration	Registration No.	Category	Expiry Date	Registered Owner
1	WOER	PRC	77596612A	09	2035-01-13	the Company
2	WOER	PRC	17638010	09	2026-09-27	the Company
3	沃尔电力 WOER WOER ELECTRIC	PRC	70609360	09	2034-08-20	the Company
4	沃尔新能源 WOER WOER NEW ENERGY	PRC	72800764	09	2034-10-13	the Company
5	WOER	PRC	4547049	17	2028-09-27	the Company
6	沃尔热缩 WOER	PRC	71103948	17	2033-11-20	the Company
7	KTG	PRC	45113522	17	2031-01-06	the Company
8		PRC	4087382	09	2026-07-27	Shanghai Keter
9		PRC	17903807	09	2026-10-27	Huizhou LTK
10	OrBit 华磊迅拓	PRC	57201869	09	2032-06-27	Shenzhen Orbit

(b) Patents

As of the Latest Practicable Date, we have registered the following patents which we consider to be material to our business. For a discussion of details of the material patents and patent applications in connection with our products and product candidates, see "Business – Intellectual Properties" in this prospectus.

No.	Patent	Registered owner	Registration No.	Type of patent	Application Date
1	A flame-retardant heat-shrinkable sleeve for reactors that meets the design requirements of the AP1000 nuclear power plant	Our Company & Changzhou Woer	ZL201310152045.6	Invention	April 27, 2013
2	A continuous production method and production system for flat heat-shrinkable tubing	Our Company & Changzhou Woer	ZL201510759142.0	Invention	November 10, 2015
3	A production system and production method for flat heat-shrinkable tubing	Our Company & Changzhou Woer	ZL201410342475.9	Invention	July 18, 2014
4	A soft, elastic, high-flame-retardant, oil-resistant heat-shrinkable tube and its production method	Our Company & Changzhou Woer	ZL201210509581.2	Invention	November 20, 2012
5	An expansion mould	Our Company & Changzhou Woer	ZL201410615036.0	Invention	November 5, 2014
6	A fully automatic packaging device for tubing and its method of use	Our Company & Changzhou Woer	ZL201310386995.5	Invention	August 30, 2013
7	A flame-retardant wire/cable for reactors that meets the design requirements of the AP1000 nuclear power plant	Our Company & Changzhou Woer	ZL201310152044.1	Invention	April 27, 2013
8	A moulding device for heat-shrinkable caps	Our Company & Changzhou Woer	ZL201510499029.3	Invention	August 14, 2015
9	A halogen-free high-flame-retardant cable	Our Company & Changzhou Woer	ZL201210582136.9	Invention	December 28, 2012
10	A ceramicised silicone rubber heat-shrinkable sleeve and its production method	Our Company & Changzhou Woer	ZL201210597217.6	Invention	December 28, 2012
11	An air jet drying device	Our Company & Changzhou Woer	ZL201510499159.7	Invention	August 14, 2015

No.	Patent	Registered owner	Registration No.	Type of patent	Application Date
12	A high and low temperature shock resistant heat-shrinkable tube	Our Company & Changzhou Woer	ZL201510033856.3	Invention	January 22, 2015
13	A fire-resistant power cable	Our Company & Changzhou Woer	ZL201210482892.4	Invention	November 14, 2012
14	A flame-retardant heat-shrinkable cable accessory for reactors that meets the AP1000 design requirements of nuclear power plants	Our Company & Changzhou Woer	ZL201310152060.0	Invention	April 27, 2013
15	A method and equipment for packaging pipes	Our Company & Changzhou Woer	ZL201310380673.X	Invention	August 28, 2013
16	A type of oil-resistant, high-temperature-resistant, halogen-free, flame-retardant heat-shrinkable identification tube and its production method	Our Company & Changzhou Woer	ZL201611261160.7	Invention	December 30, 2016
17	A composite tape and its preparation method	Our Company & Shenzhen Woer Electric	ZL202110045802.4	Invention	January 13, 2021
18	An elastomer composite tape and its preparation method	Our Company & Shenzhen Woer Electric	ZL202110045375.X	Invention	January 13, 2021
19	A stress-dispersing adhesive and its preparation method	Our Company & Shenzhen Woer Electric	ZL202011644542.4	Invention	December 31, 2020
20	A precision pipe cutting mechanism	Our Company & Changzhou Woe	ZL201710779096.X	Invention	September 1, 2017
21	Multi-layer co-extrusion die	Our Company & Changzhou Woe	ZL201710453702.9	Invention	June 15, 2017
22	Automatic deviation adjustment extrusion die head and automatic deviation adjustment device	Our Company & Shenzhen Heat-Shrinkable	ZL201910702330.8	Invention	July 31, 2019
23	No-adjustment extrusion die head	Our Company	ZL201110167288.8	Invention	June 9, 2011
24	A 1E-class K1-type halogen-free flame-retardant material for nuclear power plants and its application	Our Company	ZL201210244369.8	Invention	July 6, 2012

