Application Proof of

Eaglerise Electric & Electronic (CHINA) Co., Ltd.
伊戈爾電氣股份有限公司

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

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Eaglerise Electric & Electronic (CHINA) Co., Ltd.
伊戈爾電氣股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	:	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	:	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**RMB1.00 per H Share**
Stock code	:	**[•]**

Sole Sponsor, [REDACTED], [REDACTED]

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

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

The [REDACTED] is expected to be fixed by agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us on the [REDACTED]. The [REDACTED] is expected to be on or around [REDACTED] (Hong Kong time) and, in any event, not later than 12:00 noon on [REDACTED] (Hong Kong time). The [REDACTED] will be no more than HK$[REDACTED] and is currently expected to be not less than HK$[REDACTED] per [REDACTED], unless otherwise announced. If, for any reason, the [REDACTED] is not agreed by [REDACTED] (Hong Kong time) between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us, the [REDACTED] will not proceed and will lapse.

Applicants for the [REDACTED] are required to pay, on application, the maximum [REDACTED] of HK$[REDACTED] for each [REDACTED] together with a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and a Hong Kong Stock Exchange trading fee of 0.00565%, subject to refund if the [REDACTED] as finally determined is less than HK$[REDACTED]. The [REDACTED], on behalf of the [REDACTED], and with our consent may, where considered appropriate, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that is stated in this Document (which is HK$[REDACTED] to HK$[REDACTED]) at any time prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, an announcement will be published on the website of our Company at **www.eaglerise.cn** and on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** not later than the morning of the day which is the last day for lodging applications under the [REDACTED]. Details of the arrangement will then be announced by us as soon as practicable. Further details are set forth in "Structure of the [REDACTED]" and "How to Apply for [REDACTED]" in this Document.

We are incorporated, and substantially all of our businesses are located, in the PRC. [REDACTED] should be aware of the differences in the legal, economic and financial systems between the PRC and Hong Kong and that there are different risk factors relating to investment in PRC-incorporated businesses. [REDACTED] should also be aware that the regulatory framework in the PRC is different from the regulatory framework in Hong Kong and should take into consideration the different market nature of the H Shares. Such differences and risk factors are set out in "Risk Factors," and "Appendix [III] — [Summary of Articles of Association]" to this Document.

The obligations of the [REDACTED] under the Hong Kong [REDACTED] are subject to termination by the Sole Sponsor and the [REDACTED] (for itself and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See "[REDACTED] — Grounds for Termination" of this Document for further details.

The [REDACTED] have not been and will not be registered under the [REDACTED] or any state securities law in the United States and may be [REDACTED] and sold only (a) in the United States to "Qualified Institutional Buyer" in reliance on Rule 144A under the U.S. Securities Act or another exemption from, or in a transaction not subject to, the registration requirements under the [REDACTED] and (b) outside the United States in offshore transactions in accordance with [REDACTED].

ATTENTION

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

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CONTENTS

This summary aims to give you an overview of the information contained in this Document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this Document. You should read the entire document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the section headed "Risk Factors" in this Document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a global supplier of power equipment and solutions. Driven by market demands, we leverage our proprietary core technologies and R&D capabilities to offer a product portfolio and solutions covering multiple application fields. We focus on sectors such as new energy, data center, power distribution, industrial control and lighting, mainly specializing in transformer equipment products. Moreover, we provide integrated solutions tailored to various application scenarios, empowering customers worldwide.

Our Business

As of September 30, 2025, we had established a presence in over 60 countries and regions worldwide through an international sales network, serving customers across different industries and application domains with quality products and solutions. In 2024, the top five China-based suppliers in the global medium-voltage transformer equipment industry accounted for a 9.7% market share by revenue, with our Company ranking second among these China-based suppliers, with a 2.2% market share. Our market position in key segments includes:

- New energy transformer equipment: In 2024, we secured approximately 3.7% of the global market with our revenue of approximately RMB2.6 billion, ranking second among China-based suppliers.

- Data center transformer equipment: In 2024, we secured approximately 2.3% of the global market with our revenue of approximately RMB149.3 million, ranking third among China-based suppliers.

- LED driver sector: In 2024, we held approximately 1.2% of the global market with revenue of approximately RMB842.7 million, ranking fifth among all suppliers globally.

Our Innovation

Since our inception, we have successfully expanded our global footprint, using consumer electronics as our initial entry point. We have consistently demonstrated market agility to market demand, having launched products in the new energy sector and established a strong presence in the field of new energy transformer equipment. Leveraging our high-quality products, we have expanded our business continuously, accumulating a portfolio of quality customers globally and building scaled manufacturing capabilities. By strategically replicating our product advantages into additional high-growth industries, we have further extended our reach into the data center sector. Simultaneously, we have broadened our product range across the industry value chain, expanding from core-component supply to complete-equipment sales, thereby forming our current multi-sector product portfolio.

Our technological capability spans multiple dimensions, with intellectual property protection sought for all our key R&D achievements. Our patent coverage extends across critical areas including product design, manufacturing processes and automation equipment. As of September 30, 2025, we held 542 patents in Chinese Mainland, including 189 new patents added during the first nine months of 2025. For the years of 2023, 2024 and the nine months ended September 30, 2025, our R&D expenditure represented 5.1%, 4.2% and 4.6% of revenue, respectively.

Our Global Footprint

Our global footprint encompasses a comprehensive deep-localization strategy covering areas of production, sales and services. As of September 30, 2025, we operated nine manufacturing facilities worldwide, including overseas sites situated in the U.S., Mexico, Malaysia and Thailand; and Chinese Mainland facilities in Ji'an (Jiangxi), Foshan (Guangdong), Huainan (Anhui), Shenzhen (Guangdong) and Zhongshan (Guangdong). We have established scaled capacity deployment globally, and we have significantly enhanced our delivery certainty whilst compressing delivery lead-time. Our smart transformer manufacturing facility in the U.S., commenced operations in October 2025; and together with our Mexican production capacity, will form our localized supply capabilities serving the North American market. In addition, our Malaysian and Thailand facilities are both in operation. These Southeast Asian sites, together with our North American and Chinese Mainland manufacturing bases, have created manufacturing synergies that confer exceptional flexibility enabling our dynamic global capacity allocation, based on customer location, order requirements and cost efficiency, thereby strengthening our highly resilient supply chain system.

We have built fully autonomous sales networks in our key overseas markets. As of September 30, 2025, we had established our directly-owned sales subsidiaries in North America, Europe, Southeast Asia and other regions, assembling localized sales teams well-versed in local market conventions, cultures and customer requirements, as well as establishing a comprehensive local after-sales service system under our direct management.

OUR ACHIEVEMENTS

Our achievements as of September 30, 2025 can be illustrated as follows:

Leading industry position	**No. 2** Ranked by revenue in 2024 China-based supplier in the global medium-voltage transformer equipment market[4]	**No. 2** Ranked by revenue in 2024 China-based supplier in the global new energy transformer equipment market[4]	**No. 3** Ranked by revenue in 2024 China-based supplier in the global data center transformer equipment market[4]
Outstanding commercial achievements	**80%** Coverage rate among top customers[1] for PV inverters[4]	**70%** Coverage rate among top customers[2] for LED drivers[4]	**More than 60** Countries and regions our business has reached[3]
Strong technical and production capabilities	**542** Patented technologies[3]	**6** R&D centers in China[3]	**9** Global production bases[3]

Note 1: Top customers for PV inverters refer to the top ten enterprises in the industry ranked by shipment volume in 2024.

Note 2: Top customers for LED drivers refer to the top ten enterprises in the industry ranked by revenue in 2024.

Note 3: The data is provided as of September 30, 2025.

Note 4: The data is provided by Frost & Sullivan.

OUR FINANCIAL PERFORMANCE

We have achieved steady revenue growth during the Track Record Period. Our revenue increased by 27.3% from RMB3,616.3 million in 2023 to RMB4,602.7 million in 2024; the revenue for the nine months ended September 30, 2025 reached RMB3,769.4 million, representing a 16.9% increase compared to the same period in 2024.

OUR SUSTAINABILITY STRATEGY

Sustainability defines our vision for the future. We embed environmental, social and governance principles into every aspect of our core corporate strategy and decision-making processes. Through continuous refinement of our governance framework and operational practices, we pursue meaningful progress across all three ESG pillars. Our commitment centers on shared value creation. By harmonizing economic prosperity, social well-being and ecological health, we build stakeholder resilience and generate positive returns. This positions us to make contributions to a greener, smarter and more sustainable world.

Our ESG strategy is positioned around two core principles: green development enabling energy transition, and dual-carbon targets driving low-carbon product innovation. We have structured this approach through our "RISE" strategic framework, anchored on four pillars: Robust operations, Innovation and Development, Social Co-benefit and Environmental Protection. Upon [REDACTED], we will comply fully with the Stock Exchange's ESG disclosure requirements. We maintain a robust ESG governance and management structure. The Board of Directors exercises ultimate oversight of ESG matters, supported by a dedicated ESG Committee with specific responsibility for ESG matters. We conduct regular targeted training covering ESG topics to continuously strengthen the Board's capabilities in compliance and ESG management.

OUR COMPETITIVE STRENGTHS

- Global footprint with localized overseas service capabilities;
- Technological and R&D strengths;
- Diversified product portfolio, continuously optimized and enriched in response to market and customer requirements;
- Established high-quality customer base;
- Digitally-managed manufacturing capabilities; and
- Highly-experienced management team.

OUR DEVELOPMENT STRATEGY

We will concentrate on our core business strengths, leveraging them as a foundation to expand into new products and market domains. Global expansion remains central to our long-term strategy. In the domestic market, we endeavour to expand our market share in key segments whilst achieving deeper penetration in critical application areas. Our core objective is to enhance our market share in strategic sectors, such as, data center transformer equipment. By combining our competitive advantages with emerging market opportunities, we aim to transform from a market participant into a leading industry player.

We will stay closely aligned with industry technological developments and market demands, scaling up our R&D investment to upgrade and enrich our existing product portfolio. We consistently regard technological innovation and product iteration as fundamental to corporate development. We will continue to strengthen our R&D capabilities, optimize research resource deployment and establish more efficient R&D platforms. Through enhanced talent acquisition and development initiatives, we will prioritize recruiting high-calibre professionals to elevate the overall capabilities of our R&D teams, thereby providing talent support for our technological innovation.

We will advance the construction and rollout of intelligent digital factories, equipping them with advanced production equipment, optimized process flows and upgraded digital systems. We will scale these smart manufacturing projects across production facilities throughout the Group, establishing an enterprise-wide digital twin ("數字孿生") infrastructure. This will deliver strategic benefits, including improved decision-making, accelerated market responsiveness, creation of digital competitive barriers and new revenue opportunities.

OUR PRODUCT PORTFOLIO

We are a global supplier of power equipment and solutions, focusing on sectors such as new energy, data centers, power distribution, industrial control, and lighting, specializing in transformer equipment products and related integrated solutions. According to Frost & Sullivan, in 2024, we accounted for approximately 3.7% of the global market share in the new energy transformer equipment industry, ranking among the top-tier China-based suppliers, and approximately 1.2% of the global market share in the LED driver industry, ranking fifth globally. Our product portfolio is structured into three primary segments: transformer equipment products (including new energy products, data center products, power distribution products and industrial control products), lighting products and other products.

Transformer Equipment Products

New Energy Products

- ***New Energy Transformers.*** Our new energy transformers primarily include those applied in new energy power scenarios, such as, PV power generation, energy storage and hydrogen energy, which are characterised by high conversion efficiency, strong stability and strong adaptability to harsh operating environments.

- ***Smart Transformer Station.*** Our smart transformer station integrates sensors, communication technologies and intelligent control devices to enable functions, such as, self-monitoring, self-diagnosis, automated control and remote monitoring to meet the modern power system's demand for efficient, reliable, and safe power supply.

- ***High-Frequency Magnetic Components.*** Our high-frequency magnetic components serve as the core elements for PV inverter equipment, featuring low noise, high stability, lightweight design, compact structure and high efficiency.

Data Center Products

- ***Data Center Transformer.*** Our data center transformer products primarily comprise phase-shift transformers, oil-immersed transformers and dry-type transformers for data center applications.

- ***Data Center Power Supply System.*** Our data center power supply systems provide stable and efficient power supply solutions for data center applications through power-conversion technologies and system-level integration.

Power Distribution Products

- ***Distribution Transformer.*** Our distribution transformers mainly include single-phase transformers and three-phase transformers and are used to convert high-voltage electrical energy into low voltage suitable for end users, widely supporting residential, industrial and new energy grid connection scenarios.

Industrial Control Products

- ***Industrial Control Transformer.*** Our transformers for industrial control applications primarily include toroidal transformers, EI transformers and switching power supply.

Lighting Products

- ***LED Driver.*** Our LED drivers are primarily designed for commercial, home and outdoor lighting fixtures, they are designed with features, such as, high efficiency, high power factor, compact form factor and flicker-free performance, and are widely applied in indoor, outdoor and smart-lighting scenarios.

- ***Lighting Fixtures.*** We develop and supply customized lighting fixtures primarily for customers in the North American market, covering indoor and outdoor products, such as ceiling lights, wall lights, chandeliers, down lights and low-voltage landscape lights.

Other Products

- ***Car-Mounted Inductor.*** Our car-mounted inductor products are applied in pure EVs, hybrid vehicles and hydrogen fuel cell vehicles.

- ***EV Power Supply.*** Our EV power supply products primarily comprise DC/DC converters, which are used to charge 12 V or 24 V batteries that power on-board electronic systems, and on-board chargers ("**OBCs**"), which convert AC input into DC output to meet the charging demands of new energy vehicles.

- ***Communication Power Supply.*** Our communication power supply products are designed for use in communication network infrastructure and provide power conversion and protection functions to support the continuous operation of telecom equipment under various operating conditions.

- ***New Energy Vehicle Charging Piles.*** Our new energy vehicle charging pile covers a comprehensive range of products, including super charging sets, AC charging piles, DC integrated charging piles, DC split chargers and common DC bus PV-storage-charging integrated systems.

OUR BUSINESS MODEL

We formulate our business strategies based on our core technical capabilities and market demands, strategically focusing on global industries with high-growth potential. We are dedicated to providing products, such as, transformer equipment, power supplies, and magnetic components, and gradually expand our offerings from core components to integrated system solutions. Our R&D efforts are guided by market needs and industry trends, product solutions and development plans are formulated based on specific application scenarios and technical specifications. Procurement is coordinated by a dedicated team, which is responsible for supplier development and management, as well as the implementation of centralized procurement and cost control. In terms of production, we adopt an order-driven model, organizing production in accordance with customer orders received. In terms of sales, we adopt a hybrid sales model dominated by direct sales and supplemented by distribution, focusing on serving leading customers across various industries. The quality control runs through the entire process of product R&D, production and delivery. Leveraging standardized quality management systems and digital systems, we conduct continuous monitoring of key raw materials, production processes and finished product quality to ensure the consistency and reliability of product performance.

With the foregoing business model, we are able to gain in-depth insights into customer needs and promptly convey market feedback to R&D, production, quality control and other links. Utilizing digital management systems including ERP, APS, MES and WMS, we integrate the processes of order management, R&D, procurement, production, sales and quality control, thereby building an integrated operation system that enables efficient collaborative operations from order acquisition to product delivery.

RESEARCH AND DEVELOPMENT

We maintain robust research and development capabilities, as we are committed to driving technological innovation in power electronics and new energy solutions and consistently adhering to a comprehensive R&D strategy for our products. We have established a well-scaled, experienced and professional R&D team. As of September 30, 2025, we operated six research and development centers across China (primarily including Ji'an (Jiangxi), Foshan (Guangdong) and Shenzhen (Guangdong), and Huainan (Anhui), which were supported by a research and development team comprising of 695 members, representing approximately 21.0% of our total employees. Many core research and development members are graduates from well-known universities, and some hold senior engineer qualifications. Members of the research and development team at the director level and above have an average of more than 15 years of relevant experience in the power equipment industry, providing robust support for developing our technical know-how and industry insights. In 2023, 2024 and for the nine months ended September 30, 2025, our research and development expense accounted for 5.1%, 4.2% and 4.6% of our total revenue, respectively. The continuous R&D investment has laid a solid foundation for enhancing the competitiveness of core products and expanding the application of new technologies.

See "Business — Research and Development."

PRODUCTION

Our production model is primarily order-based, that is, production is organized according to received orders. As customers require products in various specifications and models, we determine production plans based on order specifics. Supported by the APS system, we integrate capacity models with order demand to schedule production down to individual processes and equipment to enhance the accuracy and efficiency of order reviews and delivery commitments. For certain universal products, in addition to order-based production, we also engage in pre-order production based on market demand forecasts to enhance capacity utilization and meet the delivery requirements of our customers. Specific production activities are separately organized by our various business segments, each of which is equipped with a complete system including production, engineering, quality control, material control, and equipment management. This has enabled us to establish independent and robust manufacturing management processes supporting specialized and high-efficiency operations.

See "Business — Production."

