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

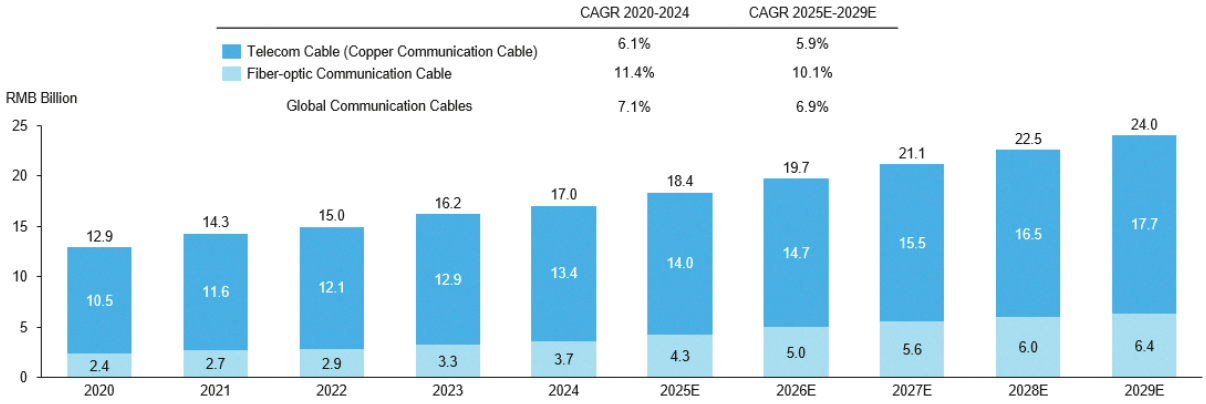
Market Size of Communication Cable Industry

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

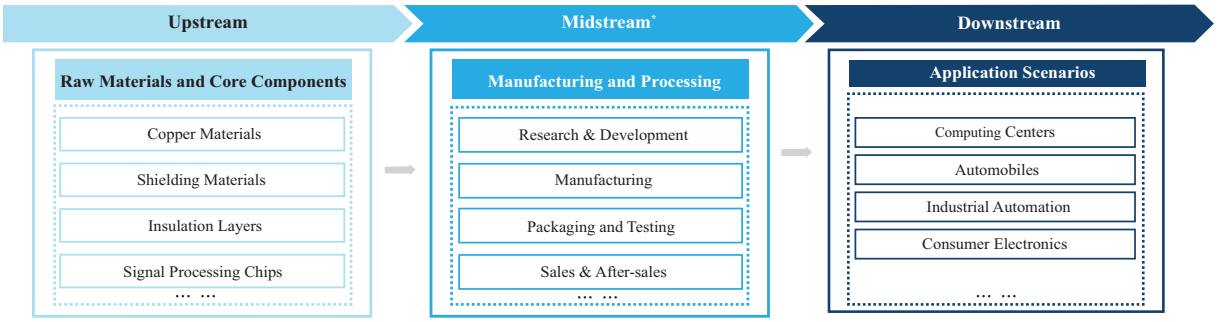


Sources: Interviews with Industry Experts, F&S
Note: The above market size excludes cables for communication networks (e.g., backbone networks, metropolitan area networks, and access networks).

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*

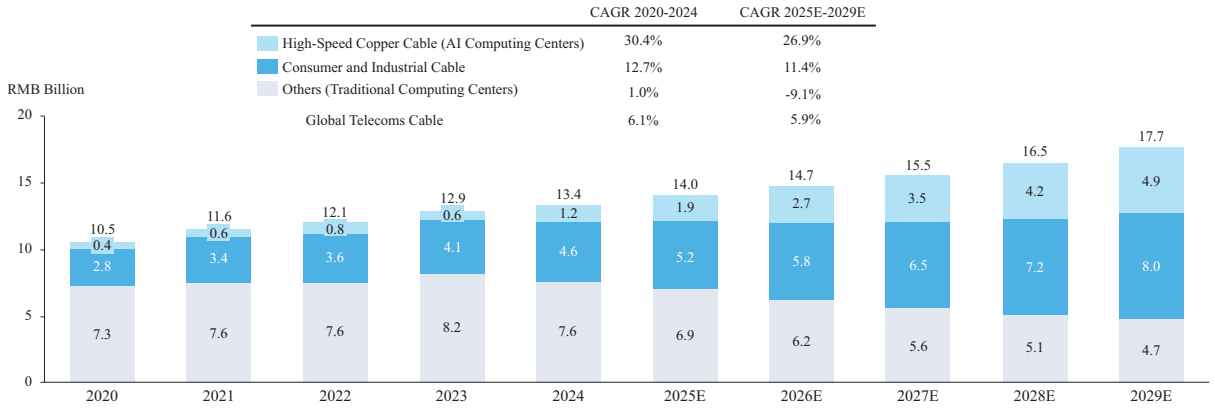
The upstream segment of the telecoms cable industry primarily involves the supply of raw materials and core components. The midstream segment, where the Company stays in, focuses on R&D, manufacturing, and

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.

