
BUSINESS

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.

BUSINESS

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%.

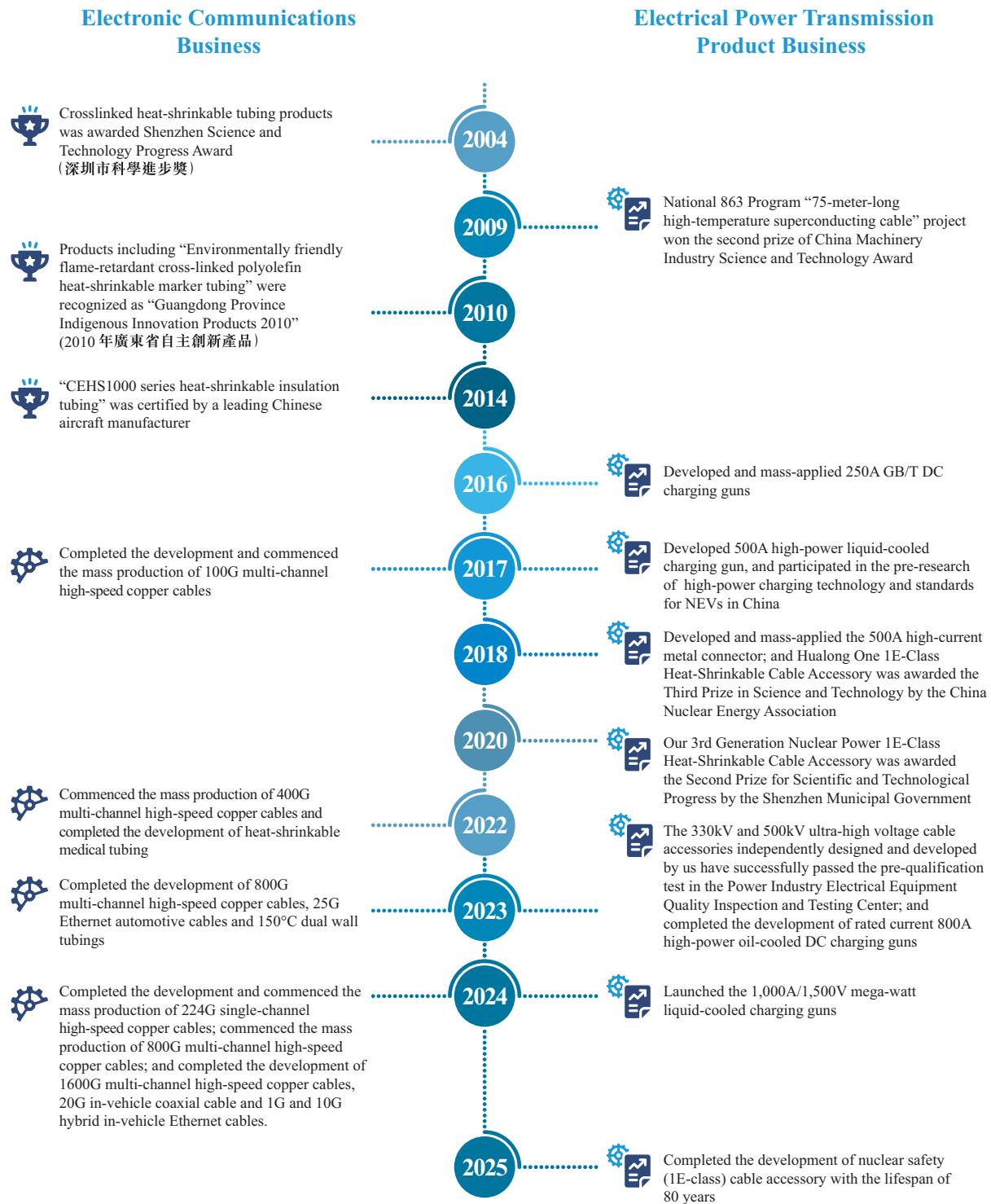
Financial Performance

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.

BUSINESS

The following table sets out our continuous innovation capabilities and achievements:



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

BUSINESS

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.

BUSINESS

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.

BUSINESS

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.

BUSINESS

- **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.