No.	Patent	Registered owner	Registration No.	Type of patent	Application Date
25	A low-temperature processable irradiated cross-linked ethylene-tetrafluoroethylene copolymer material	Our Company	ZL201811169213.1	Invention	October 8, 2018
26	An irradiated crosslinked high-temperature resistant heat-shrinkable sleeve and its production method	Our Company	ZL201811169214.6	Invention	October 8, 2018
27	A low-temperature resistant, solvent-resistant fluororubber heat-shrinkable tube and its preparation method	Our Company	ZL202010169965.9	Invention	March 12, 2020
28	Thermoplastic adhesive for nuclear power plant cable accessories and its preparation and application methods	Our Company, Shanghai Nuclear Engineering Research & Design Institute Co.,Ltd.	ZL202010908457.8	Invention	September 1, 2020
29	Electromagnetic shielding coldshrinkable sleeves and their preparation methods	Our Company	ZL202010408702.9	Invention	May 14, 2020
30	A flame-retardant waterproof composite tape and its preparation method	Our Company	ZL202110635144.4	Invention	June 7, 2021
31	Nuclear power pipe expansion equipment and nuclear power pipe manufacturing system	Our Company, Shanghai Nuclear Engineering Research & Design Institute Co.,Ltd.	ZL202010914406.6	Invention	September 1, 2020
32	A 1E-grade heatshrinkable sleeve for nuclear power plants and its preparation method	Our Company, Shanghai Nuclear Engineering Research & Design Institute Co.,Ltd.	ZL202010908459.7	Invention	September 1, 2020
33	Heating device	Our Company	ZL202110934379.3	Invention	August 13, 2021
34	A halogen-free high-flame-retardant oil-resistant heat-shrinkable identification tube and its production method	Our Company	ZL202010215728.1	Invention	March 25, 2020
35	Low-temperature processable irradiated cross-linked high-temperature resistant cable insulation material and its production method	Our Company	ZL201811169212.7	Invention	October 8, 2018

No.	Patent	Registered owner	Registration No.	Type of patent	Application Date
36	Wire and cable material and its preparation method	Our Company	ZL202210661276.9	Invention	June 10, 2022
37	A heat-shrinkable material, heat-shrinkable sleeve, and its preparation method Pressure-resistant and stretch-resistant pipe winding equipment	Our Company	ZL202210205798.8	Invention	March 2, 2022
38	A coaxial structure data cable	Huizhou LTK, Huizhou Cable, Shenzhen Cable, Changzhou LTK	ZL201511009768.6	Invention	December 26, 2015
39	An SFP high-frequency cable and its production method	Huizhou LTK, Huizhou Cable, Shenzhen Cable, Changzhou LTK	ZL201210454755.X	Invention	November 2, 2012
40	A production process for a high-precision fluoroplastic film coating line	Huizhou LTK, Huizhou Cable, Shenzhen Cable, Changzhou LTK	ZL202110571756.1	Invention	May 25, 2021
41	Robot-specific line	Huizhou LTK, Huizhou Cable, Shenzhen Cable, Changzhou LTK	ZL202110438408.7	Invention	April 22, 2021
42	A high-flexibility FT-4 grade halogen-free flame-retardant sheathing compound, its preparation method, and cable	Huizhou LTK, Huizhou Cable, Shenzhen Cable, Changzhou LTK	ZL202210809271.6	Invention	July 11, 2022
43	A non-crosslinked, halogen-free, flame-retardant cable insulation material or sheath material and its preparation method	Woer New Energy	ZL201210393493.0	Invention	September 29, 2012
44	Locking structure and charging gun	Woer New Energy	ZL201611136557.3	Invention	December 9, 2016
45	Gun head assembly and charging gun	Woer New Energy	ZL201611035620.4	Invention	November 18, 2016
46	An electromagnetic lock system for a charging gun, its control method, and the charging gun	Woer New Energy	ZL201611262668.9	Invention	December 30, 2016
47	Connection process and connection structure of cables and terminals	Woer New Energy	ZL201811006716.7	Invention	August 29, 2018

No.	Patent	Registered owner	Registration No.	Type of patent	Application Date
48	Liquid-cooled terminals and charging gun	Woer New Energy	ZL201710917676.0	Invention	September 29, 2017
49	A heat exchange structure for a charging gun and the charging gun	Woer New Energy	ZL201611054001.X	Invention	November 25, 2016
50	Cooling system for charging equipment	Woer New Energy	ZL201710374795.6	Invention	May 24, 2017
51	An electromagnetic lock shaft, its installation method, and the electromagnetic lock	Woer New Energy	ZL201710097715.7	Invention	February 22, 2017
52	Liquid-cooled cable plug-in assemblies and connectors	Woer New Energy	ZL201710913224.5	Invention	September 29, 2017
53	Liquid-cooled terminals and charging guns	Woer New Energy	ZL202111675214.5	Invention	December 31, 2021
54	A water-medium liquid-cooled cable	Woer New Energy	ZL202111144894.8	Invention	September 28, 2021
55	A ceramicized silicone rubber, its preparation method, and applications	Changzhou Woke, Shanghai Keter	ZL201110266011.0	Invention	August 29, 2011
56	A composite cushioning insulation pad structure	Changzhou Woke, Shanghai Keter	ZL202222287692.5	Invention	August 29, 2022
57	A B1-grade low-smoke halogen-free cable sheathing material and its preparation method	Changzhou Woke, Shanghai Keter	ZL202011520918.0	Invention	December 21, 2020
58	A radiation-crosslinked heat-shrinkable material and its preparation method	Our Company & Shenzhen Heat-Shrinkable	ZL202011092749.5	Invention	October 13, 2020
59	MES system with dynamic remote loading functionality, loading method, terminal, and medium	Shenzhen Orbit	ZL202110458452.4	Invention	April 27, 2021
60	Method, device, equipment, and storage medium for automatically generating a client	Shenzhen Orbit	ZL202410309161.2	Invention	March 19, 2024
61	High-frequency data wires, high-frequency data wire harnesses, and high-frequency data cables	Huizhou LTK, Huizhou Cable, Shenzhen Cable, Changzhou LTK	ZL201910736243.4	Invention	August 9, 2019