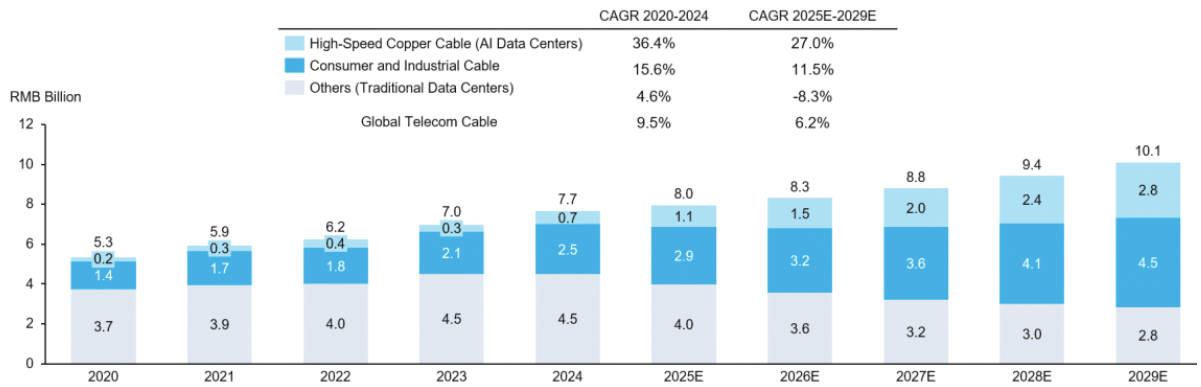
Market Size of Global Telecoms Cable Industry by Revenue by Application Scenario, 2020-2029E



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

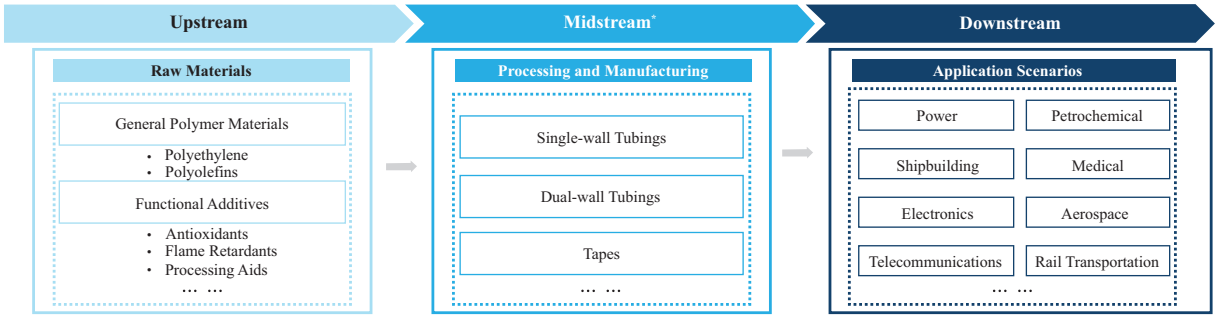
Definition and Overview of Electronic Materials

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



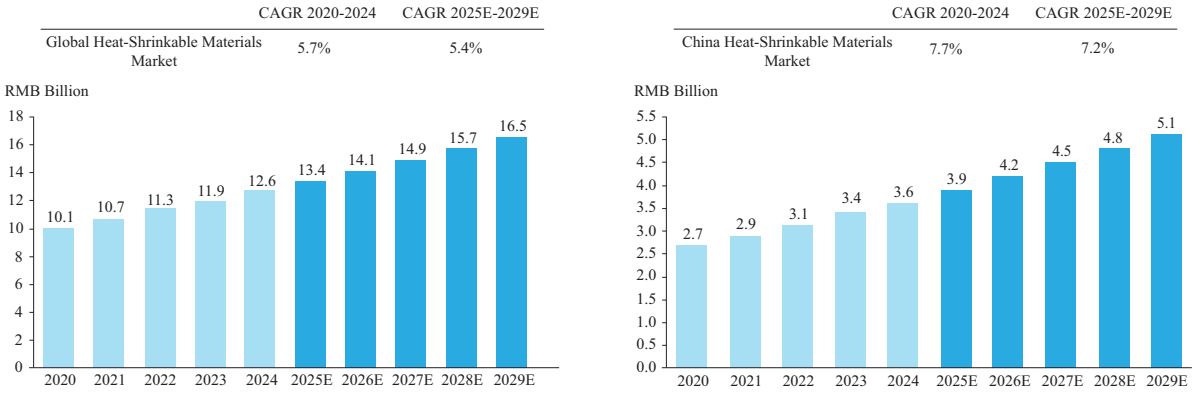
Note: the Company's position in the value chain*