BUSINESS

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

BUSINESS

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.

BUSINESS

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.

BUSINESS

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, | | | | (Unaudited) | | | | | | | | | | | | | | |
|-------------------------|---|--------------|------------------|--------------|------------------------------------|--------------|------------------|--------------|------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | 2022 | 2023 | 2024 | 2025 | | | | | | | | | | | | | | | | | | | |
| | (in RMB in thousands, except for percentages) | | | | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | |
| High-speed | | | | | | | | | | | | | | | | | | | | | | | |
| copper | | | | | | | | | | | | | | | | | | | | | | | |
| cables | 110,568 | 2.1 | 96,093 | 1.7 | 300,876 | 4.3 | 179,622 | 3.7 | 748,023 | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | |
| Subtotal | 3,467,234 | 65.0 | 3,362,765 | 58.8 | 4,301,647 | 62.2 | 3,036,126 | 63.0 | 3,938,499 | | | | | | | | | | | | | | |
| Subtotal | 3,467,234 | 65.0 | 3,362,765 | 58.8 | 4,301,647 | 62.2 | 3,036,126 | 63.0 | 3,938,499 | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | |
| NEV Charging | | | | | | | | | | | | | | | | | | | | | | | |
| Products | 515,545 | 9.7 | 701,395 | 12.3 | 891,455 | 12.9 | 562,318 | 11.7 | 806,671 | | | | | | | | | | | | | | |
| Power battery | | | | | | | | | | | | | | | | | | | | | | | |
| safety | | | | | | | | | | | | | | | | | | | | | | | |
| protection | | | | | | | | | | | | | | | | | | | | | | | |
| products | 308,333 | 5.7 | 381,025 | 6.6 | 489,966 | 7.1 | 354,753 | 7.4 | 352,800 | | | | | | | | | | | | | | |
| Electrical cable | | | | | | | | | | | | | | | | | | | | | | | |
| accessories | | | | | | | | | | | | | | | | | | | | | | | |
| products | 781,147 | 14.6 | 953,522 | 16.7 | 926,973 | 13.4 | 631,904 | 13.1 | 741,032 | | | | | | | | | | | | | | |
| Subtotal | 1,605,025 | 30.0 | 2,035,942 | 35.6 | 2,308,394 | 33.4 | 1,548,975 | 32.2 | 1,900,503 | | | | | | | | | | | | | | |
| Subtotal | 1,605,025 | 30.0 | 2,035,942 | 35.6 | 2,308,394 | 33.4 | 1,548,975 | 32.2 | 1,900,503 | | | | | | | | | | | | | | |
| Other Business | | | | | | | | | | | | | | | | | | | | | | | |
| Wind power | | | | | | | | | | | | | | | | | | | | | | | |
| business | 146,768 | 2.8 | 158,713 | 2.8 | 151,724 | 2.2 | 116,470 | 2.4 | 101,154 | | | | | | | | | | | | | | |
| Others* | 117,622 | 2.2 | 161,421 | 2.8 | 158,337 | 2.2 | 113,944 | 2.4 | 136,522 | | | | | | | | | | | | | | |
| Subtotal | 264,390 | 5.0 | 320,134 | 5.6 | 310,061 | 4.4 | 230,414 | 4.8 | 237,676 | | | | | | | | | | | | | | |
| Total | 5,336,649 | 100.0 | 5,718,841 | 100.0 | 6,920,102 | 100.0 | 4,815,515 | 100.0 | 6,076,678 | | | | | | | | | | | | | | |
| Total | 5,336,649 | 100.0 | 5,718,841 | 100.0 | 6,920,102 | 100.0 | 4,815,515 | 100.0 | 6,076,678 | | | | | | | | | | | | | | |

Note:

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

BUSINESS

The tables below set forth a breakdown of sales volume by product and business line during the Track Record Period:

| | Unit | Year Ended December 31, | | | Nine Months Ended September 30, | | | |
|---|------------------|------------------------------|------------------------------|------------------------------|---------------------------------|------------------------------|------------------------------|-------------|
| | | 2022 | | 2023 | 2024 | 2024 | | |
| | | Sale Volume thousand unit | Sale Volume thousand unit | Sale Volume thousand unit | Sale Volume thousand unit | Sale Volume thousand unit | Sale Volume 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 | 2024 | 2025 | |
| | | 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 | 399,949 | 21.1 |
| High-speed copper cables ... | 52,826 | 47.8 | 36,334 | 37.8 | 130,001 | 43.2 | 68,951 | 38.4 |
| Consumer and industrial electronic cables | 207,073 | 16.5 | 137,153 | 12.8 | 148,800 | 10.6 | 129,351 | 12.7 |
| Electronic material products ... | 686,155 | 32.6 | 787,313 | 35.8 | 1,015,122 | 39.1 | 651,584 | 35.4 |
| Total | 1,611,962 | 30.2 | 1,788,641 | 31.3 | 2,110,363 | 30.5 | 1,494,715 | 31.0 |
| 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 |
| NEV charging products | 112,146 | 21.8 | 149,920 | 21.4 | 181,307 | 20.3 | 120,168 | 21.4 |
| Power battery safety protection products | 128,047 | 41.5 | 136,463 | 35.8 | 139,900 | 28.6 | 108,128 | 30.5 |
| Electrical cable accessories products | 299,961 | 38.4 | 393,547 | 41.3 | 342,281 | 36.9 | 262,384 | 41.5 |
| Total | 1,080,307 | 30.5 | 1,120,307 | 31.3 | 1,200,207 | 28.6 | 910,639 | 36.4 |
| Other Business | | | | | | | | |
| Wind power business | 98,268 | 67.0 | 109,933 | 69.3 | 101,753 | 67.1 | 79,315 | 68.1 |
| Others* | 27,486 | 23.4 | 37,978 | 23.5 | 51,199 | 32.3 | 74,834 | 65.7 |
| Total | 125,754 | 45.2 | 147,911 | 52.8 | 152,952 | 45.4 | 154,149 | 61.5 |

Note:

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

BUSINESS

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 | | | | | | | | | | | | | | |
| <i>Asia</i> | 338,579 | 6.3 | 399,395 | 7.0 | 434,835 | 6.3 | 329,241 | 6.8 | 411,050 | 6.7 | | | | |
| <i>Vietnam</i> | 64,779 | 1.2 | 66,607 | 1.2 | 117,992 | 1.7 | 71,418 | 1.5 | 96,894 | 1.6 | | | | |
| <i>India</i> | 66,586 | 1.2 | 94,417 | 1.7 | 104,975 | 1.5 | 77,907 | 1.6 | 106,317 | 1.7 | | | | |
| <i>Singapore</i> | 66,412 | 1.2 | 55,284 | 1.0 | 56,907 | 0.8 | 40,359 | 0.8 | 47,862 | 0.8 | | | | |
| <i>Others</i> | 140,802 | 2.7 | 183,087 | 3.1 | 154,961 | 2.3 | 139,557 | 2.9 | 159,977 | 2.6 | | | | |
| <i>EU</i> | 119,835 | 2.2 | 135,756 | 2.4 | 145,177 | 2.1 | 93,653 | 2.0 | 111,837 | 1.9 | | | | |
| <i>Spain</i> | 18,352 | 0.3 | 28,222 | 0.5 | 26,835 | 0.4 | 14,345 | 0.3 | 18,764 | 0.3 | | | | |
| <i>UK</i> | 9,410 | 0.2 | 15,643 | 0.3 | 15,113 | 0.2 | 11,546 | 0.2 | 17,942 | 0.3 | | | | |
| <i>Germany</i> | 19,629 | 0.4 | 19,748 | 0.3 | 17,253 | 0.2 | 13,262 | 0.3 | 16,350 | 0.3 | | | | |
| <i>Others</i> | 72,444 | 1.3 | 72,143 | 1.3 | 85,976 | 1.3 | 54,500 | 1.2 | 58,781 | 1.0 | | | | |
| <i>U.S.</i> | 117,005 | 2.2 | 114,360 | 2.0 | 143,701 | 2.1 | 75,565 | 1.6 | 169,516 | 2.8 | | | | |
| <i>Others</i> | 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 margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | |
| (RMB in thousands, except for percentage) | | | | | | | | | | |
| <i>(Unaudited)</i> | | | | | | | | | | |
| 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 | | | | | | | | | | |
| <i>Asia</i> | 88,272 | 26.1 | 105,902 | 26.5 | 122,837 | 28.2 | 83,592 | 25.4 | 101,247 | 24.6 |
| <i>Vietnam</i> | 12,933 | 20.0 | 10,906 | 16.4 | 21,134 | 17.9 | 10,910 | 15.3 | 11,610 | 12.0 |
| <i>India</i> | 21,379 | 32.1 | 33,181 | 35.1 | 40,340 | 38.4 | 26,433 | 33.9 | 41,214 | 38.8 |
| <i>Singapore</i> | 12,921 | 19.5 | 8,789 | 15.9 | 9,986 | 17.5 | 5,488 | 13.6 | 3,539 | 7.4 |
| <i>Others</i> | 41,039 | 29.1 | 53,026 | 29.0 | 51,377 | 33.2 | 40,761 | 29.2 | 44,884 | 28.1 |
| <i>EU</i> | 37,124 | 31.0 | 46,132 | 34.0 | 52,041 | 35.8 | 29,933 | 32.0 | 38,654 | 34.6 |
| <i>Spain</i> | 5,999 | 32.7 | 10,106 | 35.8 | 10,490 | 39.1 | 5,087 | 35.5 | 7,451 | 39.7 |
| <i>UK</i> | 2,761 | 29.3 | 5,203 | 33.3 | 5,026 | 33.3 | 3,574 | 31.0 | 5,844 | 32.6 |
| <i>Germany</i> | 5,488 | 28.0 | 5,846 | 29.6 | 5,409 | 31.4 | 3,608 | 27.2 | 4,527 | 27.7 |
| <i>Others</i> | 22,876 | 31.6 | 24,977 | 34.6 | 31,116 | 36.2 | 17,664 | 32.4 | 20,832 | 35.4 |
| <i>U.S.</i> | 34,053 | 29.1 | 32,871 | 28.7 | 41,943 | 29.2 | 26,092 | 34.5 | 71,785 | 42.3 |
| <i>Others</i> | 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