No.	Patent	Registered owner	Registration No.	Type of patent	Application Date
62	High-frequency data transmission lines	Huizhou LTK, Huizhou Cable, Shenzhen Cable, Changzhou LTK	ZL201910055503.1	Invention	January 21, 2019
63	Core wires and their preparation methods, high-speed transmission lines	Huizhou LTK, Huizhou Cable, Changzhou LTK	ZL202110965207.2	Invention	August 23, 2021

(c) Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be material to our business:

No.	Domain name	Registered owner	Registration date	Expiry date
1	woer.com	Our Company	August 8, 2002	August 8, 2026
2	ltkcable.com	Huizhou LTK	July 5, 1996	July 4, 2027
3	cyg-dz.com	Dongguan Changyuan	June 18, 2015	June 18, 2026
4	woerxny.com	Woer New Energy	October 18, 2016	October 18, 2026
5	cyg-electronics.com	Shanghai Changyuan	September 18, 2018	September 18, 2026
6	keter.com.cn	Shanghai Keter	December 28, 2000	December 28, 2031
7	orbitmes.com	Shenzhen Orbit	January 21, 2006	January 21, 2028

(d) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights, which we consider to be material to our Group's business:

No.	Copyright Name	Registered Owner	Registration No.	Category	Registration Date	Place of Registration
1	Woer Heat-Shrinkable Material Cable Status Comprehensive Online Monitoring Device Software (沃爾核材電纜狀態綜合在線監測裝置軟件)	Our Company	2023SR0472788	Software copyright	April 14, 2023	PRC
2	Woer Heat-Shrinkable Material Wireless Temperature Measurement Online Monitoring Equipment Software (沃爾核材無線測溫在線監測設備軟件)	Our Company	2023SR0472142	Software copyright	April 14, 2023	PRC
3	Woer Heat-Shrinkable Material Intelligent Comprehensive Function Grounding Box Integrated Controller Software (沃爾核材智能綜合功能接地箱集成控制器軟件)	Our Company	2023SR0472375	Software copyright	April 14, 2023	PRC
4	Woer Heat-Shrinkable Material Cable Sheath Grounding Current Intelligent Monitoring Equipment Software (沃爾核材電纜護層接地電流智能監測設備軟件)	Our Company	2022SR1378984	Software copyright	September 28, 2022	PRC

No.	Copyright Name	Registered Owner	Registration No.	Category	Registration Date	Place of Registration
5	Woer Heat-Shrinkable Material Cable Metal Sheath Induction Voltage Intelligent Monitoring Equipment Software (沃爾核材電纜金屬護層感應電壓智能監測設備軟件)	Our Company	2022SR1378983	Software copyright	September 28, 2022	PRC
6	Woer Heat-Shrinkable Material Cable Operating Current Intelligent Monitoring Equipment Software (沃爾核材電纜運行電流智能監測設備軟件)	Our Company	2022SR1378871	Software copyright	September 28, 2022	PRC
7	Shenzhen Orbit Platform User Extension Module System ("OrBit-LIC") V15.0 (華磊迅拓平台用戶擴展模塊系統("OrBit-LIC") V15.0)	Shenzhen Orbit	2022SR0931897	Software copyright	July 14, 2022	PRC
8	Shenzhen OrbitMOMpro Enterprise Warehouse Management System Software ("MOMpro-WMS") V1.0 (華磊迅拓MOMpro企業倉儲管理系統軟件("MOMpro-WMS") V1.0)	Shenzhen Orbit	2024SR0605482	Software copyright	May 7, 2024	PRC
9	Execution System Software ("MOMPro-MES") V6.0 (華磊迅拓MOMPro企業製造執行系統軟件("MOMPro-MES") V6.0)	Shenzhen Orbit	2024SR1271846	Software copyright	August 29, 2024	PRC

Save as disclosed above, as of the Latest Practicable Date, there was no other trade or service mark, patent, intellectual or industrial property right which was material in relation to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

Save as disclosed below, immediately following completion of the Global Offering (assuming the options granted under the 2025 Share Option Scheme are not exercised), so far as our Directors are aware, none of our Directors and chief executive has any interest or short positions in our shares, underlying shares or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

(i) Interest in our Company

Name of Director or chief executive	Position	Capacity/ nature of interest	Number of A Shares held	Approximate percentage of shareholding in the A Shares[2]	Approximate percentage of shareholding in the total issued share capital of our Company [3]
				(%)	*(%)*
Mr. Zhou[4]	Chairman and Executive Director	Beneficial Owner	189,563,801	15.05	13.54
		Interest in Controlled Corporation			
Ms. Yi Huarong (易華蓉)[4]	Executive Director, General Manager	Spousal interest	189,563,801	15.05	13.54
		Interest in Controlled Corporation			
Mr. Liu Zhanli (劉占理)	Executive Director	Spousal interest	13,000	0.00	0.00
Ms. Deng Yan (鄧艷)	Executive Director	Beneficial Owner	8,320	0.00	0.00

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 1,259,898,562 A Shares in issue (including treasury A Shares) upon Listing.