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

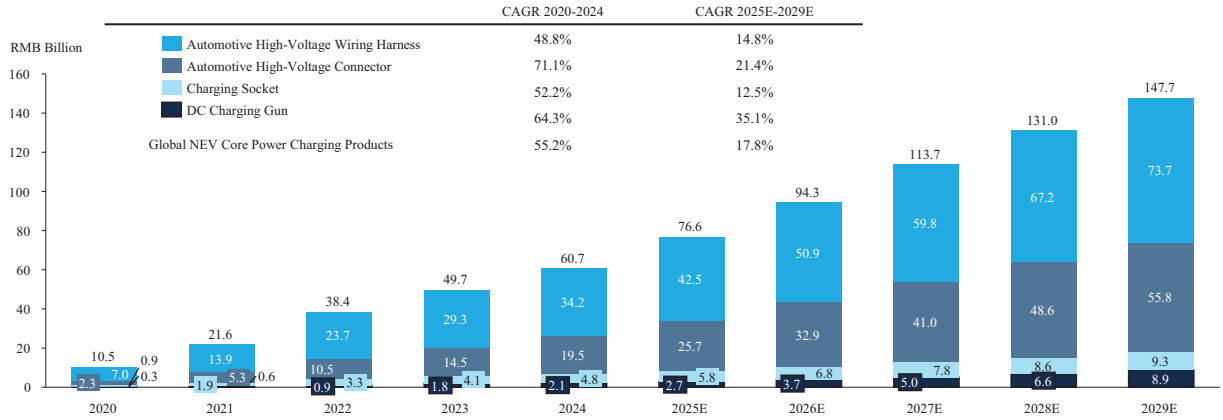
NEV core power charging products, which primarily include DC charging guns, automotive high-voltage wiring harness, high-voltage connectors and charging sockets, refer to the essential electrical components in NEVs that ensure the efficient, stable, and safe transfer of power within the vehicle's energy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

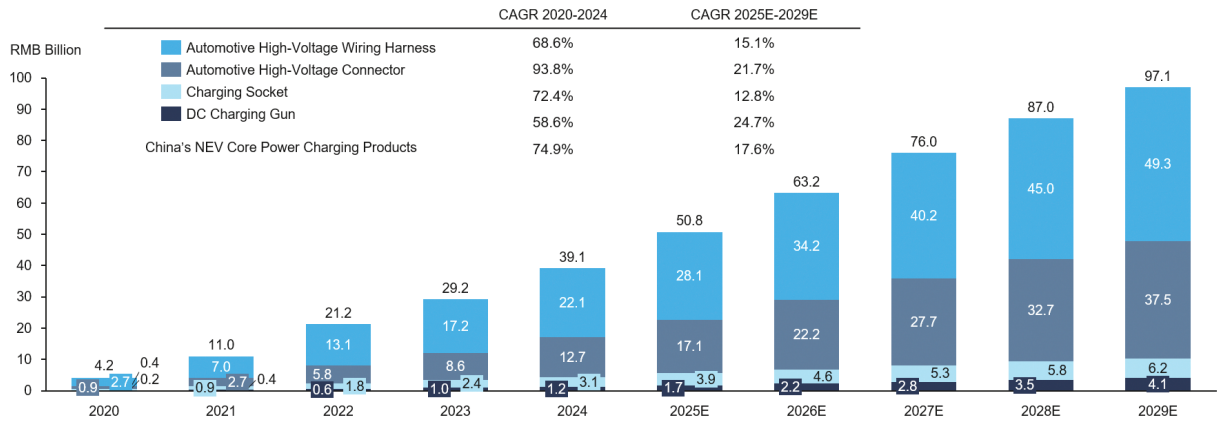
Market Size of Global NEV Core Power Charging Products Industry by Revenue by Product, 2020-2029E