BUSINESS

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.

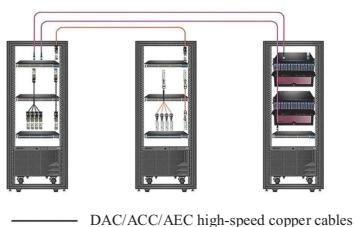
In particular, computing infrastructure serving LLMs has experienced rapid growth and is expected to continue to grow at a fast pace. According to F&S, the majority of leading technology companies plan to increase their investments in AI infrastructure development consistently over the next three years, 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.

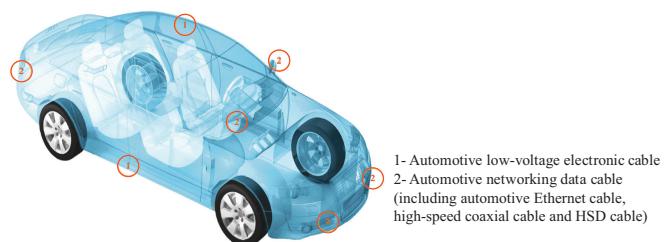
According to F&S, we are one of the first manufacturers in China to achieve stable mass production of 800G multi-channel high-speed copper cables and 224G single-channel high-speed copper cables. As of the Latest Practicable Date, our products have been qualified for deployment in a number of industry-leading 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:

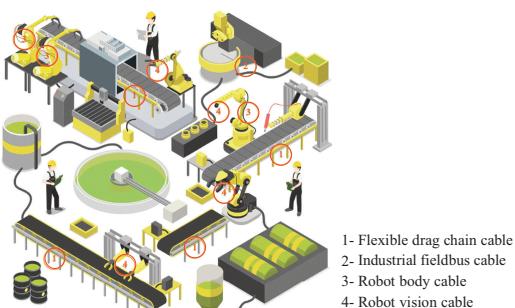
High-speed Communication Market



Automobile Market



Industrial Market

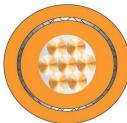
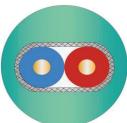
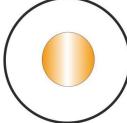