(3) The calculation is based on the total number of 1,399,887,362 shares in issue (including treasury A Shares) immediately following the completion of the Global Offering and without taking into account any shares which may be issued pursuant to the exercise of the options granted under the 2025 Share Option Scheme.

(4) Please see "Substantial Shareholders" in this prospectus.

2. Substantial Shareholders

For the information on the persons who will, immediately following the completion of the Global Offering (without taking into account any shares which may be issued pursuant to the exercise of the options granted under the 2025 Share Option Scheme), have interests or short positions in our shares or underlying shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see "Substantial Shareholders" in this prospectus.

Save as set out below, our Directors are not aware of any other person (other than our Directors, or chief executive) who will, immediately following completion of the Global Offering (without taking into account any shares which may be issued pursuant to the exercise of the options granted under the 2025 Share Option Scheme), directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group other than our Company:

Our subsidiary	Total registered capital	Person with 10% or more interest	Approximate percentage of the interest in the subsidiary
	(RMB)		*(%)*
Shanghai Keter	94,520,000	Jiang Mingshu (姜明淑)	11.31%
Huizhou Yueting Electronics Co., Ltd. (惠州市悦庭電子有限公司)	74,000,000	Shenzhen Weizhen Technology Co., Ltd. (深圳市維楨科技有限公司)	49%
Shenzhen Judian Network Technology Co., Ltd. (深圳市聚電網絡科技有限公司)	50,000,000	Mosopower Technology Co., Ltd. (茂碩電源科技股份有限公司)	13.50%
		Li Wenbin (李文斌)	13.08%
Shenzhen Orbit	10,000,000	Huang Rui (黃睿)	27.10%
		Shenzhen Huaju Technology Venture Capital Partnership (Limited Partnership) (深圳市華聚科技創業投資合夥企業（有限合夥）)	10%

3. Service Contracts

Each of our Directors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to shareholders' approval.

Save as disclosed above, none of our Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

4. Remuneration of Directors

Save as disclosed in the section headed "Directors and Senior Management" in this prospectus and note 11 to the Accountants' Report, for the three years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2025, none of our Directors received other remunerations of benefits in kind from us.

5. Employee Incentive Schemes

The following is a summary of the principal terms of the Employee Incentive Schemes, i.e. the 2025 Share Option Scheme and the 2025 Restricted Share Scheme, and the details regarding the outstanding options granted under the 2025 Share Option Scheme. Since no further options or awards will be granted by our Company pursuant to the Employee Incentive Schemes after the Listing, the provisions of Chapter 17 of the Listing Rules do not apply to the terms of the Employee Incentive Schemes.

(a) 2025 Share Option Scheme

(i) Purpose

The purpose of the 2025 Share Option Scheme are to further enhance the Company's long-term incentive mechanism, attract and retain outstanding talent, and fully mobilize the enthusiasm of the Company's key staff. The scheme aims to effectively align the interests of shareholders, the Company, and the key staff members, ensuring that all parties focus on the Company's long-term development.

(ii) Participants

The participants of the 2025 Share Option Scheme (the "**2025 Eligible Participants**") are core management personnel, key technical staff and business development personnel who play a significant role in the overall performance and long-term development of the Company.

The scope of eligible participants excludes Directors, Supervisors (if any), members of senior management, shareholders who individually or collectively hold 5% or more of the shares of our Company and their respective spouse, parents and children.

(iii) 2025 Scheme Mandate Limit

The total number of underlying shares which may be issued upon exercise of all outstanding options granted under the 2025 Share Option Scheme (the ''**2025 Scheme Mandate Limit**'') shall be 8,233,800 A Shares. Upon implementation of the 2025 Share Option Scheme, the total number of outstanding A Shares which may be issued in respect all options granted under all the effective share option schemes of the Company will not exceed 10% of the Company's shares as of the date of the publication of the 2025 Share Option Scheme. The 2025 Scheme Mandate Limit shall be adjusted in the event of any alteration in the capital structure of our Company whilst any option remains exercisable, to proportionally reflect any capitalization of profits or reserves, bonus issue, rights issue, sub-division, consolidation of shares, dividend distribution, etc. of our Company.

(iv) Maximum entitlement of a grantee

Any grant of the options to any grantees in respect of all the options granted to such person under all validly subsisting share option schemes of the Company in aggregate shall not exceed 1% of the shares in issue.

(v) Duration of the 2025 Share Option Scheme

The 2025 Share Option Scheme shall be valid and effective for the period of time commencing from the date of grant of options, i.e. April 24, 2025 (the ''**2025 Scheme Effective Date''**) and expiring on the day when all options granted to the 2025 Eligible Participants under the 2025 Share Option Scheme are exercised or cancelled, which shall in any event be no later than the date which is 36 months after the 2025 Scheme Effective Date.

(vi) Transferability of options

The options granted under the 2025 Share Option Scheme shall not be transferred or used as guarantee or for repayment of debts.