We generate revenue through sales of products in Chinese Mainland and other countries/regions. The following table sets forth a breakdown of our revenue by countries/regions during the Track Record Period:

	Year ended December 31		**Nine months ended September 30**	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Chinese Mainland	2,635,030	3,245,598	2,273,679	2,494,132
Other countries/regions	981,278	1,357,096	950,470	1,275,300
Total	**3,616,308**	**4,602,694**	**3,224,149**	**3,769,432**

OUR CUSTOMERS AND SUPPLIERS

We offer our customers comprehensive value-added services encompassing early-stage technical collaboration, reliable product delivery and localized support. Our R&D teams maintain close collaboration with customers to identify front-end application requirements and engage in early-stage technical discussions and solution design. To ensure timely delivery and effectively manage demand fluctuations, we implement a production and sales coordination mechanism.

We have established a robust supplier management system that encompasses supplier onboarding, assessment and exit management to ensure that our supply chain meets our operational and strategic requirements in terms of quality, cost, delivery, and services. With respect to supplier onboarding, we have adopted supplier qualification procedures to assess their capabilities, production capacity, quality control systems, pricing and overall service performance.

See "Business — Customers" and "Business — Suppliers."

COMPETITIVE LANDSCAPE

We operate in the highly competitive power electronics and transformer industry, which has undergone significant expansion in recent years. According to Frost & Sullivan, by 2024, the global power equipment market had reached approximately RMB8.5 trillion, and the market is projected to exceed RMB12 trillion by 2030, representing a CAGR of over 7.0% from 2024 to 2030.

According to Frost & Sullivan, the global medium-voltage transformer equipment market reached approximately RMB146.6 billion. The top five China-based suppliers together holding around 9.7% of the market share. Our Group recorded revenue of RMB3.3 billion, corresponding to a market share of 2.2% and ranking second among China-based suppliers. In 2024, the global LED driver market reached approximately RMB71.5 billion. The industry is relatively fragmented, with the top five suppliers accounting for about 12.9% of the market, among which our Group achieved RMB0.8 billion in revenue, representing a 1.2% market share and ranking fifth.

See "Industry Overview."

RISK FACTORS

Our business involves certain risks as set out in "Risk Factors". The major risk factors are as follows:

- Our business is highly dependent on investment cycles in infrastructure, renewable energy, and consumer electronics. Any slowdown in global demand for transformers, PV equipment, or LED lighting may materially and adversely affect our revenue and profitability.

- We operate in a highly competitive market and face pricing pressure, which may adversely affect our margins.

- Our business is subject to cyclicality and macroeconomic fluctuations in the industries we serve.

- We are exposed to risks from raw material and component price volatility and supply chain disruptions.

- Any shortage in key supplies or disruptions to our supply chain may have an adverse effect on our business, financial condition and results of operations.

- Rapid technological change in the power electronics and new energy industries requires sustained research and development investment, and failure to maintain adequate R&D capabilities could weaken our competitiveness.

- A portion of our revenue is derived from overseas markets including North America, Europe, and Southeast Asia, exposing our export business and operations to legal, regulatory, political, and economic risks beyond our control.

- We are subject to ESG laws and regulations, and any failure to comply with such requirements may have a negative impact on our business operations.

See "Risk Factors."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following set out our key historical financial information for each year/period or as of the dates indicated.

Selection of Consolidated Statements of Profit or Loss and other Comprehensive Income

The following table sets out a summary of our consolidated statements of profit or loss and other comprehensive income for each year/period indicated:

	Year ended December 31		Nine months ended September 30	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Revenue	3,616,308	4,602,694	3,224,149	3,769,432
Cost of sales	(2,833,087)	(3,677,647)	(2,530,001)	(3,099,289)
Gross profit	783,221	925,047	694,148	670,143
Other income	46,953	63,040	45,702	65,350
Other (losses)/gains, net	(14,352)	25,120	(10,551)	(2,861)
Impairment losses reversed/ (recognised) on financial assets and contract assets, net	(12,834)	(17,200)	(5,987)	741
Research and development expenses	(185,800)	(191,177)	(145,673)	(173,893)
General and administrative expenses	(225,034)	(306,205)	(212,002)	(225,331)
Selling expenses	(88,491)	(109,553)	(76,395)	(102,332)
Finance costs	(23,788)	(43,239)	(31,900)	(37,673)
Share of result of an associate	(53,784)	457	(3,526)	(3,334)
Profit before income tax	**226,091**	**346,290**	**253,816**	**190,810**
Income tax expense	(9,248)	(46,128)	(35,783)	(2,719)
Profit for the year/period	**216,843**	**300,162**	**218,033**	**188,091**

Revenue

The following table sets out a breakdown of our revenue by product types for each year/period indicated:

	Year ended December 31				Nine months ended September 30			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Transformer Equipment Products	**2,626,562**	**72.6**	**3,390,204**	**73.7**	**2,350,954**	**73.0**	**2,781,578**	**73.8**
— New energy products	1,953,199	54.0	2,636,273	57.3	1,767,010	54.8	2,207,647	58.6
— Data center products	49,678	1.4	149,294	3.2	105,969	3.3	99,344	2.6
— Power distribution products	374,069	10.3	372,004	8.1	305,256	9.5	312,572	8.3
— Industrial control products	249,616	6.9	232,633	5.1	172,719	5.4	162,015	4.3
Lighting Products	**811,713**	**22.4**	**978,349**	**21.3**	**709,937**	**22.0**	**660,535**	**17.5**
Other Products	**178,033**	**5.0**	**234,141**	**5.0**	**163,258**	**5.0**	**327,319**	**8.7**
Total	**3,616,308**	**100.0**	**4,602,694**	**100.0**	**3,224,149**	**100.0**	**3,769,432**	**100.0**

Gross Profit and Gross Profit Margin

The following table sets out a breakdown of gross profit and gross profit margin by product types for each year/period indicated:

	Year ended December 31				Nine months ended September 30			
	2023		2024		2024		2025	
	Gross profit	Gross Profit Margin	Gross profit	Gross Profit Margin	Gross profit	Gross Profit Margin	Gross profit	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Transformer Equipment Products	**543,172**	**20.7**	**681,729**	**20.1**	**481,906**	**20.5**	**484,271**	**17.4**
— New energy products	377,074	19.3	492,632	18.7	357,950	20.3	330,990	15.0
— Data center products	10,941	22.0	19,403	13.0	10,755	10.1	25,370	25.5
— Power distribution products	97,537	26.1	115,183	31.0	74,622	24.4	86,079	27.5
— Industrial control products	57,620	23.1	54,511	23.4	38,579	22.3	41,832	25.8
Lighting Products	**212,281**	**26.2**	**194,443**	**19.9**	**181,102**	**25.5**	**132,142**	**20.0**
Other Products	**27,768**	**15.6**	**48,875**	**20.9**	**31,140**	**19.1**	**53,730**	**16.4**
Total	**783,221**	**21.7**	**925,047**	**20.1**	**694,148**	**21.5**	**670,143**	**17.8**

Selected Consolidated Statements of Financial Position Data

The following table sets out the key information from our combined statements of financial position for each year/period indicated:

	As at December 31		As at September 30
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current assets	1,640,670	3,189,468	3,898,803
Current assets	3,660,264	4,223,143	4,524,711
Current liabilities	1,920,121	3,533,704	3,840,541
Non-current liabilities	271,054	642,974	768,850
Net current assets	1,740,143	689,439	684,170
Total assets less current liabilities	3,380,813	3,878,907	4,582,973
Net assets	3,109,759	3,235,933	3,814,123

Selected Consolidated Cash Flow Statements Data

The table below sets out the key cash flow information from the consolidated statements of cash flows for each year/period indicated.

	Year ended December 31		Nine months ended September 30	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Net cash flows generated from operating activities	**173,416**	**179,449**	**113,092**	**233,381**
Net cash flows used in investing activities	**(1,031,059)**	**(1,121,600)**	**(948,082)**	**(737,679)**
Net cash flows generated from financing activities	**1,149,930**	**877,523**	**896,842**	**925,605**
Net increase/(decrease) in cash and cash equivalents	**292,287**	**(64,628)**	**61,852**	**421,307**
Cash and cash equivalents at beginning of year/period	336,192	634,440	634,440	551,848
Effect of foreign exchange rate changes, net	5,961	(17,964)	1,491	4,177
Cash and cash equivalents at end of year/period	**634,440**	**551,848**	**697,783**	**977,332**

See "Financial Information — Liquidity and Capital Resources — Cash Flow."

Key Financial Ratios

The following table sets out certain of our key financial ratios for each year/period indicated:

	Year ended December 31		Nine months ended September 30
	2023	**2024**	**2025**
Gross profit margin (%) *(Note (1))*	21.7	20.1	17.8
Net profit margin (%) *(Note (2))*	6.0	6.5	5.0
Weighted average return on equity (%) *(Note (3))*	9.3	9.3	5.5
Current ratio (%) *(Note (4))*	1.9	1.2	1.2
Debt-to-asset ratio (%) *(Note (5))*	41.3	56.3	54.7

Notes:

(1) Gross profit margin is calculated based on gross profit for the year/period divided by the total revenue for the same year/period and multiplied by 100%.

(2) Net profit margin is calculated based on profit for the year/period divided by the total revenue for the same year/period and multiplied by 100%.

(3) Weighted average return on equity is calculated by dividing the profit attributable to owners of the Company for the year/period by the monthly weighted average of equity attributable to owners of the Company. For the nine months ended September 30, 2025, our weighted average return on equity is not annualized.

(4) Current ratio is calculated by dividing current assets by current liabilities as of the relevant date.

(5) Debt-to-asset ratio is calculated by dividing total liabilities by total assets as of the relevant date and multiplied by 100%.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to September 30, 2025 and as of the Latest Practicable Date, our business operation remained relatively stable.

Our Directors confirm that save for the estimated non-recurring [REDACTED] as disclosed in the Financial Information section in this Document, since September 30, 2025 and up to the date of this Document: (i) there was no material adverse change in the market conditions and the industry and the regulatory environment in which our Group operates that affects our financial or operating position materially and adversely; (ii) there was no material adverse change in the business, revenue structure, profitability, cost structure, financial and trading position and prospects of our Group; and (ii) no event had occurred that would affect the information shown in the Accountants' Report in Appendix I to this Document materially and adversely.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

As of the Latest Practicable Date, Mr. Xiao, through his direct shareholding and his controlled entity, MegaMax, was entitled to exercise in aggregate of approximately 32.0% of the voting power at the general meetings of our Company (excluding the 3,079,900 A Shares held by our Company as treasury Shares as of the Latest Practicable Date). MegaMax was wholly owned by Mr. Xiao.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), Mr. Xiao and MegaMax will be entitled to exercise approximately [REDACTED]% of the voting power at the general meetings of our Company (excluding 3,079,900 A Shares held by our Company as treasury Shares). Therefore, Mr. Xiao and MegaMax will comprise the Single Largest Shareholders Group of our Company. See "Relationship with Our Single Largest Shareholders Group" for more details.

DIVIDENDS

For the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, we declared or paid cash dividends to our shareholders of RMB75.2 million, RMB115.7 million, and RMB116.4 million, respectively. See "Financial Information — Dividend Policy."

FUTURE PLANS AND USE OF [REDACTED]

We estimate the [REDACTED] of the [REDACTED] which we will receive, assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the midpoint of the [REDACTED] range stated in this Document), will be approximately HK$[REDACTED] million, after deduction of the [REDACTED], commissions and estimated expenses payable by us in connection with the [REDACTED], assuming that the [REDACTED] is not exercised. We intend to use the [REDACTED] from the [REDACTED] for purposes and in the amounts set forth below:

- Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized to implement our overseas expansion and global sales network construction.

- Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized to the digital and intelligent upgrade of our domestic and overseas manufacturing facilities.

- Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized to the research, development and industrialization of next-generation solid-state transformers (SST) and Panama power systems, with the aim of strengthening technological barriers in the power electronics field and enhancing core product R&D and scalable manufacturing capabilities.

- Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized to make investments and acquisitions in the upstream and downstream segments of the industry chain and in strategic industries, aiming to complement organic growth with inorganic expansion, improve industry layout and enhance overall competitiveness.

- Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be used for working capital and general purposes. See "Future Plans and Use of [REDACTED]."

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

We estimate that our [REDACTED] will be approximately HK$[REDACTED], representing approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range), which consist of (i) [REDACTED] related expenses (including but not limited to commissions and fees) of approximately HK$[REDACTED], and (ii) [REDACTED] expenses of approximately HK$[REDACTED], including (a) financial and legal advisory fees and expenses of approximately HK$[REDACTED], and (b) other fees and expenses of approximately HK$[REDACTED]. Whereas approximately HK$[REDACTED] of the [REDACTED] is directly attributable to the issue of our H Shares to the [REDACTED] and is expected to be recognized directly as a deduction from equity upon the [REDACTED], approximately HK$[REDACTED] of the [REDACTED] is expected to be expensed prior to the [REDACTED], with no [REDACTED] incurred during the Track Record Period.

The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED] ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Our Company has been listed on the Shenzhen Stock Exchange since December 29, 2017. As of the Latest Practicable Date, the Directors of our Company confirmed that we had no instances of material noncompliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable inquiries, there was no material matter that should be brought to the attention of [REDACTED] in relation to our compliance record on the Shenzhen Stock Exchange. As advised by our PRC Legal Advisor, during the Track Record Period and as of the Latest Practicable Date, we had not been subject to any material administrative penalties or regulatory measures imposed by the CSRC, the Shenzhen Stock Exchange or other competent PRC securities regulatory authorities.

We believe the [REDACTED] on the Hong Kong Stock Exchange will help advance our global strategic deployment, enhance our international profile, establish diversified financing channels, and further improve our Company's core competitiveness and strengthen our global procurement network. See "Business — Our Development Strategies" and "Future Plans and Use of [REDACTED]."

DEFINITIONS

In this Document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below. Certain other terms are explained in "Glossary of Technical Terms" in this Document.

"A Share(s)"	ordinary share(s) issued by our Company with a nominal value of RMB1.00 each, which is/are traded in Renminbi and listed on the Shenzhen Stock Exchange
"A Shareholders"	holders of the A Share(s)
"Accountant's Report"	the accountants' report of our Company for the Track Record Period, the text of which is set out in Appendix I to this Document
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Anhewei"	Shenzhen Shenzhen Autoway Power Technology Co., Ltd (深圳市安和威電力科技股份有限公司), a limited liability company established in the PRC on June 17, 1998, in which our Company holds an equity interest
"Articles" or "Articles of Association"	the articles of association of our Company with effect from the [REDACTED], as amended from time to time, a summary of which is set out in Appendix III to this Document
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of our Company
"business day"	any day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
[REDACTED]	[REDACTED]
"CAGR"	Compound Annual Growth Rate
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC

"China", "Chinese Mainland", or "the PRC"	the People's Republic of China, unless the context requires otherwise, excluding, for the purposes of this Document only, the regions of Hong Kong, Macau and Taiwan of the People's Republic of China
"close associate"	has the meaning ascribed to it under the Listing Rules
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Eaglerise Electric & Electronic (CHINA) Co., Ltd. (伊戈爾電氣股份有限公司), a company established under the laws of the PRC with limited liability on October 15, 1999, which was formerly named Foshan Sunrise Electric Manufacturing Co., Ltd. (佛山市日昇電業製造有限公司) and converted into a joint stock company with limited liability on December 28, 2007, whose A Shares have been listed on the Shenzhen Stock Exchange (stock code: 002922.SZ)
"Compliance Advisor"	Guotai Junan Capital Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transactions(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
"Director(s)" or "our Directors"	director(s) of our Company

"Eaglerise Digital Energy (JIANG XI)"	Eaglerise Digital Power Technology (JIANG XI) Co., Ltd. (江西伊戈爾數字能源技術有限公司), a limited liability company established in the PRC on May 6, 2022, our wholly owned subsidiary
"Eaglerise Electric Thailand"	Eaglerise Electric & Electronic (Thailand) Co., Ltd., a limited liability company incorporated in Thailand on November 13, 2023, our wholly owned subsidiary
"Eaglerise Electric (JI AN)"	Eaglerise Electric & Electronic (JIAN) Co., Ltd. (吉安伊戈爾電氣有限公司), a limited liability company established in the PRC on January 14, 2015, our wholly owned subsidiary
"Eaglerise Electronics (Foshan)"	Eaglerise Electronics (Foshan) Co., Ltd (佛山市伊戈爾電子有限公司), a limited liability company incorporated in the PRC on December 6, 2011, our wholly owned subsidiary
"Eaglerise Electronic (Guangdong)"	Eaglerise Electronic (Guangdong) Co., Ltd (廣東伊戈爾智能電器有限公司), a limited liability company incorporated in the PRC on August 31, 2018, in which our Company holds an equity interest
"Eaglerise HK"	Eaglerise Development HK Company Limited (伊戈爾企業發展(香港)有限公司), a limited liability company incorporated in the Hong Kong on July 13, 2018, our wholly owned subsidiary
"Eaglerise Magnetic (JI AN)"	Eaglerise Magnetoelectricity (JI AN) Co., Ltd. (吉安伊戈爾磁電科技有限公司), a limited liability company established in the PRC on July 30, 2018, our wholly owned subsidiary
"Eaglerise Singapore"	Eaglerise Singapore Investment Holding Pte. Ltd., a limited liability company incorporated in Singapore on March 24, 2021, our wholly owned subsidiary
"Eaglerise USA"	Eaglerise Renewable Energy USA Inc., a limited liability company incorporated in the United States on February 23, 2023, our wholly owned subsidiary
"EIT"	the PRC enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
"ERP"	enterprise resource planning, a software system that integrates and manages core business process — such as procurement, inventory, production, sales, and finance — across an organization in real-time