Medical Market

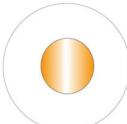


BUSINESS

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 |  | 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 |
| 800G multi-channel high-speed copper cable |  | high-speed copper cable used for connections between devices, like brackets: RMB25.0/m ~ RMB35.0/m | |
| 224G single-channel high-speed copper cable |  | The price of high-speed copper cables is generally determined by cable type, transmission performance and end-application scenarios. | |
| 112G single-channel high-speed copper cable | | | |
| Automobile data communication cables |  | 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. |
| NEV data communication cable |  | | |
| In-vehicle communication cable | | | |
| Thin wall automotive cable |  | | |
| Single core shielded cable |  | | |

BUSINESS

| Product | Picture (cross-section) | Description | Average Selling Price (tax exclusive) |
|--|---|---|---|
| Industrial automation robot cables and |  | 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 |  | 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 |  | 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,

BUSINESS

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

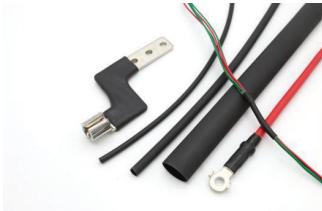
In managing this product line, we mainly offer heat-shrinkable materials comprising heat-shrinkable tubing and tapes in a variety of materials, colors and sizes, designed to realize and optimize high-performance power and signal transmission. Heated during installation, our tubings shrink to conform 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.

BUSINESS

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 |  | <p>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.</p> <p>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.</p> | 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 |  | <p>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.</p> | Approximately RMB0.4/m to RMB19.9/m, which is generally determined by material type, performance specifications |
| Tapes |  | <p>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.</p> | Approximately RMB0.2/m to RMB2.0/m, which is generally determined by material type, performance specifications |
| Heat-shrinkable busbar insulation tubings |  | <p>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 from releasing toxic gasses during combustion.</p> <p>They are widely used for corrosion protection and insulation of busbars and electrical equipment.</p> | Approximately RMB2.4/m to RMB30/m, which is generally determined by material type, performance specifications |

BUSINESS

| 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 offer 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.

BUSINESS

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 |  | <p>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.</p> <p>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.</p> | <p>Approximately range from RMB600.0/unit to RMB3,500.0/unit</p> <ul style="list-style-type: none"> 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 <p>The price of charging guns for NEVs is generally determined by current rating and cable length</p> |
| High-voltage cables |  | <p>These products mainly used for power and electrical connection among different components within electrical vehicles, facilitating high-voltage power transmission.</p> | <p>Approximately range from RMB100.0/piece to RMB500.0/piece, which is generally determined by current rating, connectors specification, and cable length.</p> |

BUSINESS

| 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.