(vii) Outstanding options granted under the 2025 Share Option Scheme

As of the Latest Practicable Date, a total of 466 2025 Eligible Participants have been granted outstanding options under the 2025 Share Option Scheme to subscribe for 8,089,700 A Shares in aggregate, representing 0.58% of the total issued shares immediately after the completion of the Global Offering (including treasury A Shares and assuming the options granted under the 2025 Share Option Scheme are not exercised). All the outstanding options under the 2025 Share Option Scheme were granted on April 24, 2025 and our Company will not grant any further options under the 2025 Share Option Scheme after the Listing.

No consideration was payable for the grant of the options. Assuming full vesting and exercise of all outstanding options under the 2025 Share Option Scheme, the shareholding of our shareholders immediately following completion of the Global Offering (including treasury A Shares) will be diluted by a maximum of approximately 0.58%. The maximum dilution effect on our earnings per share would be approximately 0.58%.

As of the Latest Practicable Date, no option was granted to any Director, senior management or connected persons at the Company level. The table below sets out the details of outstanding options granted to the 26 connected persons at subsidiary level of our Company, each a director (including those who served as a director in the past 12 months), supervisor and/or general manager of certain of our subsidiaries, under the 2025 Share Option Scheme as of the Latest Practicable Date:

Name	Address	Exercise Price (RMB per A Share)	Number of A Shares Underlying the Outstanding Options	Date of Grant	Vesting Period	Exercise Periods	Approximate % of Share Capital of Our Company immediately after Completion of Global Offering
Zhong Jincheng (鍾金城)	Building C, 8th Floor, Room 801, Block 1, Vanke Jinyu Dongjun, No. 6 Xingzheng Er Road, Pingshan District, Shenzhen City, Guangdong Province	21.73	15,000	April 24, 2025	Note (2)	Note (3)	0.00%
Kang Shufeng (康樹峰)	Unit B, Room 504, Block 2, South Area, Liuxianju, Xili, Nanshan District, Shenzhen City, Guangdong Province	21.73	300,000	April 24, 2025	Note (2)	Note (3)	0.02%
Wang Yuming (王玉明)	Unit B, Room 5B, Building 3, Phase 2, Jia Hong Wan Garden, No. 10 Xingzheng Yi Road, Pingshan District, Shenzhen City, Guangdong Province	21.73	75,000	April 24, 2025	Note (2)	Note (3)	0.01%
Hu Ping (胡平)	Building 6, Phase 2, Vanke Jinyu Tixiang, Pingshan District, Shenzhen City, Guangdong Province	21.73	60,000	April 24, 2025	Note (2)	Note (3)	0.00%
Kong Meng (孔蒙)	Room 1702, Building 5, Shenye Yuyuan, No. 1 Lu Wu First Lane, Kengzi Subdistrict Office, Pingshan District, Shenzhen City, Guangdong Province	21.73	30,000	April 24, 2025	Note (2)	Note (3)	0.00%
Chen Jiaxu (陳枷旭)	1-1-1, No. 1-1, Mudanjiang Street, Huanggu District, Shenyang City	21.73	60,000	April 24, 2025	Note (2)	Note (3)	0.00%
Huang Lulu (黃璐璐)	Room 603, Building 6, Liuxianju, No. 19 Xingaolu, Nanshan District, Shenzhen City, Guangdong Province	21.73	15,000	April 24, 2025	Note (2)	Note (3)	0.00%
Li Yanhui (李艷輝)	Woer Building, Xinwei Industrial Area, Nanshan District, Shenzhen City, Guangdong Province	21.73	30,000	April 24, 2025	Note (2)	Note (3)	0.00%

Name	Address	Exercise Price (RMB per A Share)	Number of A Shares Underlying the Outstanding Options	Date of Grant	Vesting Period	Exercise Periods	Approximate % of Share Capital of Our Company immediately after Completion of Global Offering
Zhou Bailian (周白蓮)	Room 403, Fuxiang Pavilion, No. 41 E'ling South Road, Huicheng District, Huizhou City, Guangdong Province	21.73	7,500	April 24, 2025	Note (2)	Note (3)	0.00%
Qi Chunjie (戚春杰)	Woer Building, Xinwei Industrial Area, No. 105 Xingaolu, Nanshan District, Shenzhen City, Guangdong Province	21.73	105,000	April 24, 2025	Note (2)	Note (3)	0.01%
Chen Dan (陳丹)	Unit 5, Room 201, Block 1, No. 2 Changhu West Road, Huicheng District, Huizhou City, Guangdong Province	21.73	120,000	April 24, 2025	Note (2)	Note (3)	0.01%
Liao Jinping (廖金萍)	Group 1, Tongkou Village, South Dang, Huitong Township, Ningdu County, Ganzhou, Jiangxi Province	21.73	3,000	April 24, 2025	Note (2)	Note (3)	0.00%
Zhang Qiang (張強)	No. 3039 Bao'an North Road, Luohu District, Shenzhen City, Guangdong Province	21.73	15,000	April 24, 2025	Note (2)	Note (3)	0.00%
Huang Rui (黄睿)	Room 401, Block 15, Xinju, Jinlin Road, Xiameilin, Meihua Road, Futian District, Shenzhen City, Guangdong Province	21.73	7,500	April 24, 2025	Note (2)	Note (3)	0.00%
Ma Pengfei (馬鵬飛)	No. 87 Zhongkai Fifth Road, Shuguang Neighborhood Committee, Chenjiang Subdistrict Office, Huizhou City, Guangdong Province	21.73	75,000	April 24, 2025	Note (2)	Note (3)	0.01%
Li Jing (李菁)	Room 2106, Unit 2, Building 1, No. 208 Keji Road, Yanta District, Xi'an City	21.73	75,000	April 24, 2025	Note (2)	Note (3)	0.01%
Wei Lidong (魏立東)	Unit B, Room 1902, Building 4, Zhaoshang Garden, No. 4 Xingzheng Er Road, Pingshan District, Shenzhen City, Guangdong Province	21.73	75,000	April 24, 2025	Note (2)	Note (3)	0.01%