DEFINITIONS

"ESG"	Environmental, Social and Governance
"ESG Committee"	the ESG committee of the Board
"Exchange Participant(s)"	a person (a) who, in accordance with the Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
"Export Control Law"	the Export Control Law of the PRC《中華人民共和國出口管制法》, as amended, supplemented or otherwise modified from time to time
"Extreme Conditions"	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affect the working public's ability to resume work or brings safety concern for a prolonged period
"FINI"	"Fast Interface for New Issuance", the online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for the [REDACTED]
"Foshan Shunde Eaglerise"	Foshan Eaglerise Power Science & Technology (Shunde) Co., Ltd. (佛山市順德區伊戈爾電力科技有限公司), a limited liability company established in the PRC on November 20, 2008, our wholly owned subsidiary
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
"Frost & Sullivan Report"	the industry report prepared by Frost & Sullivan, which commissioned Frost & Sullivan to prepare
"FVTOCI"	fair value through other comprehensive income
"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
[REDACTED]	[REDACTED]
"Group", "our Group", "we", "our", or "us"	our Company and, where appropriate, its subsidiaries or, in respect of the period before the Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors, as the case may be
"Guangdong Yingbeite"	Guangdong Yingbeite Electrical Technology Co., Ltd. (廣東英備特電氣科技有限公司), a limited liability company incorporated in the PRC on September 15, 2020, our wholly owned subsidiary

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"H Share(s)"	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and are [REDACTED] on the Hong Kong Stock Exchange
"HKD" or "HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
[REDACTED]	[REDACTED] H Shares being initially offered by the Company for subscription at the [REDACTED] pursuant to the [REDACTED], subject to adjustment as described in "Structure of the [REDACTED]"

DEFINITIONS

[REDACTED]	[REDACTED]
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
[REDACTED]	[REDACTED]
[REDACTED]	the [REDACTED] dated [REDACTED] relating to the [REDACTED] entered into by, among others, the Company, the executive Directors, the Single Largest Shareholders Group, the Sole Sponsor, the [REDACTED], as further described in "[REDACTED]"
"HUST"	Huazhong University of Science and Technology (華中科技大學)
"Independent Third Party(ies)"	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules
[REDACTED]	the [REDACTED] H Shares being initially [REDACTED] by the Company pursuant to the [REDACTED], together with any additional H Shares which may be issued by the Company pursuant to the exercise of the [REDACTED], subject to adjustment as described in the section headed "Structure of the [REDACTED]"
[REDACTED]	the [REDACTED] of the [REDACTED] by the [REDACTED] at the [REDACTED] outside the United States in offshore transactions in reliance on [REDACTED], as further described in "Structure of the [REDACTED]"
"International Sanctions and Trade Controls Legal Advisers"	Eversheds Sutherland, legal advisers to our Company as to international sanctions and trade control laws

DEFINITIONS

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"IFRS(s)"	the International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board
"JI AN Nait"	Ji'an Nait Electric Power Equipment Co., Ltd. (吉安市耐特電力設備有限公司), a limited liability company incorporated in the PRC on August 5, 2025, our wholly owned subsidiary
"Latest Practicable Date"	January 20, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication
[REDACTED]	[REDACTED]
"Listing Committee"	the Listing Committee of the Stock Exchange
[REDACTED]	[REDACTED]
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"MegaMax"	Foshan MegaMax Investment Co., Ltd. (佛山市麥格斯投資有限公司), a member of our Single Largest Shareholders Group
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)

DEFINITIONS

"Mr. Chen"	Mr. Chen Liang (陳亮), a deputy general manager of the Company
"Mr. Guo Shiguang"	Mr. Guo Shiguang (郭石光), a deputy general manager of the Company
"Mr. Guo Zhenyan"	Mr. Guo Zhenyan (郭振巖), a non-executive Director
"Mr. Huang"	Mr. Huang Huijie (黃慧傑), a deputy general manager of the Company
"Mr. Liang"	Mr. Liang Lunshang (梁倫商), the secretary of the Board and one of the joint company secretaries of the Company
"Mr. Liu"	Mr. Liu Jingyuan (柳景元), a deputy general manager of the Company
"Mr. Long"	Mr. Long Jiangang (龍建剛), a non-executive Director
"Mr. Tang"	Mr. Tang Duyuan (唐都遠), an independent non-executive Director
"Mr. Wu"	Mr. Wu Yuhui (吳豫輝), a deputy general manager of the Company
"Mr. Xiao"	Mr. Xiao Juncheng (肖俊承), our founder, the chairman of the Board, an executive Director and a member of our Single Largest Shareholders Group
"Mr. Yan"	Mr. Yan Guoxiang (鄢國祥), an independent non-executive Director
"Mr. Zhao"	Mr. Zhao Nannan (趙楠楠), an executive Director and the general manager of the Company
"Ms. Chen"	Ms. Chen Lijun (陳麗君), the financial controller
"Ms. Fu"	Ms. Fu Jie (傅捷), an independent non-executive Director
"Ms. Sham"	Ms. Sham Ying Man (岑影文), one of the joint company secretaries of the Company
"NAFR"	National Administration of Financial Regulation of the PRC (中華人民共和國國家金融監督管理總局)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

DEFINITIONS

"NET (AN HUI) Electrical"	NET (AN HUI) Electrical Technology Co., Ltd. (安徽能啟電氣科技有限公司), a limited liability company established in the PRC on February 2, 2023, our wholly owned subsidiary
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"O&M"	Operations & Management
"OECD"	Organisation for Economic Co-operation and Development, an intergovernmental economic organisation dedicated to promoting economic growth, employment and sustainable development among member countries
[REDACTED]	the final [REDACTED] per [REDACTED] (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of not more than HK$[REDACTED] and expected to be not less than HK$[REDACTED], at which the [REDACTED] are to be subscribed for and issued pursuant to the [REDACTED] as described in the section headed "Structure of the [REDACTED]"
[REDACTED]	[REDACTED]
"Option and Share Incentive Plan(s)"	the share incentive plans of our Company currently in effect, including the 2022 Share Incentive Plan, the 2023 Share Incentive Plan and the 2024 Share Incentive Plan.
[REDACTED]	the [REDACTED] as named in the section headed "Directors and Parties Involved in the [REDACTED]"

DEFINITIONS

[REDACTED]	[REDACTED]
"PRC Government" or "Government"	the central government of the PRC, including all government subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the content requires, any of them
"PRC Legal Advisor"	Global Law Office, our legal advisor as to the PRC laws
[REDACTED]	the date, expected to be on or before [REDACTED] and in any event no later than 12:00 noon on [REDACTED], on which the [REDACTED] is to be fixed for the purposes of the [REDACTED]
[REDACTED]	[REDACTED]
"Province" or "province"	each being a province or, where the context requires, a provincial level autonomous region or municipality under the direct supervision of the PRC Government
"R&D"	research and development
[REDACTED]	[REDACTED] under the U.S. Securities Act

"Remuneration and Appraisal Committee"	Remuneration and Appraisal Committee of the Board
"Renminbi" or "RMB"	Renminbi yuan, the lawful currency of the PRC
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SCNPC"	the Standing Committee of the National People's Congress (全國人民代表大會常務委員會)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including H Shares and A Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Shen Zhen Source Unit"	Shenzhen DSTB Technology Co. Ltd (深圳市鼎碩同邦科技有限公司), a limited liability company incorporated in the PRC on June 27, 2011, in which our Company holds an equity interest
"Shenzhen-Hong Kong Stock Connect"	the securities market connectivity mechanism established between the Shenzhen Stock Exchange and the Stock Exchange, as amended from time to time
"Single Largest Shareholders Group"	refers to Mr. Xiao and MegaMax
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
"Sole Sponsor"	the sole sponsor as named in the section headed "Directors and Parties Involved in the [REDACTED]" in this Document
[REDACTED]	[REDACTED]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Sunrise E&E"	Foshan Sunrise Electric Manufacturing Co., Ltd. (佛山市日昇電業製造有限公司), the predecessor of our Company
"Takeovers Code"	the Codes on and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the financial years ended December 31, 2023 and 2024, and the nine months ended September 30, 2025
"treasury shares"	has the meaning ascribed thereto under the Listing Rules
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"United States" or "U.S."	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended
"USD", "U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"VAT"	value-added tax
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]	[REDACTED]
"%"	per cent

In this Document, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "controlling shareholder" and "substantial shareholder" shall have the meanings given to such terms in the Hong Kong Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this Document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanation of certain technical terms used in this Document in connection with our Company and our business. Such terms and terminology and meanings may not always correspond to standard industry meanings or usages of those terms.

"AC"	alternating current
"AOI"	automated optical inspection, an automated optical detection technology that uses machine vision to automatically identify surface defects, assembly errors and other abnormalities of products in industrial production
"APS"	advanced planning and scheduling, a digital production planning tool that leverages algorithms to automatically generate precise production schedules (including process sequencing, time allocation, and resource assignment) by integrating multi-dimensional information such as order demands, production capacity, material inventory, and equipment status
"auxiliary power distribution"	a dedicated power distribution system and its supporting operation process that supplies stable and reliable electric energy to the auxiliary equipment, control systems, monitoring devices, lighting and other auxiliary load components in power equipment, power stations, industrial production lines and other electrical systems
"box-type integrated transformer"	an integrated power equipment combining transformer, switchgear and distribution unit in a sealed box, featured with compact structure and easy installation for outdoor power distribution and new energy applications
"car-mounted inductor"	a dedicated inductor for automotive electronic systems with high anti-interference and stable performance, for energy storage and signal filtering in vehicles
"common DC bus"	an electrical architecture where multiple power conversion devices (such as inverters, rectifiers, or energy storage systems) are connected to and share a single DC power distribution line
"communication power supply"	a highly reliable dedicated power supply system for communication networks and equipment
"converter"	a general term for any power electronic device that converts electrical energy from one form to another (e.g., AC to DC, DC to AC, or DC to DC)
"dB"	decibel, a unit used to measure the intensity of sound

"DC"	direct current, an electric current that flows in one direction only, maintaining constant polarity and magnitude
"distribution transformer"	a core power equipment for power distribution networks that steps down high voltage to low voltage for end-user power supply
"dry-type transformer"	a transformer using solid insulating materials for cooling and insulation, featuring high fire safety and suitable for indoor and high-fire-risk applications
"EI transformer"	a traditional transformer with an EI-shaped silicon steel core
"epoxy-encapsulated"	a material processing and component protection technology that uses epoxy resin materials with excellent insulation, corrosion resistance and mechanical properties to fully or partially wrap electronic components, electrical parts, mechanical components and other core structures through processes such as pouring, molding and curing
"EV"	electric vehicle
"flicker-free"	a characteristic of lighting or display technology where the light output remains constant and stable, with no perceptible rapid variations in brightness or intensity that could cause visual discomfort, eye strain, or neurological effects in sensitive individuals
"GFA"	gross floor area
"grid connection"	the process and technical requirements for interfacing a power generation source (such as a photovoltaic system, wind farm, or energy storage system) with the public electricity grid
"high-frequency magnetic components"	core electronic components that transmit and convert energy at high frequencies for new energy power conversion systems
"HVDC"	high-voltage direct current
"hydrogen energy transformer"	a dedicated power conversion device for hydrogen energy systems, realizing stable conversion and transmission of electrical energy in hydrogen production, storage and power generation links

"industrial control"	namely industrial automation, which specifically includes the following: integrated automation systems required for large-scale complex production processes and continuous production processes; integrated automation control systems that support multiple fieldbus standards and industrial Ethernet and are compatible with internet connectivity; detection and control instruments applying fieldbus technology; high-performance intelligent controllers; high-efficiency and energy-saving speed control systems for large-scale transmission equipment; digital and intelligent sensors; various fieldbus-integrated software and hardware products; as well as intelligent industrial control components and actuators
"integrated energy storage converter and step-up units"	integrated power device combining energy storage conversion and voltage step-up functions, realizing bidirectional energy conversion and grid-connected power transmission for energy storage systems
"inverter(s)"	a converter that converts DC (from batteries or storage batteries) into AC of fixed frequency and fixed voltage or variable frequency and variable voltage (typically 220V, 50Hz sine wave), it consists of an inverter bridge, control logic and filter circuit
"ISO"	the International Organization for Standardization
"kHz"	kilohertz, equal to one thousand cycles per second
"kV"	kilovolt, equal to one thousand volts of electricity
"kVA"	kilovolt-ampere, equal to 1,000 volt-amperes
"LED"	light emitting diode, a semiconductor light source that emits light when current flows through it
"LED driver"	a dedicated power supply that regulates current and voltage for stable power supply to LED lighting devices
"lighting fixtures"	integrated lighting equipment consisting of light sources, housings and accessories for various illumination scenarios
"MES"	manufacturing execution system, a software system that monitors, manages and controls the entire production process on the factory floor in real time, connecting the enterprise-level ERP with the workshop-level equipment and operations — such as production scheduling, process tracking, quality control, equipment management and data collection

"MW"	megawatt, equal to one million watts of electric power
"MWh"	megawatt hour, a unit of electrical energy equal to one million watt-hours
"new energy"	various energy forms other than traditional energy, also known as unconventional energy, such as solar energy, geothermal energy, wind energy, ocean energy, biomass energy and nuclear fusion energy
"new energy vehicle charging piles"	dedicated charging equipment for new energy vehicles that converts grid power to charge vehicle batteries with adjustable power output
"oil-immersed transformer"	a transformer using insulating oil as cooling and insulating medium for power transmission and distribution systems
"Panama power supply"	an integrated HVDC power supply architecture for data centers, named after the "one-step" efficiency of the Panama Canal, which directly converts 10kV medium-voltage AC to 240V/336V DC in one stage, eliminating multiple intermediate conversion links such as traditional transformers, low-voltage distribution and UPS, and integrating medium-voltage distribution, isolation transformation, rectification and DC distribution
"phase-shift transformer"	a special transformer that adjusts the phase angle of the power supply to optimize power distribution and improve grid stability
"power supply"	a device that supplies a specific voltage, current (or power) to a load
"PPS"	polyphenylene sulfide, a high-performance thermoplastic engineering plastic with excellent heat resistance, chemical corrosion resistance, electrical insulation, flame retardancy and mechanical properties, which maintains stable physical and chemical properties in high-temperature, corrosive and harsh industrial environments
"pulse rectification"	a rectification method that converts AC into DC by using pulse signals, achieving current conversion through controlled on-off of power electronic devices
"PV"	photovoltaic, a technology that directly converts light energy into electrical energy by utilizing the photovoltaic effect at the semiconductor interface
"Q40"	a dedicated test condition identifier in reliability testing, referring to a constant temperature of 40℃

GLOSSARY OF TECHNICAL TERMS

"Q60"	a dedicated test condition identifier in product quality testing, referring to a constant temperature of 60℃
"QA"	quality assurance, a systematic management measure for product quality control in the production process
"single-phase transformer"	a transformer that operates on single-phase AC power for low-power distribution and small-scale electrical equipment supply
"smart transformer station"	an intelligent power distribution facility integrated with digital monitoring, automatic control and data communication functions for efficient operation and intelligent management of power grids
"solid-state transformer"	power conversion equipment that uses power electronic devices (such as semiconductors) to realize electrical energy transformation and transmission instead of traditional iron core and coil structures
"sq.m."	square meter, the SI unit of area equal to a square with sides of one meter in length
"step-up"	a technical process or functional design that increases the voltage, pressure, power or other physical parameters of a medium, equipment or system to a specified level in accordance with operational requirements
"switchgear"	a core electrical equipment system that integrates electrical switching devices, protective components, measuring instruments, auxiliary equipment and their supporting structures
"switching power supply"	an efficient power converter that regulates voltage via high-frequency switching
"three-phase transformer"	a transformer operating on three-phase AC power, featuring high power transmission efficiency
"toroidal transformer"	a transformer with an annular core
"transformer(s)"	an electrical device that converts voltage and current into another (or several) different levels of voltage and current
"UPS"	uninterruptible power supply, an independent power supply device that provides continuous and stable electric energy for electrical and electronic equipment by converting and storing electric energy

"V"	volt
"WMS"	warehouse management system, a software system that systematically plans, executes, monitors and optimizes the entire operational process of the warehouse in real time

FORWARD-LOOKING STATEMENTS

This Document includes forward-looking statements. All statements other than statements of historical facts contained in this Document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions, including those related to the PRC;
- our business prospects and our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate;
- various business opportunities that we may pursue; and
- capital market developments, changes in the global economic conditions and material volatility in the global financial markets.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and elsewhere in this Document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this Document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Document might not occur. All forward-looking statements contained in this Document are qualified by reference to the cautionary statements set out in this section.

An [REDACTED] in our H Shares involves various risks. You should carefully consider all the information in this Document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. These risks could materially and adversely affect our business, financial condition, and results of operations. The trading price of our H Shares could decline due to any of these risks and uncertainties, and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition and results of operations.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given will not be updated after the date hereof and is subject to the cautionary statements in the section headed "Forward-looking Statements" in this Document. You should seek professional advice from relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to our financial position and need for additional capital; (iii) risks relating to conducting business in jurisdictions where we operate; and (iv) risks relating to the [REDACTED].