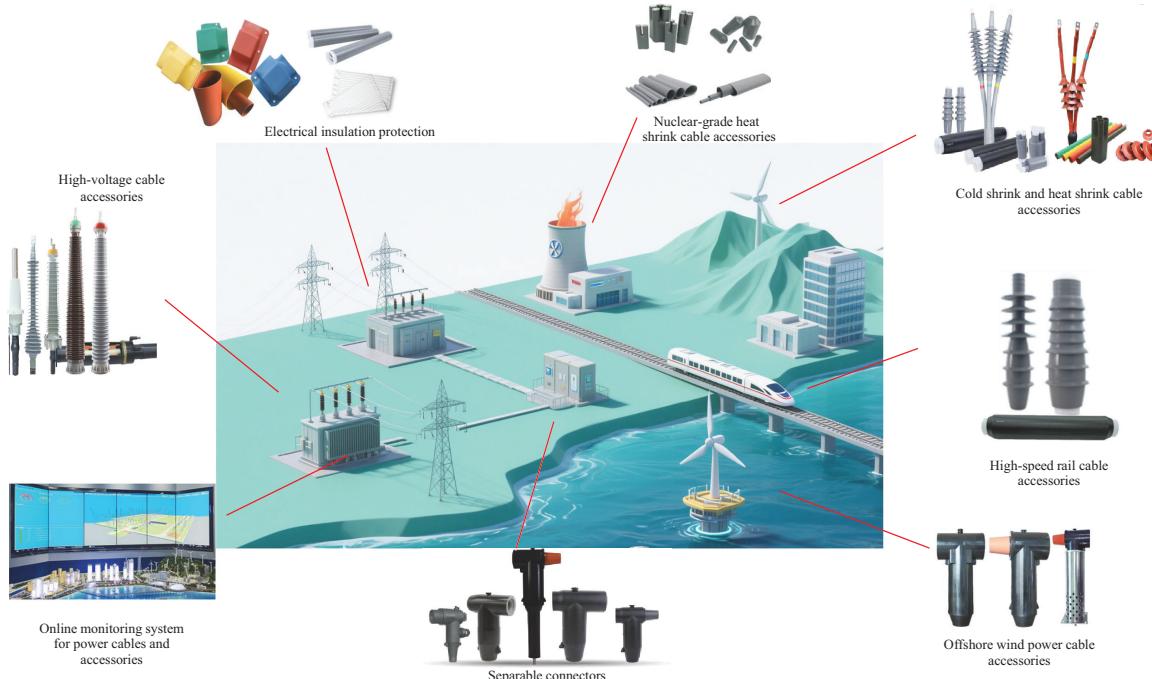
Electrical Cable Accessories Products

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.

BUSINESS

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 |  | <p>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</p> | <p>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</p> |

BUSINESS

| 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. | from approximately RMB100.0/set to RMB1,300.0/set. |

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

BUSINESS

| Product | Picture | Description | Average Selling Price (tax exclusive) |
|--------------------------------|---|--|--|
| High-voltage cable accessories |  | <p>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.</p> <p>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.</p> <p>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.</p> | <p>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.</p> |

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

BUSINESS

| Product | Picture | Description | Average Selling Price (tax exclusive) |
|---|---|--|---|
| Cold-shrinkable and heat-shrinkable cable accessories |  | <p>our technology capabilities to achieve continuous innovation.</p> <p>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.</p> | 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. |
| Separable connectors |  | <p>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.</p> | 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. |

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

BUSINESS

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

BUSINESS

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 request 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 maintenance 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 implementation 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.

BUSINESS

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.

BUSINESS

- 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 $\geq 30,000$ 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

BUSINESS

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

BUSINESS

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. |

BUSINESS

| Product/Technology | Key Features | Key Applications |
|--|---|--|
| Development of COMBO interface high current charging gun product | <p>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.</p> | 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 | <p>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.</p> | 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 | <p>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.</p> | Applicable for sealing and waterproof protection of wiring harness connection points, terminal heads and busbars in high-temperature areas of automobiles. |

BUSINESS

| 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 brittleness, 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.

BUSINESS

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 owned commercial production before and the Track Record Period. | 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 |

BUSINESS

| 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. | Leased |
| Huizhou Shuikou Plant (惠州水口基地) | √ | — | — | — | 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. | |
| Wuhan Caidian Plant (武漢蔡甸基地) | — | — | √ | √ | This plant is located in Huizhou, Guangdong province, and commenced commercial production in August 2022. | Owned |
| | | | | | 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.

BUSINESS

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:

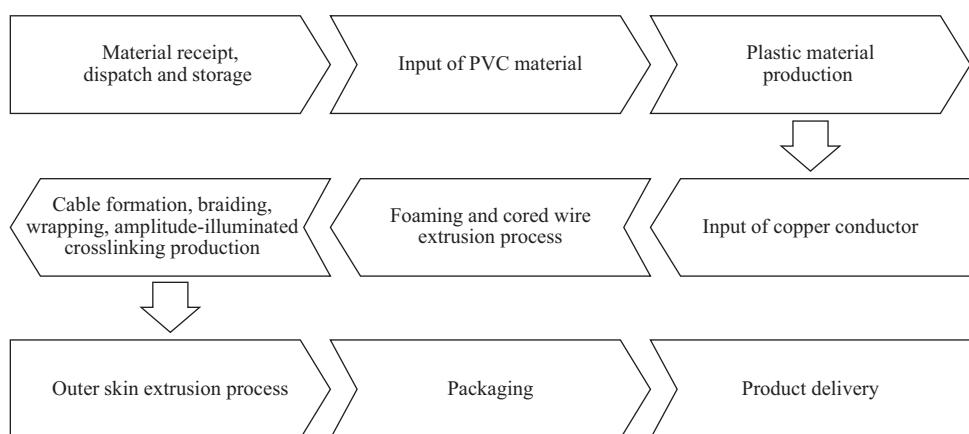
(i) Assuming that the relevant production lines operate 250 days per year and 20 hours per day.