Name	Address	Exercise Price (RMB per A Share)	Number of A Shares Underlying the Outstanding Options	Date of Grant	Vesting Period	Exercise Periods	Approximate % of Share Capital of Our Company immediately after Completion of Global Offering
Du Weiyi (杜衛義)	Room 102, No. 24, Lane 101, Nanhua Road, Nanxiang Town, Jiading District, Shanghai City	21.73	52,500	April 24, 2025	Note (2)	Note (3)	0.00%
Gao Yufeng (高玉峰)	Room 21H, Golden Sea Tower, Kangle Building, Xuefu Road, Nanshan District, Shenzhen City, Guangdong Province	21.73	30,000	April 24, 2025	Note (2)	Note (3)	0.00%
Peng Xiongxin (彭雄心)	Unit B, Room 604, Block 2, South Area, Liuxianju, No. 19 Xingaolu, Nanshan District, Shenzhen City, Guangdong Province	21.73	60,000	April 24, 2025	Note (2)	Note (3)	0.00%
Chen Mianxing (陳綿星)	Cailou Group, Luozhai Village, Zilu Town, Luoshan County, Henan Province	21.73	37,500	April 24, 2025	Note (2)	Note (3)	0.00%
Qi Xinghua (祁興華)	Woer Building, Xinwei Industrial Area, Nanshan District, Shenzhen City, Guangdong Province	21.73	3,000	April 24, 2025	Note (2)	Note (3)	0.00%
Kong Jianjun (孔建軍)	Unit A, Room 1402, Building 6, Jiazhaoye Yuefeng Garden, No. 2 Longjing Road, Longgang District, Shenzhen City, Guangdong Province	21.73	90,000	April 24, 2025	Note (2)	Note (3)	0.01%
Ma Pengyu (馬鵬宇)	Room 1301, Block 1, Guozhao Jiaren Building, No. 40 Hongjing Road, Huicheng District, Huizhou City, Guangdong Province	21.73	75,000	April 24, 2025	Note (2)	Note (3)	0.01%
Zhang Weibo (張維波)	Room 7C1, Block B, Building 4, Phase 2, Jiahongwan Garden, No. 10 Xingzheng 1st Road, Pingshan District, Shenzhen City, Guangdong Province	21.73	60,000	April 24, 2025	Note (2)	Note (3)	0.00%
Shao Bibo (邵碧波)	Woer Company Industrial Park, No. 53 Qingsong West Road, Large Industrial Zone, Pingshan Subdistrict, Pingshan New District, Shenzhen City, Guangdong Province	21.73	60,000	April 24, 2025	Note (2)	Note (3)	0.00%

Notes:

(1) The calculation is based on 1,399,887,362 shares in issue immediately after the Global Offering (taking into account treasury A Shares, and assuming the options granted under the 2025 Share Option Scheme are not exercised).

(2) The vesting periods are 12 months and 24 months commencing from the grant date of the 2025 Share Option Scheme, i.e. April 24, 2025.

(3) The exercise periods for the relevant options are as follows: 50% of the options shall be exercisable from April 25, 2026 to April 24, 2027, and 50% of the options shall be exercisable from April 25, 2027 to April 24, 2028.

As of the Latest Practicable Date, other than the 26 individuals who were our connected persons of our Company disclosed above, no options were granted to any Directors, senior management members and/or other connected persons of our Company under the 2025 Share Option Scheme.

Save for the grantees disclosed above, the remaining 440 grantees who were not our Directors, senior management members or other connected persons of our Company held an aggregate of 6,553,700 options that were still outstanding and unexercised under the 2025 Share Option Scheme as of the Latest Practicable Date, representing 0.47% of the total issued shares immediately after the completion of the Global Offering (including treasury A Shares and assuming the options granted under the 2025 Share Option Scheme are not exercised). The table below set out the details of the outstanding options granted to such remaining grantees under the 2025 Share Option Scheme as of the Latest Practicable Date:

Range of Outstanding Shares under Options Granted	Total Number of Grantees	Total Number of Outstanding Shares under Options Granted	Exercise Price (RMB per A Share)	Date of Grant	Vesting Period	Exercise Periods	Approximate % of Share Capital of Our Company Immediately after Completion of the Global Offering[(1)]
1-5,000	129	377,700	21.73	April 24, 2025	See Note (2) below	See Note (3) below	0.03%
5,001-10,000	133	983,400	21.73	April 24, 2025	See Note (2) below	See Note (3) below	0.07%
10,001-50,000	160	4,007,600	21.73	April 24, 2025	See Note (2) below	See Note (3) below	0.29%
50,001-90,000	18	1,185,000	21.73	April 24, 2025	See Note (2) below	See Note (3) below	0.08%

Notes:

(1) The calculation is based on 1,399,887,362 shares in issue immediately after the Global Offering (including treasury A Shares and assuming the options granted under the 2025 Share Option Scheme are not exercised).