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial condition, results of operations and prospects. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business is subject to cyclicality and macroeconomic fluctuations in the industries we serve.

Our business is affected by the overall macroeconomic environment and the investment and consumption cycles in the industries and end-markets we serve, including industrial, consumer electronics and other application sectors. Demand for our products may be influenced by factors such as capital expenditure plans of customers, changes in downstream consumption, technological upgrades, inventory adjustments in the supply chain and general economic conditions.

During periods of economic slowdown, industry downturn or weaker end-market demand, our customers may postpone, reduce or cancel their orders, adjust their inventory levels or negotiate for lower prices and longer payment terms. In addition, uncertainties in the macroeconomic environment, including inflation, interest rate changes, currency volatility and regional or global crises, may negatively affect our customers' business performance and willingness to invest in new projects or products.

As a result, our revenue, margins and cash flows may fluctuate significantly from period to period, and our historical performance may not be indicative of future results. If industry or macroeconomic conditions worsen or remain weak for an extended period of time, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We operate in a highly competitive market and face pricing pressure, which may adversely affect our margins.

We operate in a competitive market where we face competition from existing industry participants as well as new entrants. Competitors may include domestic and international manufacturers offering similar or substitute products. They may compete with us on the basis of price, product performance, quality, reliability, delivery time, technological capabilities, brand recognition and service.

In order to maintain or increase our market share, we may be required to offer more competitive pricing, provide additional technical support or invest more resources in product development and customer service. Technological advancements or changes in customer preferences could also render certain of our products less competitive if we do not respond in a timely and effective manner. In addition, some competitors may have greater financial, technological or marketing resources than we do, enabling them to withstand periods of market downturn, invest more aggressively in R&D or offer more favorable commercial terms to customers.

If we are unable to compete effectively, we may experience loss of customers, reduced order volumes or pressure to lower prices, which could erode our gross margins and profitability. Any sustained increase in competitive intensity or pricing pressure could materially and adversely affect our business, financial condition, results of operations and prospects.

Our business is highly dependent on the capital investment cycles of downstream industries such as infrastructure, new energy products, and consumer electronics. Any slowdown in market demand within these sectors will directly impact our revenue and profitability.

Our product portfolio includes new energy products, data center products, power distribution products, industrial control products, lighting products, and other related offerings. During the Track Record Period, these product lines generated significant revenue. Please see " Financial Information — Description of major components of our results of operations — Revenue" for further details.

Our customers primarily operate in sectors characterized by long-cycle capital investments, such as those involved in renewable energy, data infrastructure, grid modernization, and industrial automation. These sectors typically follow extended capital expenditure cycles spanning several years, including phases like equipment investment, capacity expansion, and technology upgrades, which reflect the capital-intensive nature of these industries. As a result, demand for our products is closely tied to the level, timing, and continuity of investment activities in these downstream industries, rather than short-term consumer demand.

For example, the demand for PV-related transformers and power conversion components is directly linked to global investment cycles in renewable energy projects, energy storage deployment, and power grid construction. Any slowdown, postponement, or reduction in PV installations, grid expansion, or infrastructure upgrades could lead to reduced procurement by project developers, utilities, and contractors, weakening demand for these products. Similarly, sales of our distribution transformers are closely tied to power grid expansion and upgrading cycles, and any delays or contractions in infrastructure investment could negatively impact sales volumes in this product category.

In addition, demand for our lighting products is influenced by production volumes in the consumer electronics sector and the pace of energy-efficient LED adoption in residential, commercial, and industrial applications. This segment is particularly sensitive to macroeconomic conditions, construction activity, and retrofit cycles, which may fluctuate significantly over time.

The capital expenditure cycles in these end markets are influenced by external factors beyond our control, such as global and regional economic conditions, government policies, fiscal budgets, financing costs, technological developments, and fluctuations in commodity prices. A sustained slowdown or contraction in any of our key end markets could result in reduced customer orders, intensified price competition, and delays or cancellations of projects.

Given our limited ability to rapidly adjust our cost structure or diversify revenue sources in the short term, adverse changes in demand arising from these capital expenditure cycles may have an amplified impact on our revenue, gross margins, and overall profitability. Consequently, our financial condition and results of operations could be materially and adversely affected.

We are exposed to risks from raw material and component price volatility and supply chain disruptions.

Our manufacturing operations depend on the timely and cost-effective supply of raw materials and components from our suppliers. During the Track Record Period, direct materials constituted the largest component of our cost of sales. In 2023 and 2024, and for the nine months ended September 30, 2024 and 2025, our cost of direct materials amounted to RMB2,504.8 million, RMB3,173.9 million, RMB2,170.2 million and RMB2,574.2 million, respectively, accounting for 88.4%, 86.3%, 85.8% and 83.1% of our total cost of sales, respectively. As a result, changes in the prices of our major materials may have a direct impact on our cost of sales and, in turn, our financial performance. The prices of our key inputs may be affected by factors such as global and regional supply-demand dynamics, commodity price fluctuations, production capacity changes, energy costs, regulatory developments and geopolitical events, and may fluctuate with market conditions. To mitigate the impact of such price fluctuations, we procure major materials through standardized and stringent supplier selection and management procedures. However, we may not always be able to pass on increases in input costs on to our customers in a timely manner, or at all, due to market competition, contractual arrangements or customer sensitivities.

In addition, our supply chain may be subject to disruptions arising from supplier capacity constraints, changes to customs or tariff policies, trade restrictions (including sanctions and export controls), quality issues, logistics delays, labor disputes, natural disasters, pandemics, regulatory restrictions or other unforeseen events. If any major supplier fails to deliver materials or components of the required quality, quantity or specifications on a timely basis, we may experience production delays, increased rework or replacement costs, or challenges in meeting customer delivery schedules.

Although we adopt certain procurement and inventory management practices and may work with multiple suppliers for certain materials, these measures may not fully insulate us from cost volatility or supply disruptions. Any sustained increase in raw material or component prices, or any material interruption in supply, could increase our operating costs, reduce our margins, disrupt our operations and adversely affect our business, financial condition, results of operations and prospects.

Rapid technological change in the power electronics and new energy industries requires sustained research and development investment, and failure to maintain adequate R&D capabilities could weaken our competitiveness.

Our ability to remain competitive depends on our capacity to keep pace with technological developments in areas such as power conversion efficiency, energy storage, system integration, grid-interactive capabilities, digitalisation and smart energy management. We must ensure that our products, including high-frequency magnetic components, smart transformer stations, data center transformers and HVDC power supply systems, continue to meet evolving customer requirements and industry standards.

During the Track Record Period, we incurred significant R&D expenses. In 2023 and 2024, and for the nine months ended September 30, 2024 and 2025, our total R&D expenses amounted to RMB185.8 million, RMB191.2 million, RMB145.7 million and RMB173.9 million, respectively. However, the growth rate of our R&D investment has lagged behind revenue growth, and the ratio of R&D expenses to revenue has not fully recovered to prior levels.

If our R&D investment is insufficient or not effectively allocated, product upgrades and technological innovation may lag behind market developments. Should competitors introduce products with higher efficiency, lower costs or superior performance, we may be forced to reduce prices to maintain market share, which would place further pressure on our gross margins.

Research and development activities are inherently uncertain, and there is no assurance that our investments will result in commercially successful products. If our technological advantages erode, we may experience loss of market share, unrecovered R&D costs and reduced profitability, potentially creating a negative cycle of declining competitiveness and constrained future R&D investment. Any such developments could materially and adversely affect our business, financial condition and results of operations.

A portion of our revenue is derived from overseas markets including North America, Europe, and Southeast Asia, exposing our export business and operations to legal, regulatory, political, and economic risks beyond our control.

We have established subsidiaries in key overseas sales regions, including the United States, Japan and Germany, and have gradually developed an international sales network globally. These subsidiaries of the Company, in the opinion of the directors of the Company, principally affected the results during the Track Record Period or formed a substantial portion of the net assets of the Group. As a result, our export business and overseas operations are exposed to legal, regulatory, political and economic risks beyond our control.

These risks include trade disputes, tariff increases, trade restrictions, and differences in regulatory and safety requirements, technical standards (such as grid interconnection and energy efficiency requirements), customs procedures and product certification regimes across jurisdictions. Non-compliance with applicable requirements may lead to sales delays, penalties, market access restrictions, or the need for costly product redesigns or delayed product launches.

In addition, geopolitical developments, changes in free trade arrangements, stricter export controls over our products supplied to these markets, sanctions that may be imposed against certain customers in these markets, currency fluctuations, foreign exchange controls, restrictions on profit repatriation and differing tax regimes may adversely affect market access, component sourcing and overall financial performance. If we are unable to effectively manage these challenges, our international expansion, cost structure, customer retention and growth prospects could be constrained, materially and adversely affecting our export sales, competitiveness, business, financial condition and results of operations.

Our Group's success depends on maintaining and expanding our customer base while encouraging increased use of our products and services.

Our continued success depends on maintaining and expanding our customer base and increasing customer adoption of our products and services. We emphasize customer-driven R&D and long-term collaboration with strategic customers to support recurring demand.

However, customer engagement may decline due to factors such as dissatisfaction with product performance, competitive pressure, macroeconomic conditions or changes in customer strategies. If we fail to adapt to industry trends, continue innovating or maintain strong customer relationships, customer retention and acquisition may be adversely affected.

Any sustained decline in customer engagement could lead to lower revenue and materially and adversely affect our business, financial condition and results of operations.

Any shortage in key supplies or disruptions to our supply chain may have an adverse effect on our business, financial condition and results of operations.

We rely on third-party suppliers to provide materials and components used in our production processes. In 2023, 2024 and the nine months ended September 30, 2025, purchases from our top five suppliers for each period during the Track Record Period amounted to approximately RMB555.2 million, RMB694.3 million and RMB526.4 million, representing 20.1%, 20.5% and 19.9% of our total purchase amount for such period, respectively. The purchases from our largest supplier for each period during the Track Record Period amounted to approximately RMB159.9 million, RMB174.6 million and RMB147.2 million, representing 5.8%, 5.2% and 5.6% of our total purchase amount in the same periods, respectively. Although we maintain qualified supplier records and utilize an ERP system to support procurement planning, our operations remain dependent on the stability, reliability and performance of these suppliers.

The timely availability and consistent quality of materials supplied by third parties are critical to our ability to manufacture products according to schedule, maintain product standards and meet customer delivery requirements. Any interruption, delay or shortfall in the supply of required materials from key suppliers could disrupt our production plans and adversely affect our ability to fulfill customer orders.

In addition, as our business expands globally, we procure certain materials from overseas suppliers. Geopolitical tensions, trade restrictions, export controls or changes in customs or tariff policies may increase procurement costs, affect pricing, extend lead times or, in certain circumstances, limit or prevent the sourcing of imported materials from certain suppliers in accordance with applicable laws and regulations. Although we seek to mitigate such risks through supplier diversification and inventory management, these measures may not fully offset the impact of supply chain disruptions.

Any sustained shortage of key materials or disruption to our supply chain could increase operating costs, reduce production efficiency, delay order fulfilment and impair customer relationships. As a result, our business, financial condition and results of operations could be materially and adversely affected.

We operate across multiple product categories, and any failure to effectively allocate resources among these segments may adversely affect our overall performance.

We operate across multiple product categories, including (i) transformer and power equipment products, comprising new energy products, data center products, power distribution products and industrial control products, (ii) lighting products, and (iii) other products. Each of these product categories differs in terms of market dynamics, customer requirements, competitive landscape, technological development cycles and capital investment needs.

Our management is required to continuously allocate financial, human and operational resources among these product segments in response to changing market conditions and strategic priorities. However, we may not be able to accurately anticipate market trends or appropriately balance resource allocation among these segments at all times.

Over-investment or under-investment in any particular product category, or delays in reallocating resources in response to market changes, could result in missed growth opportunities, increased costs or reduced operational efficiency.

If we fail to effectively balance resources among our various product segments, our overall operating performance, profitability and growth prospects may be adversely affected, which could materially and adversely affect our business, financial condition and results of operations.

Our manufacturing operations consume significant amounts of electricity and other forms of energy, exposing us to risks from rising global and regional energy costs as well as potential supply disruptions.

We are exposed to the risk of rising energy prices as well as potential supply disruptions, both of which could adversely affect our operations and financial performance. Volatility in, or shortages of, electricity or other energy inputs may arise from factors beyond our control, including fluctuations in fuel prices, instability of local or regional power grids, geopolitical events affecting energy supply and pricing, adverse weather conditions or natural disasters, and changes in energy, environmental or climate-related policies or regulations. Any of these factors could result in higher tariffs, surcharges, mandated curtailments, or unplanned outages affecting the facilities from which we obtain electricity or other energy. In response to these risks, we may from time to time take mitigation measures, such as adjusting our production schedules, arranging for alternative energy supply or maintaining backup power systems. However, these measures involve additional capital and operating expenditures, may not be economically viable in all circumstances and cannot guarantee uninterrupted power supply or full protection against cost increases. In particular, our ability to pass higher energy costs on to customers through price adjustments is subject to market conditions, competitive dynamics and contractual arrangements, and there can be no assurance that such cost increases will be fully or promptly recovered.

A sustained increase in energy prices, or prolonged or recurrent disruptions in our energy supply, would directly increase our operating expenses, could lead to production interruptions or delays, and may adversely affect our cost structure, margins, profitability and competitive position. Any resulting deterioration in our ability to meet delivery schedules, maintain product quality or operate our facilities efficiently could negatively affect our customer relationships and reputation. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Failure to maintain required certifications and regulatory compliance could restrict our market access and disrupt our operations.

Our products as introduced in the "Business — Our Products" section above are subject to mandatory safety, quality and environmental standards in the jurisdictions where they are sold, including ISO and country-specific certifications. These certifications are subject to periodic renewal and ongoing supervision.

If we fail to renew required certifications or if certifications are suspended or revoked due to non-compliance or product defects, we may be prohibited from manufacturing, selling or exporting the affected products. Regulatory authorities may also impose penalties or require corrective actions.

Given the international scope of our operations, any certification-related failure could result in operational disruptions, reputational damage and loss of market access, materially and adversely affecting our business, financial condition and results of operations.

Our financial results may be adversely affected by tax risks relating to our transfer pricing arrangements.

During the Track Record Period, we conducted intra-group transactions among our subsidiaries in PRC, the United States, Japan, Malaysia, Thailand and Hong Kong. We believe that we have complied with the transfer pricing laws and regulations in the relevant jurisdictions and that these transactions adhered to the arm's length principle under the OECD Transfer Pricing Guidelines for the years 2023, and 2024 and the nine months ended September 30, 2025. However, there can be no assurance that our arrangements will not be challenged by tax authorities, or that the relevant laws and regulations will not be amended or reinterpreted in the future.

If tax authorities determine that any intra-group transaction was not conducted on an arm's length basis, they may adjust the taxable income of the relevant entities through a transfer pricing adjustment. This could result in the reallocation of income, the imposition of additional tax assessments, and the levying of statutory interest or penalties. Any such adjustment would increase our tax liabilities and overall tax burden, and may necessitate changes to our operating or pricing practices. Failure to rectify any non-compliance within the required timeframe could lead to further late payment interest, surcharges, or other penalties. Additionally, tax adjustments in one jurisdiction could give rise to recoverable taxes in another.

Adverse determinations regarding our transfer pricing could also lead to disputes, increase our compliance costs, and divert management attention. Consequently, our business, financial condition, and results of operations could be materially and adversely affected.

We rely on continuous and substantial R&D investment to strengthen our technological capabilities, support our diversified product portfolio, and advance power electronics and renewable energy solutions, with R&D expenses expected to remain at relatively high levels.

In 2023, 2024, and the nine months ended September 30, 2025, research and development expenditure was RMB185.8 million (5.1% of revenue), RMB191.2 million (4.2% of revenue), and RMB173.9 million (4.6% of revenue), respectively. Research and development activities are inherently subject to uncertainty. Our ability to achieve anticipated technical outcomes depends on, among other factors, the availability of sufficient resources, including qualified personnel, as well as effective project management and execution. Even where technical milestones are achieved, commercialization may be delayed or constrained by regulatory requirements, supply chain limitations, or higher-than-expected production and implementation costs.

Given the rapid pace of technological change in our industry, there is no assurance that our solutions can be upgraded in a timely, efficient or cost-effective manner. Technological breakthroughs by competitors may render our existing or future technologies obsolete or commercially unattractive, which could limit our ability to recover research and development expenditures. As a result, our revenues, market share, profitability and cash flows may be adversely affected.

In addition, insufficient investment in research and development, or the failure of key development projects to achieve their intended objectives, could weaken our competitive position. Any of the foregoing circumstances may materially and adversely affect our market position, business, financial condition and results of operations.

We may not be able to effectively manage our distributors, and any actions taken by our distributors in breach of the framework agreements or sales guidelines could materially and adversely affect our business, prospects and reputation.

We have limited control over the operations and conduct of our distributors, all of whom, to the best knowledge of our Directors, were Independent Third Parties during the Track Record Period. We primarily rely on distribution agreements and sales guidelines to regulate our relationships with our distributors. We have implemented certain measures to manage our distributors, including monitoring their compliance with applicable laws, rules, regulations and our internal policies. For details, see "Business — Sales and Marketing — Sales through distributors" in this Document. However, we cannot assure you that we will be able to manage our distributors effectively at all times, or that our distributors will not breach our agreements or policies.