(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.

BUSINESS

- **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

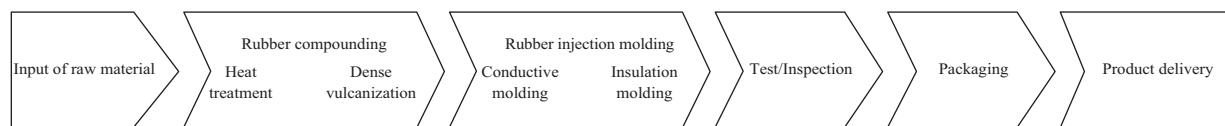
The chart below sets out general key steps of production process for our electrical cable accessories products.



- **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.

BUSINESS

- **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

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

BUSINESS

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 (RMB '000) | % of total revenue | Year of commencement of business relationship with us | Credit terms and payment method |
|-----|------------|---|-----------------|---|-----------------------|--------------------|---|---------------------------------|
| 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 |

BUSINESS

| 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 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% | | | |

BUSINESS

For the year ended December 31, 2023

| 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 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% | | |

BUSINESS

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 |
|-----|------------|---|-----------------|---|--------------------|--------------------|---|------------------------------|---------------------------------|
| | | | | | | | Relationship with us | Commencement of business | |
| 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 | |

BUSINESS

| No. | Customer | Background | Customer type | Products/services purchased from us | Revenue (RMB '000) | Year of commencement of business relationship with us | | Credit terms and payment method |
|--------------|------------|---|-----------------|-------------------------------------|-----------------------|---|---|---------------------------------|
| | | | | | | % of total revenue | Year of commencement of business relationship with us | |
| 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) | Year of commencement of business relationship with us | | Credit terms and payment method |
|-----|------------|---|-----------------|---|-----------------------|---|---|---------------------------------|
| | | | | | | % of total revenue | Year of commencement of business relationship with us | |
| 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 |

BUSINESS

| 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 |
|--------------|------------|--|-----------------|-------------------------------------|--------------------|--------------------|---|---|---------------------------------|
| | | | | | | | Year of commencement of business relationship with us | Year of commencement of business relationship with us | |
| 3 | Customer I | A large-scale global connectivity systems provider designing and manufacturing connectors | direct customer | Telecoms cables | 180,849 | 3.0% | 2020 | 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 | 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 | 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.

BUSINESS

| | |
|---|---|
| <i>Minimum purchase amount and sales target</i> | We generally do not set minimum purchase amounts and sales targets. |
| <i>Return arrangements</i> | 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. |
| <i>Product liability</i> | We take corresponding responsibility for the quality issues of the products. |
| <i>Transfer of risks</i> | The risks transfer to direct sales customers after they confirm receipt of our products. |
| <i>Termination</i> | 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.

BUSINESS

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 | | | | |
| | (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 | | | |
| Distributors | 1,190,778 | 22.3 | 1,215,504 | 21.3 | 1,289,315 | 18.6 | 928,404 | 19.3 | | | |
| 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 | | | |

BUSINESS

| | 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 | | | | | |
| - 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

BUSINESS

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 recognize 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:

| | |
|--|--|
| <i>Duration</i> | The duration of the distribution agreements is typically one year. |
| <i>Designated distribution channel</i> | We typically designate specific geographical area to different distributors. The distributors are not allowed to sell our products outside of their designated distribution areas. |
| <i>Pricing policy</i> | Parties agreed to set a selling price through negotiation. |
| <i>Payment and credit terms</i> | We generally require a full payment before delivering products to distributors. |
| <i>Sub-distribution</i> | We generally do not prohibit our distributors from engaging sub-distributors. |
| <i>Product return</i> | Unless otherwise agreed, we do not accept product returns for non-quality reasons. |
| <i>Termination</i> | 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-