(2) The vesting periods are 12 months and 24 months commencing from the grant date of the 2025 Share Option Scheme, i.e. April 24, 2025.

(3) The exercise periods for the relevant options are as follows: 50% of the options shall be exercisable from April 25, 2026 to April 24, 2027, and 50% of the options shall be exercisable from April 25, 2027 to April 24, 2028.

We have applied to the Stock Exchange and SFC, respectively for (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules; and (ii) a certificate of exemption under Section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting the Company from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. See "Waivers from Strict Compliance with the Hong Kong Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Waiver and Exemption in Relation to the 2025 Share Option Scheme.''

(b) 2025 Restricted Share Scheme

(i) Purpose

The purpose of the 2025 Restricted Share Scheme is to improve our Group's corporate governance structure and incentivize our Group's management and key employees to achieve a sustained and long-term development of our Group. The 2025 Restricted Share Scheme is implemented to attract, retain and motivate management and key employees of our Group, and to promote the success of our Group's business by providing them with appropriate incentives based on fulfilling certain performance goals.

(ii) Administration

The 2025 Restricted Share Scheme is executed by the Board subject to the authorization by the shareholders. The meeting of all participants of the 2025 Restricted Share Scheme ("**Participants**") shall have the full power to administer the 2025 Restricted Share Scheme. A management committee, the members of which are elected by the meetings of the Participants, is authorized to oversee the day-to-day management of the 2025 Restricted Share Scheme.

(iii) Eligibility and Participation

Participants will consist of Directors (excludes independent non-executive Directors), Supervisors (if any), management and key employees of our Group as the Board determines from time to time to receive awards under the 2025 Restricted Share Scheme.

The scope of eligible participants excludes shareholders who individually or collectively hold 5% or more of the shares of our Company and their respective spouse, parents and children.

(iv) Source and Maximum Number of Shares

The shares underlying the 2025 Restricted Share Scheme shall be A Shares repurchased by our Company from the secondary market and transferred to the 2025 Restricted Share Scheme.

Each award granted represents the entitlement to the corresponding portion of A Shares underlying the 2025 Restricted Share Scheme ("**Awards**"). These Awards are subject to a lock-up period and will only be unlocked upon fulfilling the unlocking conditions stipulated. The maximum number of shares in respect of the Awards that can be granted under the 2025 Restricted Share Scheme is 3,324,600. Such limit shall be adjusted in the event of any alteration in the capital structure of our Company whilst any option remains exercisable, to proportionally reflect any capitalization of profits or reserves, bonus issue, rights issue, sub-division, consolidation of shares, dividend distribution, etc. of our Company.

Upon implementation of the 2025 Restricted Share Scheme, the total number of A Shares under all the effective share option schemes of the Company will not exceed 10% of the Company's shares.

(v) Maximum entitlement of Participant

Any grant of the Restricted A Share to any Participant in respect of all the Restricted A Shares granted to such person under all validly subsisting employee incentive schemes of the Company in aggregate shall not exceed 1% of the shares in issue (excluding any shares obtained through duly exercised options or vested restricted A shares).

(vi) Term of the Scheme

The term of the 2025 Restricted Share Scheme shall be no more than 36 months from the date of the shareholders approved and the announcement of the last transfer of the relevant A Shares into the 2025 Restricted Share Scheme, i.e. May 12, 2025. Should the 2025 Restricted Share Scheme not be extended upon its expiration, it will automatically terminate.

(vii) Performance Targets and Lock-up

Subject to fulfillment of the performance targets, the Awards held by the Participants shall be unlocked in two installments in the proportion of 50% and 50%, commencing from 12 months and 24 months, respectively, after the announcement date of the Company's transfer of the last tranche of underlying shares to the 2025 Restricted Share Scheme. The A Shares underlying the unlocked Awards shall be sold by the management committee as authorized by the meetings of the Participants, with the net proceeds to be distributed to the relevant Participants proportionately.

(viii) Details of the Awards granted

As of the Latest Practicable Date, the aggregate number of A Shares granted under the 2025 Restricted Share Scheme was 3,281,400, representing approximately 0.26% of the issued share capital of our Company (excluding treasury A Shares) as at the Latest Practicable Date and approximately 0.24% of the total issued share capital of our Company immediately following the completion of the Global Offering (excluding treasury A Shares and assuming the options granted under the 2025 Share Option Scheme are not exercised). As of the Latest Practicable Date, none of the granted restricted A Shares were released from the lock-up.

As of the Latest Practicable Date, an aggregate of 240,000 restricted A Shares were granted to our three Directors, namely, Mr. Xia Chunliang, Mr. Liu Zhanli and Ms. Deng Yan and an aggregate of 1,536,000 restricted A Shares were granted to connected persons at subsidiary level. None of the other grantees under the 2025 Restricted Share Scheme connected persons of our Company as of the Latest Practicable Date.