If any of our distributors engages in one or more of the following activities, our business, results of operations, prospects and reputation may be materially and adversely affected: (i) breaching the distribution agreements or our internal policies and measures; (ii) failing to obtain or maintain the requisite licenses, permits or approvals, or failing to comply with applicable regulatory requirements in connection with the sale, export or transfer of our products; or (iii) violating sanctions, import and export controls, customs requirements or other trade regulations, anti-corruption, anti-bribery, competition or other applicable laws and regulations in the PRC or other jurisdictions.

Any breach or alleged breach by our distributors of the distribution agreements, sales guidelines or applicable laws and regulations could result in potential legal liability incurred by us, damage to our goodwill, a decline in the market value of our brand and adverse public perception regarding the quality of our products, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to ESG laws and regulations, and any failure to comply with such requirements may have a negative impact on our business operations.

We are subject to various ESG laws and regulations imposed by regulatory bodies, including the Stock Exchange upon our [REDACTED], as well as regulatory authorities in the PRC. For details, please refer to "Business" in this Document. We are required to adapt to new and evolving regulatory measures under applicable laws and changing social trends relating to ESG risks. However, such laws, regulations and policies continue to evolve, and investors are increasingly focusing on ESG matters and incorporating ESG performance into their [REDACTED] decisions, while customers are becoming more environmentally conscious and tending to prefer products designed and manufactured in a more environmentally friendly manner.

In response, we monitor environmental- and climate-related risks that may affect our business, strategy and financial performance, and assess the potential impact of such risks over the short-, medium- and long-term horizons. We also monitor a range of indicators to manage environmental and climate-related risks arising from our operations, and we are committed to providing appropriate support to our employees in order to foster a positive and supportive corporate culture. Our efforts to comply with new and evolving laws, regulations and social trends relating to ESG matters may result in increased general and administrative expenses and require management to devote additional time and attention to compliance matters rather than operational activities, which could materially and adversely affect our business, financial condition and results of operations.

Any discontinuation of preferential tax treatments or imposition of any additional taxes and surcharges could adversely affect our financial condition and results of operations.

We enjoyed certain preferential tax treatments and export tax refunds. For example, during the Track Record Period, our certain subsidiaries operating in the PRC were accredited as "High and New Technology Enterprise" ("**HNTE**"), and were therefore eligible for a preferential EIT rate of 15%. Certain subsidiaries were entitled to other types of preferential tax treatments. For details, see "Financial Information — Description of Major Components of Our Results of Operations — Income Tax Expense." However, any expiration or change of these preferential tax treatments could adversely affect our operating results. We cannot assure you that the policies on preferential tax treatments and export tax refund will remain unchanged or that the current preferential tax treatments we enjoy will not be canceled. In addition, we cannot assure you that we will continue to enjoy similar preferential tax treatment in the future. If any of our subsidiaries ceases to be entitled to preferential tax treatment, it may lead to an adverse effect to our results of operations.

Our products are deployed in critical infrastructure applications, and any safety or quality failure could materially damage our reputation and financial performance.

Our products, including transformers, LED drivers and related components, are used in critical infrastructure such as power grids, data centers and renewable energy systems, where safety, reliability and operational stability are essential. Accidents may occur during the course of business. In addition to claims arising from accidents, we may also experience interruptions to our business as a result of governmental investigations or the implementation of safety measures upon occurrence of accidents. For details, please refer "Business — Environmental, Social and Governance — 5.3 Employee Health & Safety" of this Document.

If our products fail to meet applicable safety standards or regulatory requirements, we may be required to initiate recalls, implement corrective measures or face product liability claims. Product issues may arise from components such as insulation materials, power semiconductor modules, control systems or magnetic components, and the direct costs of remediation may not always be fully recoverable from suppliers.

In addition to direct costs, product defects or recalls may result in indirect consequences, including production disruptions, increased warranty claims, adverse publicity, loss of customer confidence and potential regulatory actions. Even perceived quality issues could negatively affect our reputation. Any significant product quality failure could materially impair our brand, customer relationships and market position, thereby materially and adversely affecting our business, financial condition and results of operations.

We derive a significant portion of our revenue from LED driver products, and the increasing commoditization of the LED driver market may adversely affect our business, financial condition and results of operations.

We derive a significant portion of our revenue from the sale of LED driver products. The LED driver market is highly competitive and has become increasingly commoditized due to rapid technological diffusion, standardization of product specifications and the presence of numerous domestic and international competitors. As a result, LED driver products are often subject to intense price competition.

In addition, industry-wide capacity expansion and relatively low barriers to entry may result in oversupply in the LED driver market from time to time. Such oversupply may further intensify price pressure and limit our ability to pass on increases in raw material, labor and other production costs to our customers. As competition increases and product differentiation becomes more difficult to maintain, we may be required to lower our selling prices, offer more favorable commercial terms or incur additional marketing and sales expenses to maintain or expand our market share.

If we are unable to effectively differentiate our LED driver products, improve operational efficiency or manage pricing pressure, our gross margins and profitability may be adversely affected. Consequently, our business, financial condition and results of operations could be materially and adversely affected.

We depend on our key management and technical personnel, and the loss of any of them could adversely affect us.

Our success depends to a significant extent on the experience, expertise and continued service of our key management, technical and engineering personnel. These individuals possess a deep understanding of our business, products, technologies, customer relationships and operational processes, and have played an important role in formulating and executing our strategies, managing our operations and driving our product development.

Competition for qualified management and technical personnel in our industry is intense. If any of our key personnel resigns, retires or otherwise ceases to work for us, we may not be able to recruit or retain suitable replacements in a timely manner or on commercially reasonable terms. The integration of new personnel may also take time and may not be successful. In addition, the loss of key personnel could disrupt our operations, affect our relationships with customers, suppliers and other business partners, and result in the loss of institutional knowledge and technical know-how.

Although we have implemented certain human resources policies and incentive schemes, there is no assurance that we will be able to retain our key personnel or attract new talent as needed. Any significant loss of key management or technical personnel, or failure to effectively recruit, develop and retain qualified personnel, could materially and adversely affect our business, financial condition, results of operations and prospects.

Our Single Largest Shareholders Group may cease to be our single largest shareholders group in case of default of his obligations under a bona fide commercial loan, which could have a negative impact on the control of Mr. Xiao in the operations of the Company and in turn our business, operation and financial results.

As of Latest Practicable Date, in order to obtain financing for his personal needs, Mr. Xiao has from time to time pledged the A Shares he owned directly or indirectly to certain PRC financial institutions as collateral. As of the Latest Practicable Date, Mr. Xiao has pledged 12.9% of the voting power of our Company as security in favor of certain PRC financial institutions regulated by the NAFR and/or the CSRC. For further details of the pledge arrangements, see "Single Largest Shareholders Group — Share Pledges by Mr. Xiao."

In the unlikely event of default by Mr. Xiao and MegaMax under the said bona fide commercial loan(s), the lenders can enforce the share pledge arrangement and Mr. Xiao and MegaMax may cease to be a member of the single largest shareholder group, which could have a negative impact on the control of Mr. Xiao in the operations of the Company and in turn our business, operation and financial results.

We are actively expanding into new energy products as part of our growth strategy, but this new segment exposes us to risks due to rapid technological changes.

One of our key new energy products is "High Frequency Magnetic Components", which serve as critical functional components in PV inverters, new energy vehicles, charging piles, and energy storage systems. High Frequency Magnetic Components are PV-related products operating at frequencies above approximately 1 kHz and rely on specialized magnetic core materials, winding structures and high power-density designs. Our product development and design processes incorporate dedicated high-frequency magnetic core materials and optimized winding structures, with designs intended to deliver heat resistance, anti-aging performance and operational reliability for long-term use in high-reliability scenarios.

However, the power electronics industry is characterized by rapid technological evolution in areas such as system architecture, materials science and system integration. Continuous advances in these areas may necessitate frequent product iteration and redesign. There is no assurance that our existing or future designs will remain competitive as technologies evolve, and certain designs may become less attractive or obsolete over time. Any failure to keep pace with technological developments could weaken the competitiveness of our products and adversely affect our market position.

We rely on a limited number of major customers and any reduction in orders from these customers could adversely affect us.

A portion of our revenue is derived from a limited number of major customers. In particular, sales to a single major customer amounted to RMB1,554.4 million in 2023, RMB1,623.7 million in 2024 and RMB1,018.9 million for the nine months ended September 30, 2025. In addition, the aggregate revenue attributable to our top five customers amounted to RMB2,041.0 million in 2023, RMB2,403.2 million in 2024 and RMB1,684.7 million for the nine months ended September 30, 2025. The relatively high contribution from a limited number of customers indicates a certain degree of customer concentration, which exposes us to heightened risks associated with fluctuations in demand, purchasing decisions and creditworthiness of these major customers. As a result, any adverse change in the business relationship with one or more key customers could have a disproportionate impact on our revenue and operating performance.

These customers may, from time to time, experience changes in their own business strategies, procurement policies, product road-maps or financial conditions, which could in turn affect their demand for our products. Our sales to any particular customer may vary significantly from year to year and there is no assurance that such customers will maintain or increase their level of purchases from us in the future.

Our major customers may reduce their orders, delay deliveries, request price reductions, change their suppliers, or terminate cooperation with us for various reasons, including their own market performance, internal supply chain optimization, strategic adjustments or competitive offers from other suppliers. In addition, if we fail to meet their quality, delivery, cost or technology requirements, they may reduce their reliance on us or cease to source from us.

If we lose one or more major customers, or if any such customer significantly reduces its orders or fails to make timely payments, we may not be able to quickly replace the lost business with new customers or orders on comparable terms.

Limitations or disruptions in our customer acquisition channels could adversely affect our revenue growth.

We rely on a combination of reactive and proactive customer acquisition channels, including international trade fairs, exhibitions, customer referrals and targeted outreach by our business development teams. Reactive channels have historically played an important role in generating exposure and customer engagement.

Factors beyond our control, such as public health incidents, geopolitical tensions or budget constraints, may limit our ability to participate in exhibitions or trade fairs. Alternative channels may not provide equivalent exposure or cost efficiency.

Sustained limitations on our marketing and customer acquisition channels could weaken market visibility, delay product promotion and increase customer acquisition costs, thereby materially and adversely affecting our revenue growth and business performance.

Our success depends significantly on protecting our proprietary technologies, products, and solutions through intellectual property rights, including patents, software copyrights, registered trademarks, and domain names filed in China and overseas jurisdictions.

Our success depends in part on our ability to protect our proprietary technologies, products and solutions through intellectual property rights, including patents, software copyrights, registered trademarks and domain names in the PRC and overseas jurisdictions. As of September 30, 2025, we held 47 registered trademarks, 542 patents and 51 copyrights in the PRC.

The process of applying for, prosecuting and maintaining intellectual property rights is time-consuming and costly. We may fail to timely identify patentable aspects of our research and development activities, or to file and prosecute all necessary applications in a cost-effective manner. Even where patents are granted, they may provide only limited protection, as competitors may design non-infringing alternatives, challenge the validity or enforceability of our intellectual property rights, or benefit from the expiration of such rights after their statutory terms. In addition, ongoing compliance with procedural requirements, such as responses to office actions and payment of maintenance fees, is required to maintain intellectual property rights, and any failure to comply could result in lapse or abandonment.

If our intellectual property rights are compromised, competitors may be able to replicate or compete more effectively with our products, eroding our market position. Furthermore, we may be subject to infringement claims by third parties, which are not uncommon in our industry. Such claims, whether or not ultimately successful, could result in costly litigation, product redesigns, sales suspensions or unfavorable licensing arrangements, and would divert management attention and resources. Any of these outcomes could materially and adversely affect our business, results of operations, financial condition, competitive position and prospects.

We may fail to identify or avoid infringing third-party intellectual property rights, as determinations of patent infringement require complex legal and factual analyses with uncertain outcomes.

We may not always be able to identify or avoid infringing third-party intellectual property rights, as determinations of infringement involve complex legal and factual analyses with uncertain outcomes. Employees or contractors may inadvertently use proprietary information, and certain patents or trademarks may not be publicly identifiable.

Any claims alleging intellectual property infringement, regardless of merit, could be costly and time-consuming to resolve and may require us to suspend product sales, redesign products or pay damages or licence fees. Such risks could materially and adversely affect our business, financial condition, results of operations and prospects.

Our Group is actively expanding its global footprint with branches and operations in several countries and jurisdictions.

Our Group is actively expanding its global footprint through operations and facilities in multiple overseas jurisdictions, including the U.S., Europe, Japan, Hong Kong, Mexico, Peru, Malaysia and Thailand. Certain overseas production facilities are at different stages of ramp-up or construction, and our strategy currently focuses on expanding capacity at existing sites rather than establishing additional manufacturing bases.

These overseas operations expose us to a range of legal, regulatory, political and economic risks that are beyond our control and difficult to predict. Each jurisdiction imposes distinct regulatory and safety requirements, technical standards, customs procedures and product certification regimes, and any failure to comply may result in delays, penalties or restrictions on sales. In addition, products may require adaptation to local grid standards, interconnection requirements, energy efficiency regulations and customer specifications, while managing differing legal, tax, labor and cultural environments increases operational complexity and costs.

Our international operations are also subject to risks arising from political instability, geopolitical tensions, trade barriers and other international trade policies, tariff changes, export controls and economic sanctions, which may increase costs or restrict market access and component sourcing. Currency fluctuations, foreign exchange controls, profit repatriation restrictions and differing tax regimes may further adversely affect financial performance. Failure to effectively manage these risks could constrain our overseas expansion, increase operating costs, impair customer acquisition and retention, and materially and adversely affect our business, financial condition, results of operations and growth prospects.

Our Group is undertaking digital transformation initiatives and relies on information technology systems for daily operations, including internal communications, customer data management, product development, project management, and production processes.

Our information technology systems, including those supporting our production management, supply chain coordination, financial reporting and internal communications, are subject to risks such as hardware and software failures, system defects, viruses, cyber-attacks, ransomware incidents and other security breaches. These systems also rely on stable power supply and network connectivity, which are susceptible to failures or disruptions beyond our control.

Any material disruption, breakdown or breach of our IT systems, whether caused by internal errors, third-party service failures, malicious attacks or external events such as natural disasters, could result in the loss, corruption, unauthorized disclosure or unavailability of critical data. System failures or prolonged downtime could impede our ability to manage production schedules, track inventory, process customer orders, issue invoices or perform financial and management reporting on a timely basis. In addition, any actual or perceived compromise of data security, including the unauthorized access, use or disclosure of confidential or personal information, could damage our reputation and expose us to potential disputes or regulatory actions.

Although we maintain certain backup systems, security measures and contingency plans, these measures may be insufficient to prevent or fully mitigate all types of incidents, particularly as cyber-security threats continue to evolve in frequency, complexity and sophistication. If any of the foregoing events were to occur, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our Group's market reputation benefits from certifications, rankings, and awards from reputable industry associations.

Our Group's market reputation is supported in part by certifications, recognitions and memberships awarded by industry organizations and third-party institutions, as well as by our participation in industry associations. These certifications and recognitions may be considered by our customers, suppliers and other stakeholders when assessing our credibility, product quality and competitiveness.

However, the maintenance, renewal or upgrading of such certifications and recognitions is not assured. They typically require us to comply with specific standards and to undergo periodic reviews, audits or assessments. If we fail to meet relevant criteria, experience quality issues, or are unable to allocate sufficient resources to maintain these qualifications, we may lose certain certifications or fail to obtain new recognitions in a timely manner. In addition, changes in industry standards, assessment methodologies or regulatory requirements could make it more difficult or costly for us to maintain or obtain such recognitions.

The loss of key certifications or reputational recognitions, or any negative evaluation by industry organizations or associations, could adversely affect our perceived reliability and competitiveness in the market, and could in turn reduce customer confidence in our products and services. Any such development could materially and adversely affect our business, financial condition, results of operations and prospects.

Defects or unsatisfactory performance of our products, or failure to maintain effective quality control, could result in returns, recalls, reputational damage, loss of customers and product operations.

Defects or unsatisfactory performance of our products, or failures in our quality control processes, could result in product malfunctions, reduced efficiency or shorter-than-expected service life. Although we have implemented quality management systems and testing procedures across our production processes, we cannot assure that all defects will be detected and remedied before our products are delivered to customers or integrated into their end-products or systems.

Defective products or components may give rise to returns, replacements, repairs, product recalls, contractual penalties or warranty claims, which could increase our costs and negatively affect our profitability. In certain circumstances, product quality issues may also delay customer projects, disrupt their operations or cause them to switch to other suppliers. Furthermore, if our products cause or are alleged to have caused property damage, personal injury or other losses, we may be exposed to claims or disputes that could result in additional costs and divert management attention.

Any material quality issues or product failures, particularly if they affect key customers, could damage our reputation for reliability and performance, reduce customer satisfaction and impair our ability to win new orders or renew existing business. As a result, our business, financial condition and results of operations could be materially and adversely affected.

We may be subject to impact of our risk management and internal control systems in the future.