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



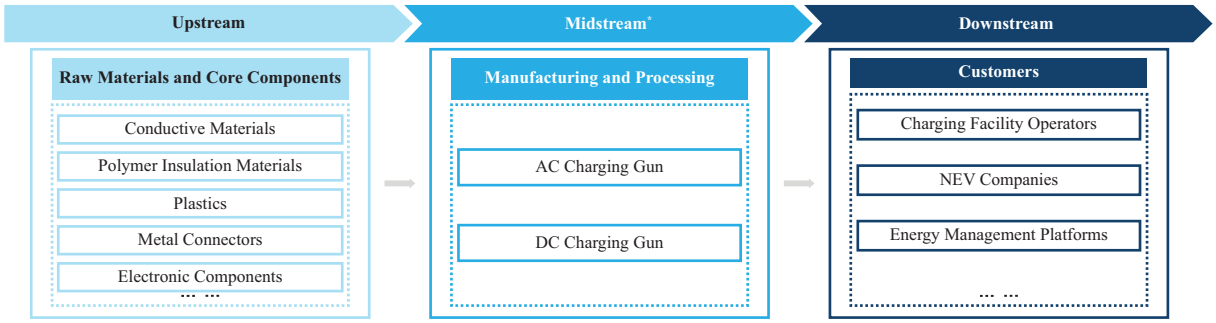
Source: Interviews with Industry Experts, F&S

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



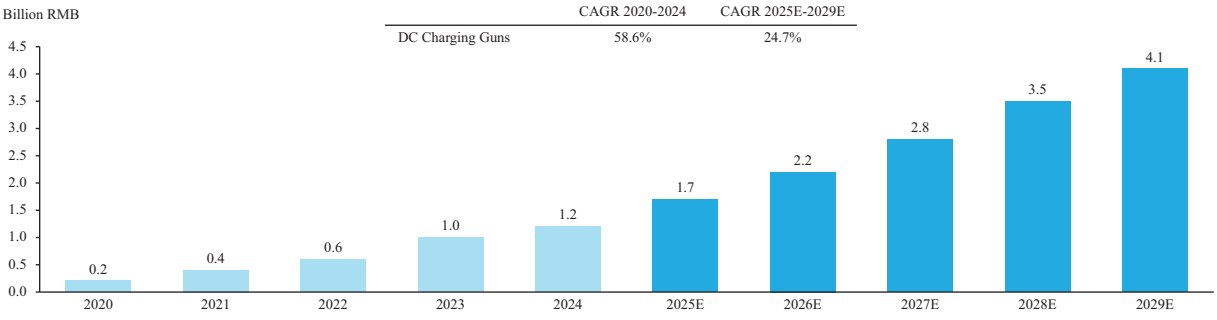
Note: the Company's position in the value chain*

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

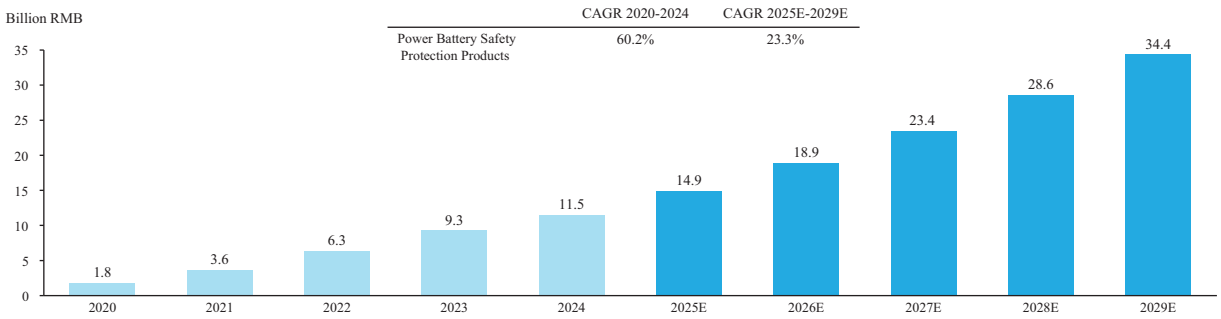
Manufacturers of NEV power charging products are facing intensifying competitive pressure as NEV adoption accelerates. Domestic newcomers and international players alike are expanding production capabilities and investing in advanced technologies to capture market share. For these suppliers, competition 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.*