6. Disclaimers

(a) None of our Directors or any of the parties listed in the paragraph headed "—Other Information—6. Qualifications of Experts" in this Appendix is:

(i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Company; or

(ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

(b) Save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in the paragraph headed "—Other Information—6. Qualifications of Experts" in this Appendix:

(i) is interested legally or beneficially in any shares in any member of our Group; or

(ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

(c) None of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO; and

(d) So far as is known to our Directors, none of our Directors or their respective close associates (as defined under the Listing Rules) or shareholders who owns more than 5% of the issued shares of our Company has any interests in the five largest customers or the five largest suppliers of our Group in each year/period during the Track Record Period.

OTHER INFORMATION

1. Recent Change of Director

Our former Director and chairperson, Mr. Zhou Wenhe (周文河), who served as our chairperson since October 2019, resigned as a Director and our chairperson in May 2025 due to personal reasons, and was succeeded by his brother and our founder, Mr. Zhou.

Our former independent non-executive Director, Ms. Chen Yanyan (陳燕燕), who served as our independent Director since October 2019 and was re-designated as an independent non-executive Director in June 2025, resigned from her position upon the expiry of her term of office. Her resignation was accepted by the Board and became effective on November 18, 2025.

2. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of our subsidiaries under the laws of the PRC.

3. Litigation

As of the Latest Practicable Date, we were not aware, of any litigation, arbitration or claim of material importance pending or threatened against any member of our Group, which would have a material adverse effect on our financial condition or results of operations, taken as a whole.

4. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. China Securities (International) Corporate Finance Company Limited and China Merchants Securities (HK) Co., Limited will receive a total fee of US$450,000 to act as sponsors to our Company in connection with the Global Offering.

5. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

6. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this prospectus are as follows:

Name	Qualifications
China Securities (International) Corporate Finance Company Limited	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
China Merchants Securities (HK) Co., Limited	Licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of regulated activities as defined under the SFO
Moore CPA Limited	Certified Public Accountants and Registered Public Interest Entity Auditor
Sundial Law Firm	Company's PRC legal adviser

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Everone Law Firm	Company's Vietnam legal adviser
Hogan Lovells	Company's U.S. outbound investment legal adviser

7. Consents

Each of the experts as referred to in the paragraph headed "—Other Information—6. Qualifications of Experts" in this Appendix has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it respectively included.

8. Taxation of Holders of H Shares

(a) Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

(b) Consultation with Professional Advisers

Potential investors in the Global Offering are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Joint Sponsors, the Sponsor-overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, or any other person or party involved in the Global Offering accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

9. No Material Adverse Change

Our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in the financial or trading position of our Company since September 30, 2025 (being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report).

10. Promoters

The promoters of our Company are all then 15 shareholders of our Company as of September 28, 2004 before our conversion into a joint stock company with limited liability. Save as disclosed in the section headed "History, Development and Corporate Structure" in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

11. Restrictions on Repurchase

For details, see Appendix III to this prospectus.

12. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

13. Bilingual Prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

14. Miscellaneous

The Company confirms that:

(a) within the two years preceding the date of this prospectus, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any shares of our Company;

(b) no share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;

(g) our Company is a joint stock limited company and is subject to the PRC Company Law.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) a copy of the material contract referred to in the paragraph headed "Further Information about the Business of Our Company—1. Summary of Material Contract" in Appendix IV to this prospectus; and

(ii) the written consents referred to in the paragraph headed "Other Information—7. Consents" in Appendix IV to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our website at **http://www.woer.com** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report prepared by Moore CPA Limited, the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Group for the three years ended December 31, 2022, 2023 and 2024 and nine months ended September 30, 2025;

(d) the report prepared by Moore CPA Limited on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix IIA to this prospectus;

(e) the letters from Moore CPA Limited and the Joint Sponsors relating to the profit estimate of our Group for the year ended December 31, 2025, the text of which is set out in Appendix IIB to this Prospectus;

(f) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. referred to in the section headed "Industry Overview" in this prospectus;

(g) the PRC legal opinion issued by Sundial Law Firm, our legal adviser as to PRC law, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;

(h) the Vietnam legal opinion issued by Everone Law Firm, in respect of, among other things, the general matters and property interests of our Group under the Vietnam laws;

(i) the legal memorandum issued by Hogan Lovells, our U.S. outbound investment legal adviser, in respect of, among other things, the risk of exposure under the U.S. outbound investment laws and regulations;

(j) the material contract referred to in the paragraph headed "Further Information about the Business of Our Company—1. Summary of Material Contract" in Appendix IV to this prospectus;

(k) the service contracts referred to in the paragraph headed "Further Information about Our Directors and Substantial Shareholders—3. Service Contracts" in Appendix IV to this prospectus;

(l) the terms of the 2025 Share Option Scheme and the 2025 Restricted Share Scheme;

(m) the written consents referred to in the paragraph headed "Other Information—7. Consents" in Appendix IV to this prospectus; and

(n) the Company Law of the People's Republic of China, the Securities Law of the PRC and the Overseas Listing Trial Measures, together with unofficial English translations thereof.

DOCUMENTS AVAILABLE FOR INSPECTION

A list of grantees under the 2025 Share Option Scheme, containing all details as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of O'Melveny & Myers, at 31/F, AIA Central, 1 Connaught Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus.

深圳市沃爾核材股份有限公司

SHENZHEN WOER HEAT-SHRINKABLE MATERIAL CO.,LTD.*