We have designed and implemented comprehensive risk management and internal control policies and procedures to monitor and control potential risk exposures relevant to our business operations. This framework is overseen by designated internal personnel, supported by independent internal control consultants and external compliance advisors, to monitor and mitigate risks relevant to our business operations. While we seek to improve our risk management and internal control systems on a continuous basis, we cannot guarantee that these systems will be sufficiently effective in identifying, managing and preventing all potential risks that may arise from our business operations. If our internal control system fails to detect potential risks in our business, as intended, or is otherwise subject to weaknesses and deficiencies, our business, financial condition and results of operations could be adversely affected.

Our risk management and internal controls systems also require effective implementation by our employees. There can be no assurance that such implementation by our employees will always function as intended or that such implementation will not involve any human errors, mistakes or intentional misconduct. If we fail to implement our policies and procedures in a timely manner or fail to identify risks that affect our business with sufficient time to plan for contingencies for such events, our business, financial condition and results of operations could be adversely affected.

We are subject to a range of laws, regulations and regulatory standards, and any failure to comply with these requirements may expose us to liabilities.

We are subject to extensive laws, regulations and regulatory requirements in the PRC and other jurisdictions in which we conduct our business, and any failure to comply with such requirements may subject us to liabilities and penalties. For example, we are required to comply with various labor-related laws and regulations in the PRC, including those relating to social insurance and housing provident fund contributions for our employees.

Under the relevant PRC laws and regulations, including the Regulation on the Administration of Housing Provident Funds and the PRC Social Insurance Law, PRC enterprises are required to establish housing provident fund accounts for their employees, complete social insurance registration and make contributions to social insurance and housing provident fund in a timely and full manner. Although we were not subject to any material administrative penalties imposed by the relevant authorities in connection with our social insurance and housing provident fund contributions during the Track Record Period, there can be no assurance that our historical and current practices in this regard will always be regarded as fully compliant by the relevant regulatory authorities, particularly in light of the evolving interpretation, application and enforcement of the relevant laws and regulations.

In the event that our practices are determined to be non-compliant, we may be required to make up any shortfall in social insurance and housing provident fund contributions within a prescribed time period and may be subject to administrative penalties if we fail to rectify such non-compliance in accordance with the requirements of the relevant authorities. During the Track Record Period, we had not received any administrative order to rectify our practices comprehensively or to pay up any shortfall all at once or subject to any material administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident funds. Considering relevant regulator policies and the facts stated above provided that there are no material changes to the current social insurance, housing provident fund policies and regulations, or to the enforcement and supervision requirements of local governments and in the absence of collective employee complaints or litigation or arbitrations, our PRC Legal Advisor is of the view that the likelihood that we would be required by relevant regulatory authorities to pay up any shortfall all at once for social insurance and housing provident fund contribution or become subject to material administrative penalties by relevant authorities is remote. Notwithstanding the foregoing, any failure by us to comply with other applicable labor laws and regulations in the PRC may also expose us to liabilities, penalties or claims for compensation by employees.

Force majeure events, such as natural disasters, adverse weather conditions, public health and public security hazards, may severely disrupt our business and operations.

Force majeure events, including natural disasters, adverse weather conditions, public health incidents and public security hazards, may severely disrupt our business and operations. We may be exposed to events such as earthquakes, floods, snowstorms, typhoons, power outages or other similar occurrences that are beyond our control and may adversely affect our operational facilities and business activities.

Any future occurrence of force majeure events, including acts of God, hurricanes, earthquakes and other natural disasters, epidemics, quarantines, terrorism, embargos, plant closures or other unforeseen events beyond our control, could result in significant operational disruptions and property damage. Such events may interrupt production, logistics or other critical business functions and could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

Our historical growth may not be indicative of our future financial performance.

Our revenue, gross profit and net profit have grown over the Track Record Period, and we have expanded our customer base, product portfolio and production capacity. Our revenue increased from RMB3,616.3 million in 2023 to RMB4,602.7 million in 2024, and increased from RMB3,224.1 million in the nine months ended September 30, 2024 to RMB3,769.4 million in the nine months ended September 30, 2025. Our net profit increased from RMB216.8 million in 2023 to RMB300.2 million in 2024, and further decreased to RMB188.1 million in the nine months ended September 30, 2025. However, such historical growth and financial performance reflect the operating environment, market conditions, competitive landscape and cost structure prevailing during those periods, and may not be indicative of our future results.

Our future performance will depend on a number of factors, many of which are beyond our control, including overall macroeconomic conditions, industry cycles in the sectors we serve, changes in customer demand, pricing pressure from competitors, fluctuations in raw material and energy costs, and regulatory or technological developments. In addition, as our business grows in scale and complexity, we may face increased challenges in maintaining operating efficiency, managing working capital, recruiting and retaining qualified personnel, and integrating new projects or production bases.

There can be no assurance that we will be able to sustain our historical growth rates or profitability. Any slowdown in revenue growth, compression of margins or increase in costs could cause our results of operations to fluctuate significantly from period to period. Accordingly, [REDACTED] should not rely on our historical results as an indication of our future financial performance, and any failure to achieve expected growth could materially and adversely affect our business, financial condition and results of operations.

We may experience inventory impairment, shortages or excess inventory, which could adversely affect our business, financial condition and results of operations.

As of December 31, 2023 and 2024 and for the nine months ended September 30, 2025, our inventories amounted to RMB483.8 million, RMB734.0 million and RMB798.9 million, respectively. Over the same periods, our inventory turnover days increased from approximately 54.0 days in 2023 to 59.6 days in 2024 and further to 66.8 days for the nine months ended September 30, 2025. The continuous increase in both inventory balances and inventory turnover days indicates rising inventory holding pressure and reflects the risk of slower-moving or unsold products amid changes in market demand.

As of September 30, 2025, inventories of RMB798.9 million accounted for approximately 342.3% of our net cash flows from operating activities of RMB233.4 million for the same period, resulting in significant occupation of working capital. Such elevated inventory levels increase our exposure to fluctuations in market demand, pricing pressure and product obsolescence, particularly in an environment characterized by rapid technological iteration and cyclical investment patterns in the renewable energy and power infrastructure sectors.

If market demand weakens further or if downstream investment continues to slow, the net realizable value of our inventories may fall materially below their carrying costs, which could require us to recognize substantial inventory write-downs or impairment losses. Any such impairment would directly reduce our gross profit and net profit, adversely affect our asset quality and leverage ratios, and may weaken our ability to obtain external financing on favorable terms. In addition, excess or obsolete inventory may constrain our operational flexibility and negatively affect our liquidity position, thereby materially and adversely affecting our business, financial condition and results of operations.

Market risk from fluctuations in foreign currency exchange rates could adversely impact our financial performance.

We are exposed to foreign exchange risks arising from transactions, investments and financing activities denominated in currencies other than Renminbi. As of September 30, 2025, our cash and cash equivalents included balances denominated in U.S. dollars of RMB500.3 million, euros of RMB37.8 million and Japanese yen of RMB20.0 million.

Such fluctuations indicate that our financial results are highly sensitive to movements in foreign exchange rates. In particular, appreciation of the Renminbi against the U.S. dollar and other foreign currencies may weaken the price competitiveness of our products in overseas markets, while depreciation of the Renminbi may increase the costs of raw materials, components and operating expenses sourced from overseas suppliers. Moreover, although a substantial portion of our overseas subsidiaries' operating costs are denominated in local currencies, part of their revenues are settled in U.S. dollars, further amplifying the impact of currency mismatches on our consolidated results.

We currently do not maintain comprehensive or effective hedging arrangements to mitigate such foreign exchange risks. If exchange rate volatility persists or intensifies, we may experience significant fluctuations in reported earnings, cash flows and equity. Such volatility could impair [REDACTED] ability to accurately forecast our performance, adversely affect market confidence, and negatively impact the valuation of our H Shares and our ability to raise capital in the future, thereby materially and adversely affecting our business, financial condition and results of operations.

Certain projects regarding our new energy products require significant upfront capital commitments and are characterized by extended construction and development timelines. If we fail to exercise sound judgment in project selection or to implement effective risk management measures, our business, financial condition and results of operations could be materially and adversely affected.

In particular, the development and operation of these projects often necessitate substantial financial and operational resources in their initial stages. The timely completion and successful execution of such projects depend on various factors beyond our control, including obtaining necessary regulatory approvals, prevailing climate conditions and the stability of supply chains. Any delays, interruptions or adverse changes in these factors may lead to increased costs, construction delays or project suspension or termination, which could negatively affect our business, financial condition and results of operations. In addition, the capital-intensive nature and extended payback periods of these projects may place pressure on our liquidity and profitability. There can be no assurance that we will consistently and accurately evaluate project feasibility, effectively manage construction and operational risks, or promptly adapt to evolving market conditions, and any failure to do so could adversely affect our business, financial condition and results of operations.

Insufficient returns on investment and research and development may lead to declining profitability and erosion of retained earnings.

Our research and development expenses amounted to RMB185.8 million in 2023, RMB191.2 million in 2024 and RMB173.9 million for the nine months ended September 30, 2025, representing a relatively modest growth rate compared to our revenue growth. In particular, the increase in R&D expenditure from 2023 to 2024 was approximately 2.9%, significantly lower than the revenue growth of approximately 27.3% during the same period, indicating declining R&D intensity.

As of September 30, 2025, our retained earnings amounted to only RMB833.8 million, representing a marginal increase compared to RMB792.1 million as of December 31, 2024. Continued pressure on profitability may constrain our ability to reinvest in technology development, weaken our equity base and increase the difficulty and cost of future equity financing. If we are unable to enhance R&D effectiveness and generate sustainable returns on our investments, our long-term growth prospects, financial resilience and shareholder value may be materially and adversely affected.

We may experience an adverse impact on our revenue and profitability as a result of geopolitical developments.

Our business is exposed to geopolitical risks and other external factors, including trade tensions and tariff policies. For example, the recent trade frictions between China and the United States have led to (amongst others) increased tariffs imposed by the United States on Chinese-origin goods, affecting the certain lighting products of the Group that are of a Chinese origin, thereby constraining revenue growth and reducing competitiveness in export markets.

Any further escalation of geopolitical tensions, trade restrictions, tariff increases, cost inflation or overseas market pressure could further compress margins, limit revenue growth and increase earnings volatility. Such developments may impair investor confidence, adversely affect our valuation in the capital markets and materially and adversely affect our business, financial condition and results of operations.

Our ongoing establishment of overseas bases exposes us to a slowdown in overall profit growth that could exert a negative impact on our business performance.

Our ongoing establishment and expansion of overseas production bases and operating platforms are intended to enhance our global presence, serve local customers more effectively and optimize our supply chain. However, these initiatives expose us to additional risks and uncertainties associated with operating in new markets and jurisdictions.

The construction, ramp-up and operation of overseas bases may encounter delays, cost overruns, regulatory or licensing hurdles, supply chain disruptions, labor shortages or difficulties in recruiting and retaining qualified local personnel. In addition, we may face unfamiliar legal, tax, regulatory and business environments, as well as cultural and language differences, which could complicate our management and oversight of these bases. The utilization rates and profitability of new overseas facilities, particularly during their initial ramp-up periods, may be lower than expected and may take longer to reach optimal levels.

Moreover, geopolitical tensions, trade restrictions, changes in tariffs, exchange rate volatility or other external factors could adversely affect the economics of operating overseas bases or our ability to move products and components across borders. Any material adverse development affecting our overseas bases could increase our costs, reduce our operational flexibility and negatively affect our overall business performance, financial condition and results of operations.

Our ongoing capital investment needs expose us to risks of cost overruns and financing shortfalls that could materially and adversely affect our business.

Our Group requires continuous and significant capital investments to expand and upgrade our production facilities, introduce new equipment, enhance automation and improve product quality and compliance with evolving technical standards. The scale and timing of our capital expenditures are influenced by our business plans, customer demand, technology trends and regulatory requirements, and may fluctuate significantly from period to period.

We may not always be able to accurately forecast the required level or timing of capital investments. If we invest in additional capacity or new technologies based on overly optimistic demand expectations, we may experience under-utilization of facilities, lower returns on investment and increased depreciation and financing costs. Conversely, if we under-invest or delay necessary capital projects, we may be unable to meet customer demand, risk falling behind competitors in technology and efficiency, or face higher maintenance and repair costs for aging equipment.

To fund capital expenditures, we may need to rely on internally generated cash flows, bank borrowings or other external financing. There can be no assurance that such financing will be available on terms acceptable to us, or at all. Increased leverage could, in turn, increase our interest expenses and subject us to restrictive covenants that limit our operational and financial flexibility. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

We may fail to collect trade receivables, prepayments, and other amounts due, materially and adversely affecting our liquidity and financial condition.

We extend credit terms to our customers in the ordinary course of business and, in some cases, make prepayments or advances to suppliers and other counterparties. As a result, we are exposed to the risk that trade receivables, prepayments and other amounts due to us may not be collected in full or on a timely basis. The substantial increase in trade receivables indicates a higher proportion of sales conducted on credit and a longer cash conversion cycle, which in turn heightens our exposure to customer credit risk and collection uncertainty. As our receivables balance grows, any deterioration in customers' payment behavior or creditworthiness could have a more pronounced impact on our cash flows and financial position, and we may face increased risks of delayed collection, impairment or bad debt losses.

The ability of our customers and counterparties to meet their payment obligations may be affected by their own business performance, financial condition, cash flow management and access to funding, as well as broader macroeconomic and industry conditions. If any major customer or a significant number of customers experience financial difficulties, delay payments, default on their obligations or become insolvent, we may have to extend payment terms, restructure receivables, recognize impairment losses or write off bad debts. Similarly, if suppliers or other counterparties fail to perform their obligations after receiving prepayments or deposits from us, we may face difficulties in recovering such amounts or obtaining alternative supplies on comparable terms.

Although we have implemented credit risk management policies, including customer credit reviews, overdue monitoring and collection procedures, these measures may not be sufficient to eliminate collection risks. Any significant delays or defaults in the collection of trade receivables, prepayments and other amounts due could adversely affect our cash flows, liquidity position, working capital management and overall financial condition.

Our leased overseas facilities expose us to legal, regulatory, and operational risks that could disrupt production and materially and adversely affect our business.

Our Group operates a mix of owned and leased manufacturing facilities, including certain overseas plants that we lease from third-party landlords. The operation of these leased overseas facilities exposes us to a range of legal, regulatory and operational risks associated with local property, environmental, labor and safety requirements in the relevant jurisdictions. We may be unfamiliar with certain local practices, enforcement standards or dispute resolution mechanisms, which may increase our compliance and legal risks.

Our ability to continue using these leased facilities depends on the validity and enforceability of the underlying lease agreements and on our landlords' willingness and ability to honor their contractual obligations. If any landlord fails to properly maintain the premises, breaches the lease terms, refuses to renew the lease upon expiry on terms acceptable to us, or becomes involved in disputes, insolvency or governmental enforcement actions, our operations at the relevant site could be disrupted or suspended. In addition, if our use of the leased properties is challenged by governmental authorities or third parties on the grounds of zoning, title defects, construction irregularities or non-compliance with local regulations, we could be required to incur additional costs for rectification, relocation or obtaining supplementary approvals.

The establishment and ramp-up of new overseas leased facilities may also experience delays, higher-than-expected costs or lower utilization rates during the initial periods. Any material disruption of operations at these leased overseas facilities, or any failure to secure suitable alternative sites in a timely manner, could adversely affect our production capacity, delivery schedules, customer relationships and cost structure. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Discontinuation of government grants or preferential tax treatments could materially increase our costs and adversely affect our business.

Our Group has historically benefited from various government grants, interest income, with aggregate grants amounting to RMB44.2 million in 2023, RMB59.9 million in 2024, and RMB55.6 million for the nine months ended September 30, 2025, which have contributed positively to our financial performance. These include, among others, government grants related to industrial development, technological innovation and employment support, as well as preferential tax rates or tax incentives granted to eligible enterprises. The availability and amount of such grants and preferential treatments depend on applicable government policies, our qualification status and the authorities' review and approval.

There can be no assurance that we will continue to receive government grants or enjoy preferential tax treatments at the same levels or on the same terms as in the past, or at all. Relevant policies may be revised, suspended or terminated by government authorities, or we may fail to maintain the necessary qualifications or comply with the conditions attached to such benefits. In addition, certain grants may be subject to claw-backs or refunds if the underlying conditions are not fulfilled or if the authorities determine that they were not properly obtained or used.

If government grants are reduced or discontinued, or if preferential tax treatments cease to be available or are significantly curtailed, our effective tax rate could increase and we may incur higher operating costs. Any such changes could reduce our profitability and adversely affect our business, financial condition, results of operations and prospects.

We may have limited insurance coverage, which could expose us to additional costs.

We maintain a range of insurance policies, including property, liability, product liability, business interruption, and directors' and officers' insurance, which we believe cover the major risks associated with our operations. However, there can be no assurance that our insurance coverage is sufficient to cover all potential risks or to fully compensate us for actual losses incurred. For example, losses arising from natural disasters, industrial accidents, cyberattacks, or product defects may exceed policy limits or fall outside the scope of coverage. In addition, certain high-cost or complex claims may not be fully reimbursed by insurers, and claims processes may be delayed or contested. If we incur substantial uninsured losses or liabilities, we could face significant financial costs and diversion of management attention and resources from our core operations. Moreover, any increase in premiums or inability to renew coverage at current levels could increase operating costs and reduce our financial flexibility. These factors could materially and adversely affect our business, financial condition, results of operations, and prospects.