BUSINESS

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

BUSINESS

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 (RMB'000) | % of total purchase amount | Year of commencement of business relationship with us | Credit terms and payment method |
|-----|---|--|----------------------------------|------------------------------|----------------------------|---|---|
| 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 |

BUSINESS

| No. | Supplier | Background | Products/services provided to us | Purchase amount (RMB'000) | % of total purchase amount | Year of commencement of business relationship with us | Credit terms and payment method |
|-----|---|---|----------------------------------|------------------------------|----------------------------|---|---------------------------------|
| 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 (RMB'000) | % of total purchase amount | Year of commencement of business relationship with us | Credit terms and payment method |
|-----|---|--|----------------------------------|------------------------------|----------------------------|---|---|
| 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% | | |

BUSINESS

For the year ended December 31, 2024

| No. | Supplier | Background | Products/services provided to us | Purchase amount (RMB'000) | % of total purchase amount | Year of commencement of business relationship with us | Credit terms and payment method |
|--------------|--|--|----------------------------------|------------------------------|----------------------------|---|---|
| 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 copper wire produce, Hardware Technology Co., Ltd. (廣東華創盈五金科技有限公司) | A Foshan-based precision wire producer, 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 | | | | <u>756,684</u> | <u>18.0%</u> | | |

BUSINESS

For the nine months ended September 30, 2025

| No. | Supplier | Background | Products/ services provided to us | Purchase amount (RMB'000) | % of total purchase amount | Year of commencement of business relationship with us | Credit terms and payment method |
|--------------|---|---|--|---------------------------------|-------------------------------------|---|--|
| 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 | | | | <u>670,640</u> | <u>15.8%</u> | | |

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.

BUSINESS

We typically enter into framework supply agreements with suppliers, the salient terms of which are set out below:

| | |
|---------------------------------------|---|
| <i>Duration</i> | The duration of the framework supply agreements typically spans a period of one year. |
| <i>Payment and credit terms</i> | We are generally granted by our suppliers a credit term of 15 days to 75 days following the issuance of a letter acceptance. |
| <i>Transfer of risks</i> | The risks transfer to us after we complete inspection and confirm receipt of the products. |
| <i>Product returns</i> | 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. |
| <i>Product liability</i> | Our suppliers take corresponding responsibility for the quality issues of the products. |
| <i>Termination</i> | 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.

BUSINESS

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 |

BUSINESS

| 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.

BUSINESS

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.

BUSINESS

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:

| Function | As of September 30, 2025 | |
|-------------------|--------------------------|-------------|
| | 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:

| Location | As of September 30, 2025 | |
|------------------|--------------------------|-------------|
| | 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

BUSINESS

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’s 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

BUSINESS

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

BUSINESS

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,

BUSINESS

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**”).

BUSINESS

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 export 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

BUSINESS

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.

BUSINESS

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. |
| | | | |

BUSINESS

| 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. |

BUSINESS

| 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.

BUSINESS

- 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:

| <u>Classification</u> | <u>Unit</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>Nine Months ended September 30, 2025</u> |
|--|-------------|-------------|-------------|-------------|---|
| 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.

BUSINESS

During the Track Record Period, our resource consumption were as follows:

| <u>Resource Classification</u> | <u>Unit</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>Nine Months ended September 30, 2025</u> |
|--------------------------------|-------------|-------------|-------------|-------------|---|
| 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:

| <u>Resource Classification</u> | <u>Unit</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>Nine Months ended September 30, 2025</u> |
|--------------------------------|-------------|-------------|-------------|-------------|---|
| 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:

| <u>Product Name</u> | <u>Unit</u> | <u>2025</u> | <u>2026</u> |
|----------------------------------|-------------|-------------|-------------|
| 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.

BUSINESS

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.

BUSINESS

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

BUSINESS

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 thereto. In addition, we have donated scholarships and computer equipment to schools, providing targeted support for educational undertakings and helping improve teaching conditions.

BUSINESS

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.