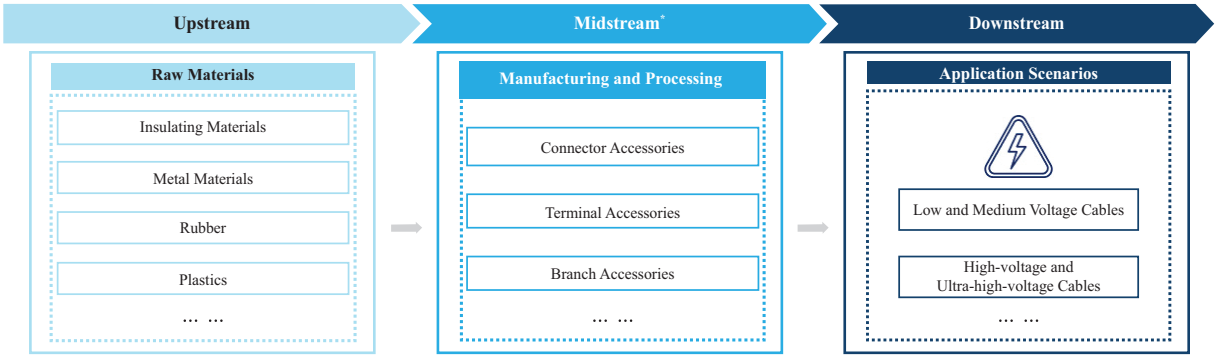
OVERVIEW OF GLOBAL AND CHINA ELECTRICAL CABLE ACCESSORIES INDUSTRY

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



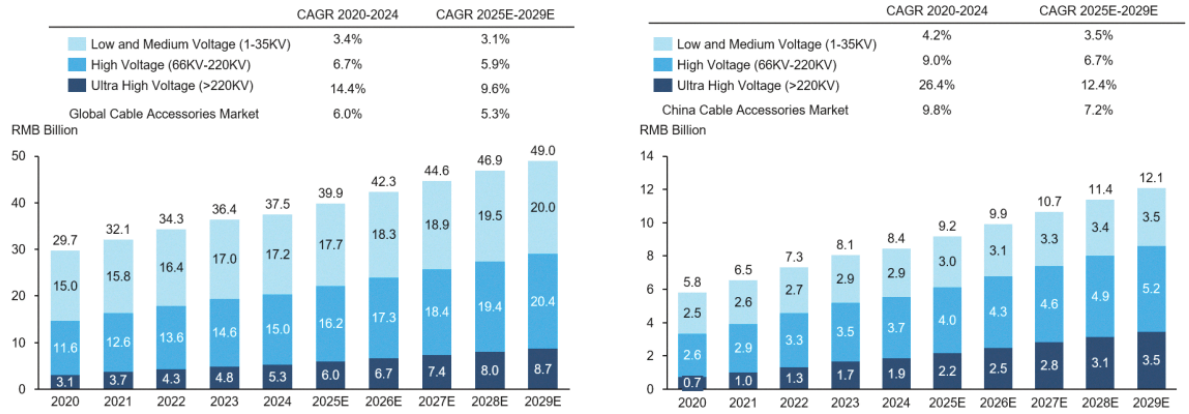
Note: the Company's position in the value chain*

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:

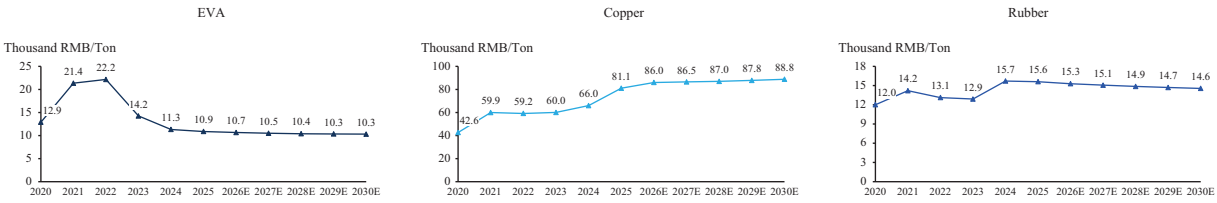
EVA (ethylene-vinyl acetate) is a key polymer used in the production of heat-shrinkable materials, typically accounting for approximately 50–60% of their raw material cost, and is valued for its excellent flexibility, low-temperature resistance, and electrical insulation properties. In recent years, 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.