We are subject to risks associated with third-party payment arrangements.

During the Track Record Period, certain of our customers settled payments to us through third-party payors (the "Third-Party Payment Arrangements"). During the Track Record Period, the aggregate amount of payments received through such Third-Party Payment Arrangements accounted for 0.3%, 0.3% and 0.1% of the total revenue. For further details, see "Business — Third-Party Payments" in this Document.

Notwithstanding the immaterial proportion involved, we were subject to various risks relating to such Third-Party Payment Arrangements during the Track Record Period, including, among others, potential claims by third-party payors for the return of funds on the basis that they were not contractually indebted to us, as well as possible claims from liquidators or administrators of such third-party payors. In the event that any claims are made by third-party payors or their liquidators, or if any legal proceedings (whether civil or criminal) are instituted or brought against us in connection with third-party payments, we may be required to devote significant financial and management resources to defend against such claims or proceedings. As a result, our financial condition and results of operations could be affected.

RISKS RELATING TO OUR BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Changes in economic, political, and regulatory conditions across our operating jurisdictions could materially and adversely affect our business.

Our Group operates in multiple jurisdictions and is exposed to market, business, and financial risks arising from geopolitical tensions, macroeconomic instability, foreign currency fluctuations, and interest rate volatility. For example, appreciation of the RMB against the USD, EUR, or JPY could weaken our pricing competitiveness in overseas markets, while depreciation may increase procurement costs for imported components. Regulatory differences across jurisdictions, such as safety and environmental standards, also increase operational complexity and compliance costs. Such economic and regulatory uncertainties could materially impair our growth strategy, disrupt operations, and adversely affect our financial performance, business, and results of operations.

In addition, certain jurisdictions in which we operate have imposed or may impose sanctions, export controls, or other trade restrictions against certain countries, individuals and legal entities that have the effect of prohibiting or restricting certain business dealings and activities with such countries, individuals and/or legal entities. Sanctions and export control laws or regulations could change in a way that could affect our business, exports or sales activities and/or could result in investigations, penalties or fines. Changes in trade policies, tariffs, or local market regulations could therefore disrupt supply chains, reduce revenue, or limit market access.

Our operations are subject to cybersecurity, data privacy and personal information protection risks, and any non-compliance or security incident could adversely affect us.

We rely on information technology systems to support our business operations, including production management, supply chain coordination, financial reporting and internal communications. In the course of our business, we may collect, process and store certain data, which may include business-sensitive information and limited personal information of employees and business contacts, subject to applicable cybersecurity, data privacy and personal information protection laws and regulations.

The regulatory framework governing cybersecurity and data protection in the PRC and other jurisdictions where we operate is evolving and becoming increasingly stringent. We are required to comply with various requirements relating to data classification, storage, transmission, cross-border transfer, security assessments and incident reporting. Any failure to establish and maintain appropriate policies, systems and controls, or any misinterpretation of applicable requirements, could result in non-compliance with the relevant laws and regulations.

Our IT systems and data may also be vulnerable to cyber-attacks, hacking, phishing, malware, ransomware, unauthorized access, misuse or other security incidents. Any actual or suspected data breach or loss, or any material disruption to our IT systems, could result in business interruptions, loss of data, increased recovery costs, reputational damage and potential regulatory inquiries or penalties. Although we have taken certain information security measures, such measures may not be sufficient to prevent or fully mitigate all such risks. If any of the foregoing events occurs, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We may be subject to additional regulatory requirements under new laws and regulations on overseas [REDACTED] and listings issued by PRC government authorities.

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券活動的意見》). These opinions emphasized the need to strengthen the administration of illegal securities activities and the supervision of overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. See "Regulatory Overview — Regulations on Securities and Filing for Overseas Listing".

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Archives Rules**"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may continue to evolve, failure to comply with these rules may materially affect our business, results of operations or financial conditions.

Changes in international trade policies, geopolitical developments, trade protection measures, export controls and economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations.

As we conduct business across multiple jurisdictions, our operations are subject to evolving international trade policies, geopolitical developments and trade protection measures, including tariffs, export and import controls, economic or trade sanctions and other regulatory restrictions. In recent years, heightened geopolitical tensions and national security considerations have led to increased uncertainty and volatility in global trade environments.

The scope, interpretation and enforcement of applicable trade laws and regulations may change from time to time, and new restrictions or compliance requirements may be imposed on cross-border transactions, technology transfers, sourcing activities or market access. Any such changes may increase our compliance costs, disrupt our supply chain, restrict our ability to serve certain customers or markets, or otherwise adversely affect our business operations.

In addition, the imposition of export control measures or economic or trade sanctions, whether directly targeting us or indirectly affecting our suppliers, customers or business partners, could limit our access to certain products, technologies or components, reduce demand for our products, or impair our ability to conduct cross-border business. During the Track Record Period, the Group's products were supplied to downstream industrial end customers, a majority of whom were based in the PRC, with a smaller proportion in jurisdictions across regions such as North America, Europe, the Middle East and Asia. It is possible that (i) any of our products may become subject to export controls or trade restrictions, (ii) our customers may become sanctioned, (iii) the materials and components needed for our operations may become subject to export controls, import controls, or other trade restrictions, or (iv) our suppliers may become subject to sanctions, thereby affecting our ability to source our inputs, manufacture our products, and/or supply to our customers in accordance with applicable laws and regulations. Furthermore, as we are looking to expand our business in other jurisdictions, our ability to do so would also depend on the scope and applicability of any relevant trade controls or restrictions. We cannot assure you that we will be able to timely anticipate, fully mitigate or effectively manage all such risks. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Policies on foreign investment in the PRC and other jurisdictions where we operate may adversely affect our business and results of operations.

As we conduct business in the PRC and expand into overseas markets, we are subject to foreign investment laws, regulations and policies in the PRC and in other jurisdictions in which we operate or seek to expand. These laws and regulations may govern, among other things, market entry requirements, ownership structures, approval, filing or licensing procedures, ongoing compliance obligations and restrictions on foreign investment activities.

Foreign investment policies, regulations and their interpretation and enforcement may change from time to time and may differ significantly across jurisdictions. In recent years, heightened geopolitical tensions and national security considerations have led to increased scrutiny of foreign investment, more restrictive investment review regimes and greater regulatory uncertainty in certain countries and regions. Such developments may result in additional regulatory approvals, restrictions, conditions or compliance requirements being imposed on our existing operations or future expansion plans.

Any tightening of foreign investment policies or adverse changes in applicable laws and regulations could restrict our ability to invest in, expand or restructure our business in the PRC or overseas markets, increase our compliance costs, delay or prevent the implementation of our business strategies, or limit our access to certain markets. In addition, any failure to comply with applicable foreign investment laws and regulations may expose us to penalties, fines, remedial measures or reputational damage.

We cannot assure you that future changes in foreign investment policies or regulatory environments in the PRC or other jurisdictions will not adversely affect our business operations. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Our Group's operations face risks from changes in diplomatic and international trade relationships which could adversely affect our business.

Our business is influenced by global macroeconomic conditions and the international trade environment. Changing trade relations between China and certain other countries or regions that may result in an unfavorable imposition or expansion of tariffs, trade barriers, investment restrictions, sanctions, export controls or other trade restrictions may adversely affect our cross-border trade and investment flows.

In recent years, the U.S. in particular has imposed sanctions and export controls measures that directly or indirectly affect PRC companies. These regulatory measures are subject to frequent changes, depending on the prevailing national security and foreign policy objectives that drive them. Accordingly, the implementation and enforcement of these regulatory changes in sanctions and export controls involve substantial uncertainties which may be beyond our control. BIS for example maintains the Entity List, which is a list of persons that are subject to heightened export control restrictions. The U.S. in recent years has also placed an increasing number of PRC entities on the Entity List and other restricted party lists. Similar restrictions may also be imposed by other jurisdictions in the future.

Such measures could increase our costs of or restrict us from exporting products to, or importing components and equipment from, affected markets, or limit our ability to serve customers or source supplies in certain jurisdictions. Our overseas sales and operations may also be impacted by changes in customer procurement policies, localization requirements or supply chain restructuring driven by geopolitical considerations.

These rapidly evolving restrictions also mean that we will need to maintain heightened internal controls to ensure ongoing monitoring for compliance with such restrictions, which requires significant resources.

In addition, heightened geopolitical tensions may lead to volatility in currency exchange rates, commodity prices and financial markets, which could indirectly affect our business performance.

If geopolitical tensions, trade restrictions or related measures continue or intensify, our revenue growth, profitability and expansion plans in certain markets may be adversely affected. Any material adverse change in the international trade environment could negatively impact our business, financial condition, results of operations and prospects.

Non-PRC holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

Under current PRC tax laws and regulations, non-resident enterprise and individual holders of our H Shares may, in certain circumstances, be subject to PRC income tax on dividends they receive from us and on any gains realized from the transfer of our H Shares, depending on factors such as their tax residency status, the existence of applicable tax treaties or arrangements, and the interpretation and enforcement of relevant tax rules by PRC tax authorities.

The PRC tax treatment applicable to non-PRC holders of our H Shares may be subject to changes in laws, regulations, tax treaties or administrative practices. There can be no assurance that the current tax treatment will remain unchanged, or that the PRC tax authorities will not adopt different interpretations or enforcement approaches in the future. Any increase in PRC tax liabilities, or any uncertainty or inconsistency in the application of tax rules, could affect the net returns received by non-PRC investors from their [REDACTED] in our H Shares.

Potential [REDACTED] are advised to consult their own tax advisors regarding the PRC and other tax consequences of holding and disposing of our H Shares. Any adverse change in applicable tax treatment could negatively affect [REDACTED] returns and, in turn, our ability to attract and retain non-PRC shareholders.

Uncertainties in serving legal process and enforcing judgments against us and our key personnel could materially hinder remedies and adversely affect our business.

Our operations span jurisdictions with evolving legal systems where recently enacted laws may not fully address commercial activities. Local courts may apply statutory provisions or contract terms inconsistently, reject judgments, or interpret regulations retroactively. Administrative and regulatory authorities may also exercise discretion in ways that complicate legal recourse. For example, our Group or key personnel could face lawsuits in jurisdictions where enforcement mechanisms are uncertain, which may result in prolonged proceedings, substantial litigation costs, diversion of management attention, and resource allocation away from core operations. Uncertainty in legal enforcement could hinder our ability to collect receivables, enforce contracts, or protect intellectual property rights. These factors could materially and adversely affect our business operations, financial condition, and results of operations.

The legal systems of the jurisdictions where we operate vary significantly, which may affect our judgment on legal requirements and our ability to enforce contractual rights.

We operate in countries that follow civil law systems, common law systems, or hybrid legal systems, where interpretation and application of laws can differ widely. Civil law systems often give limited precedential value to prior court decisions, while recent laws or regulations may be subject to reinterpretation. As a result, legal advice and risk assessment in one jurisdiction may not accurately predict outcomes in another. For example, enforcement of contractual obligations or intellectual property rights may be delayed, denied, or require additional compliance procedures. These legal uncertainties could complicate decision-making, expose us to unforeseen liabilities, or impede the timely execution of commercial agreements, materially and adversely affecting our operations, financial condition, results of operations, and prospects.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to [REDACTED] and regulatory requirements of Chinese Mainland and Hong Kong

As our A Shares are listed on the Shenzhen Stock Exchange and our H Shares will be [REDACTED] on the Main Board of the Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Any failure to comply with these regulatory requirements may result in regulatory inquiries, criticisms, sanctions or other disciplinary actions, and may adversely affect our reputation and ability to access the capital markets. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

Our A Shares are listed on the Shenzhen Stock Exchange, and the characteristics of the A Share and H Share markets may differ

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

There has been no prior [REDACTED] market for our H Shares, an active trading market for our H Shares may not develop or be sustained

Prior to the [REDACTED], there was no [REDACTED] market for our H Shares. We cannot assure you that a [REDACTED] market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the [REDACTED]. As the [REDACTED] of our H Shares is higher than the [REDACTED] consolidated net tangible assets per Share immediately prior to the [REDACTED], purchasers of our H Shares in the [REDACTED] may experience an immediate dilution. In addition, the [REDACTED] of our H Shares is expected to be fixed by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED] and the [REDACTED]) and us, and may not be an indication of the market price of our H Shares at which our H Shares will be traded following the completion of the [REDACTED]. If an active [REDACTED] market for our H Shares does not develop following the completion of the [REDACTED], the market price and liquidity of our H Shares may be materially and adversely affected.

The price and trading volume of our H Shares may be volatile, which could result in substantial losses to you

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies [REDACTED] on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our business performance.

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

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

Future sales or perceived sales of our H Shares in the [REDACTED] market could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding

The [REDACTED] of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future sales of our H Shares or other securities relating to our H Shares in the [REDACTED] by our Shareholders, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our H Shares.

In addition, while investors subscribing shares in the [REDACTED] are not subject to any restrictions on the disposal of the H Shares they subscribed, they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [REDACTED] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [REDACTED]. Any sale of the H Shares subscribed by such investors pursuant to such arrangement or agreement could adversely affect the market price of our H Shares and any sizeable sale could have a material and adverse effect on the market price of our H Shares and could cause substantial volatility in the trading volume of our H Shares.

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

As our A Shares are listed on the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in Chinese Mainland. As a result, from time to time, we publicly release information relating to us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in Chinese Mainland, which are different from those applicable to the [REDACTED]. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. As a result, [REDACTED] in our H Shares should be reminded that, in making their investment decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to purchase our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [REDACTED].

You should read the entire document carefully and should not rely on any information contained in press articles or other media relating to us, our H Shares or the [REDACTED].

We strongly caution our investors not to rely on any information contained in press articles or other media coverage relating to us, our H Shares and the [REDACTED]. Prior to the publication of this Document, there may be press and media coverage regarding the [REDACTED] and us. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Document, we disclaim responsibility for it and our investors should not rely on such information.

Certain facts, forecast and other statistics in this Document obtained from publicly available sources have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this Document are derived from various government, official sources and public information. However, our Directors cannot guarantee the reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and we have taken reasonable care in extracting and presenting such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from government and official sources have not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy nor the completeness of such facts and statistics. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

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

This Document contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words "aim", "anticipate", "believe", "can", "continue", "could", "estimate", "expect", "intend", "ought to", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "will", "would" and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this Document. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on such forward-looking statements and information.

Our operations and transactions involving certain high-risk jurisdictions and entities giving rise to potential sanctions and/or trade controls concerns expose us to compliance risks that could materially and adversely affect our business, financial condition and results of our operations.

During the Track Record Period, the Group entered into transactions with the following counterparties:

- restricted parties subject to targeted sanctions measures and/or restrictions under certain export control laws (collectively, "**Restricted Party Transactions**").

On the Restricted Party Transactions, as advised by our International Sanctions and Trade Controls Legal Advisers, based on the information reviewed, there is no indication that these transactions constituted any violations or otherwise gave rise to any material sanctions or export control risks (as the case may be) because: (i) the underlying sanctions restrictions for certain restricted parties only applied to U.S. persons, for which the relevant Group entity that engaged in transactions with such restricted parties was not; and (ii) for restricted parties that were subject to export control restrictions, none of the products supplied to these counterparties were subject to the Export Administration Regulations ("**EAR**") administered by the Bureau of Industry and Security ("**BIS**") of the U.S. Department of Commerce or U.S. export controls.

In addition to the foregoing transactions, the Group had also entered into transactions during the Track Record Period with customers in jurisdictions generally deemed high-risk from a sanctions and/or trade controls perspective, such as Russia, Belarus, Ukraine, Myanmar and the Democratic Republic of Congo. However, as advised by our International Sanctions and Trade Controls Legal Advisers, these transactions did not give rise to a material sanctions risk as they did not involve any Sanctioned Targets within the meaning of Chapter 4.4 or parties otherwise subject to trade related restrictions in those jurisdictions.

Notwithstanding the above, sanctions laws and export control rules are complex and subject to change. Future legal and regulatory changes including but not limited to expanded designations or changes in enforcement priorities could expose the Group to heightened compliance risks if and to the extent the Group intends to engage in transactions with any such jurisdictions or entities going forward. Our International Sanctions and Trade Controls Legal Advisers have advised that we continue to enhance our compliance measures to enable us to know our customers, so as to mitigate the risks of inadvertently violating applicable sanctions and export controls.

Any failure to comply with applicable sanctions, export control or other trade-related regulations could result in regulatory investigations, administrative and/or criminal penalties, operational and supply chain disruptions, and reputational damage. Our business, financial condition and results of operations could be materially and adversely affected as a result.

In preparation for the [REDACTED], we have sought the following waivers and exemption from strict compliance with the relevant provisions of the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Our headquarters are based, and most of the business operations of our Group, are managed and conducted in the PRC. Our executive Directors ordinarily reside in the PRC and they play very important roles in our Company's business operations. It is in our best interests for them to be based in places where our Group has significant operations. We consider it practically difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, or does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

(a) We have appointed Mr. Xiao and Ms. Sham Ying Man (岑影文) ("**Ms. Sham**") as our authorized representatives (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company's principal channel of communication with the Hong Kong Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile and email to promptly deal with inquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;

(b) When the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the authorized representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e. mobile phone number, office phone number and email address) of all Directors to facilitate communication with the Hong Kong Stock Exchange. Our Directors will also provide the phone number of the place of his/her accommodation to the Authorized Representatives in the event that any Director expects to travel or otherwise be out of office;

(c) All Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period of time;

(d) We have appointed Guotai Junan Capital Limited as our Compliance Advisor upon the [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. The Compliance Advisor will have access at all times to our Authorized Representatives, Directors, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available. The contact details of the Compliance Advisor has been provided to the Hong Kong Stock Exchange and the Company will inform the Hong Kong Stock Exchange promptly in respect of any change in the Compliance Advisor; and

(e) The Company has designated staff members as the communication officer at the Company's headquarters after the [REDACTED] who will be responsible for maintaining day-to-day communication with the Authorized Representatives, and the Company's professional advisors in Hong Kong, including our legal advisors in Hong Kong and the Compliance Advisor, to keep abreast of any correspondences and/or inquiries from the Hong Kong Stock Exchange and report to the executive Directors to further facilitate communication between the Hong Kong Stock Exchange and the Company.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

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

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

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

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

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

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

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

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

(d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Liang as one of our joint company secretaries. Mr. Liang has sufficient experience in legal and capital markets affairs but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Sham, who is a member of The Hong Kong Chartered Governance Institute, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary. Ms. Sham will provide assistance to Mr. Liang for an initial period of three years from the [REDACTED] to enable Mr. Liang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Since Mr. Liang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Liang may be appointed as a joint company secretary of our Company. Pursuant to paragraph 13 of Chapter 3.10 under the Guide for New Listing Applicants published by the Stock Exchange, the waiver will be for a fixed period of time (the "**Waiver Period**") and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial period of three years from the [REDACTED], and is granted on the condition that Ms. Sham will work closely with Mr. Liang to jointly discharge the duties and responsibilities as company secretary and assist Mr. Liang in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Sham will also assist Mr. Liang in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Sham is expected to work closely with Mr. Liang and will maintain regular contact with Mr. Liang, the Directors and the senior management of our Company. The waiver will be revoked immediately if Ms. Sham ceases to provide assistance to Mr. Liang as a joint company secretary for the three-year period after the [REDACTED] or where there are material breaches of the Listing Rules by our Company. In addition, Mr. Liang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. Mr. Liang will also be assisted by (a) Compliance Advisor of our Company, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisors of our Company, on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations.

Before the expiration of the initial three-year period, the qualifications of Mr. Liang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Mr. Liang, having benefited from the assistance of Ms. Sham for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

DISCLOSURE REQUIREMENTS IN RESPECT OF OUTSTANDING SHARE INCENTIVES

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

(a) Rule 17.02(1)(b) of the Listing Rules stipulates that all material terms of a share scheme must be clearly set out in this Document. Our Company is also required to disclose in this Document full details of all outstanding Share Incentives and their potential dilution effect on the shareholdings upon the [REDACTED] as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding Share Incentives;

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

(c) paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires that our Company shall disclose in this Document the number, description and amount of any shares in or debentures of our Company which any person has or is entitled to be given, an option to subscribe for, together with the following particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures.

Pursuant to paragraphs 6 to 7 of Chapter 3.6 of the Listing Guide, the Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the issuer could demonstrate that such disclosures would be irrelevant and unduly burdensome, subject to certain conditions specified therein.

As of the Latest Practicable Date, each of the 2022 Option and Restricted Share Incentive Plan, 2023 Option and Restricted Share Incentive Plan and 2024 Option and Restricted Share Incentive Plan was in effect, to which the Share Incentive Disclosure Requirements are applicable. For details, see "IV 4. OPTION AND RESTRICTED SHARE INCENTIVE PLANS" to this Document.

As of the Latest Practicable Date, the total number of A Shares underlying all outstanding Share Incentives under the Share Incentive Plans amounted to 2,380,800, accounting for approximately [REDACTED] of the total issued Shares upon completion of the [REDACTED] (assuming (i) [REDACTED] is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), of which the outstanding Share Incentives representing [2,147,200] A Shares were granted to our Directors, senior management and also our employees, respectively, accounting for approximately [REDACTED] of the total number of Shares in issue immediately after completion of the [REDACTED] (assuming (i) the [REDACTED] is not exercised, and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]).

We have applied to: (i) the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules; and (ii) the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, exempting our Company from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, respectively, on the grounds that strict compliance with the Share Incentive Disclosure Requirements would be unduly burdensome for our Company and the waiver and exemption would not prejudice the interest of the [REDACTED], taking into account the following reasons:

(a) given that over [300] grantees (other than our Directors and senior management) are involved under the Share Incentive Plans, strict compliance with such disclosure requirements in setting out full details of all the grantees under the Share Incentive Plans in this Document would be costly and unduly burdensome for our Company in light of a significant increase in cost and time for information compilation and document preparation. For example, the disclosure of personal information of each grantee may require the consent of all grantees to comply with personal information privacy laws and principles. Given the number of grantees, obtaining their consent would cause an unnecessary burden on our Company;

(b) full disclosure of the Share Incentives granted to each grantee could provide our employees with access to information about the remuneration of their peers or other employees, which may have a negative impact on employee morale, lead to negative internal competition and result in increased costs of recruiting and retaining talents. On the contrary, not disclosing such details in full will allow us more flexibility in determining our remuneration policies and details;

(c) full disclosure of the details of the grantees and the respective Share Incentives granted to them will provide competitors with details of our employee remuneration and facilitate their recruitment activities, which may affect our Group's ability to recruit and retain valuable personnel;

(d) the grant and exercise in full of the Share Incentives under the Share Incentive Plans will not cause any material adverse impact to the financial position of our Group;

(e) there will not be any new H Shares issued under the Share Incentive Plans as such plans are A-Share incentive plans;

(f) not fully compliant with the Share Incentive Disclosure Requirements would not prevent our Company from providing our [REDACTED] with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and

(g) material information relating to the Share Incentives has been disclosed in this Document to provide [REDACTED] with sufficient information to make an informed decisions.

Therefore, we have applied for, a waiver from strict compliance with Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules in relation to the Share Incentive Plans on the conditions that:

(a) a summary of the latest terms of the Share Incentive Plans is disclosed in "Appendix VI — Statutory and General Information — 4. Share Incentive Plans" to this Document;

(b) full details as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance of the Share Incentives granted by our Company to our Directors and senior management, on an individual basis, are disclosed in "Appendix VI — Statutory and General Information — 4. Share Incentive Plans" to this Document. With respect to the Share Incentives granted to the Other Connected Persons, the following details are disclosed on an aggregated basis in this Document: (i) the number of grantees, the type of Share Incentives and the number of Shares underlying the Share Incentives, (ii) the consideration paid for the grant of the Share Incentives, and (iii) the vesting/exercise period and the exercise price of the Share Incentives;

(c) with respect to the Share Incentives granted to the remaining grantees (being grantees who are not our Directors and senior management), the following details are disclosed in this Document: (i) the number of grantees, the type of Share

Incentives and the number of Shares underlying the Share Incentives, (ii) the consideration paid for the grant of the Share Incentives, and (iii) the vesting/exercise period and the exercise price of the Share Incentives;

(d) the total number of Shares underlying the outstanding Share Incentives under the Share Incentive Plans and the percentage to our total issued Shares represented by such number of Shares as of the Latest Practicable Date are disclosed in "Appendix VI — Statutory and General Information — 4. Share Incentive Plans" to this Document;

(e) the dilutive effect and impact on earnings per share upon the full exercise of the Share Incentives upon completion of the [REDACTED] (assuming (i) the [REDACTED] is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]) are disclosed in "Appendix VI — Statutory and General Information — 4. Share Incentive Plans" to this Document; and

(f) the grant of a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

We have applied for, a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

(a) full details as required under paragraph 10 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance of the Share Incentives granted by our Company to our Directors and senior management, on an individual basis, are disclosed in "Appendix VI — Statutory and General Information — 4. Share Incentive Plans" to this Document. With respect to the Share Incentives granted to the Other Connected Persons, the following details are disclosed on an aggregated basis in this Document: (i) the number of grantees, the type of Share Incentives and the number of Shares underlying the Share Incentives, (ii) the consideration paid for the grant of the Share Incentives, and (iii) the vesting/exercise period and the exercise price of the Share Incentives;

(b) with respect to the Share Incentives granted to the remaining grantees (being grantees who are not our Directors or senior management), disclosure is made on an aggregate basis categorized into groups based on the number of Shares underlying the outstanding Share Incentives, the following details are disclosed in this Document: (i) the number of grantees, the type of Share Incentives and number of Shares underlying the Share Incentives, (ii) the consideration paid for the grant of the Share Incentives, and (iii) the vesting/exercise period and the exercise price of the Share Incentives;

[REDACTED]

[REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Mr. Xiao Juncheng (肖俊承)	Room 803, Yufeng Building 12 Tongji West Road, Chancheng District Foshan City Guangdong Province PRC	Chinese
Mr. Zhao Nannan (趙楠楠)	Building 1 18 Qing Gong San Road Chancheng District Foshan City Guangdong Province PRC	Chinese
Non-executive Directors		
Mr. Guo Zhenyan (郭振巖)	Diangong Centre No.2, Cuiwei Road Haidian District Beijing PRC	Chinese
Mr. Long Jiangang (龍建剛)	Room 1502, Block 19, Area 2 8 Huijing Road Chancheng District Foshan City Guangdong Province PRC	Chinese
Independent non-executive Directors		
Ms. Fu Jie (傅捷)	Flat 15G Block 23A South Horizons Hong Kong	Chinese

Mr. Tang Duyuan (唐都遠)	Apartmen 1901, Building 2 Yitian Haoyuan Residence Fuqiang Road Futian District Shenzhen City Guangdong Province PRC	Chinese
Mr. Yan Guoxiang (鄢國祥)	Apartment 710, Building 5, Taihe Garden 4005 Dongxiao Road Luohu District Shenzhen City Guangdong Province PRC	Chinese

For further details about directors, please refer to the section headed "Directors and Senior Management".

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**Guotai Junan Capital Limited** 27/F Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

[REDACTED]	**[REDACTED]**
Legal Advisors to the Company	*As to Hong Kong law* **Tian Yuan Law Firm** Suites 3304–3309,33/F Jardine House One Connaught Place Central Hong Kong *As to PRC law* **Global Law Office** 27/F, Tower B China Resources Land Building NO. 9668 Shennan Avenue Nanshan District Shenzhen City Guangdong Province PRC *As to international sanctions and trade controls law* **Eversheds Sutherland** 37/F, One Taikoo Place Taikoo Place 979 King's Road Quarry Bay Hong Kong
Legal Advisors to the Sole Sponsor [REDACTED]	*As to Hong Kong law* **Tung & Co.** *in Association with Sundial Law Firm (Hong Kong) in association with Hau, Lau, Li & Yeung* Room 1601, 16/F LHT Tower 31 Queen's Road Central Central, Hong Kong *As to PRC law* **AllBright Law Offices** 21–23/F, Tower 1 Excellence Century Plaza Fuhua San Road, Futian District Shenzhen City Guangdong Province PRC Postal Code: 518048

Auditors and Reporting Accountants	**Rongcheng (Hong Kong) CPA Limited** Unit 4301–07, 43/F, COSCO Tower, 183 Queen's Road Central, Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504 Wheelock Square 1717 Nanjing West Road Shanghai PRC Postal Code: 200040
Transfer Pricing Consultant	**Shenzhen RSM Tax Ltd.** 1002C, Building A, Qianhai HOROY Center, No. 5059 Tinghai Avenue, Nanshan Subdistrict, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen
Compliance Advisor	**Guotai Junan Capital Limited** 27/F Grand Millennium Plaza Low Block 181 Queen's Road Central Hong Kong
Receiving Banks	[•]

CORPORATE INFORMATION

Registered Office	A3, Guicheng Technology Park Jianping Road Nanhai District Foshan City Guangdong Province PRC
Headquarters and Principal Place of Business in China	212 Junhua Road Jizhou District Ji'an City Jiangxi Province PRC
Principal Place of Business in Hong Kong	[Room 1910, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong]
Joint Company Secretaries	**Mr. LiangLunshang (梁倫商)** Room 2003, Building 15, Vanke Golden Bay Plaza, No. 13 Desheng Middle Road, Daliang Street, Shunde District, Foshan City, Guangdong Province, PRC **Ms. Sham Ying Man (岑影文)** Room 1910, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
Authorized Representative	**Mr. Xiao Juncheng (肖俊承)** Room 803, Yufeng Building 12 Tongji West Road, Chancheng District Foshan City Guangdong Province PRC **Ms. Sham Ying Man (岑影文)** Room 1910, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong

CORPORATE INFORMATION

Audit Committee	YAN Guoxiang (鄢國祥) *(Chairman)* FU Jie (傅捷) TANG Duyuan (唐都遠)
Remuneration and Appraisal Committee	FU Jie (傅捷) *(Chairman)* YAN Guoxiang (鄢國祥) TANG Duyuan (唐都遠)
Nomination Committee	TANG Duyuan (唐都遠) *(Chairman)* YAN Guoxiang (鄢國祥) FU Jie (傅捷)
Strategy Committee	XIAO Juncheng (肖俊承) *(Chairman)* ZHAO Nannan (趙楠楠) YAN Guoxiang (鄢國祥)
ESG Committee	XIAO Juncheng (肖俊承) *(Chairman)* ZHAO Nannan (趙楠楠) FU Jie (傅捷)
Compliance Advisor	**Guotai Junan Capital Limited** 27/F Grand Millennium Plaza Low Block 181 Queen's Road Central Hong Kong
[REDACTED]	**[REDACTED]**
Principal Banks	**Nanhai Branch of Agricultural Bank of China** Jinhui Building 72 Guicheng Nanhai Road North Nanhai District Foshan City Guangdong Province PRC

CORPORATE INFORMATION

Foshan Branch, Shanghai Pudong Development Bank Co., Ltd.
1st Floor, Tower 2, AIA Financial Center
1 Denghu East Road
Nanhai District
Foshan City
Guangdong Province
PRC

Foshan Branch, China Merchants Bank Co., Ltd.
12 Deng Lake East Road
Nanhai District
Foshan City
Guangdong Province
PRC

Nanhai Road Sub-branch, Foshan Branch, China CITIC Bank
32 Nanhai Road North
Nanhai District
Foshan City
Guangdong Province
PRC

Website of the Company **www.eaglerise.cn**

(The information contained on our website does not form part of this Document.)

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

OVERVIEW OF GLOBAL POWER EQUIPMENT INDUSTRY

The power equipment industry primarily encompasses key equipment used for electricity generation, transmission, conversion, regulation, distribution, and protection, including transformer equipment, power supply systems, distribution devices, and associated control components. Among these, transformer equipment serves as critical hubs for voltage level conversion and power quality stabilization, forming the foundational link that ensures the safe operation of various loads. Power supply systems handle rectification, voltage stabilization, and energy management, providing continuous, reliable, and efficient electrical support to end-use equipment. Core power equipment collectively forms the electrical backbone of industrial control systems, renewable energy infrastructure, and data centers, with performance directly determining downstream system safety, energy efficiency, and operational stability.

By 2024, the global power equipment market had reached approximately RMB 8.5 trillion. With the accelerated transition of the global energy structure, demand for power equipment in applications such as renewable energy grid integration, energy storage system dispatch, industrial automation control, and data centers is expected to grow rapidly. The market of global power equipment is projected to exceed RMB12.0 trillion by 2030, representing a CAGR of over 7.0% during the period from 2024 to 2030.

Driven by the expansion of AI computing clusters, the proliferation of high-power-density cabinets, and stringent power quality requirements, traditional decentralized power equipment faces bottlenecks of low efficiency, high redundancy, and large spatial footprint. As a result, transformer equipment and power supply systems are increasingly integrated with inductors, switchgear, and other related devices to form highly integrated, complete power solutions. These integrated systems enable efficient energy conversion, flexible load management, and intelligent monitoring, thereby improving energy utilization efficiency and operational reliability in computing facilities. Leveraging accumulated expertise in power electronics, system integration, and global delivery networks, leading companies are expanding from individual devices to systematic solutions, gaining first-mover advantages in the next-generation power infrastructure.

OVERVIEW OF GLOBAL AND CHINA TRANSFORMER EQUIPMENT INDUSTRY

Overview of Transformer Equipment Industry

Transformer equipment serves as a critical component within the power equipment system, responsible for core functions of voltage conversion and energy transmission. Its core function is to enable efficient and safe energy conversion and isolation between different voltage levels through electromagnetic induction, ensuring stability and economic efficiency during power transmission. With the transformation of the energy structure and the advancement of smart grid upgrades, diverse power sources such as new energy generation and energy storage systems are being integrated into power systems at an accelerating pace, significantly increasing system complexity and operational requirements. In this context, transformer equipment is evolving from a standalone power conversion unit into an intelligent system node that integrates monitoring, control, and communication functions, thereby reinforcing its central role in maintaining the stable operation of modern energy systems.

According to the "Standard Voltages" (GB/T 156–2017) transformer equipment can be classified by rated voltage level into low voltage (below 1kV), medium voltage (1kV-35kV), and high voltage (above 35kV). Low-voltage transformer equipment is widely used in consumer electronics and industrial control systems; medium-voltage transformer equipment serves as key distribution infrastructure for new energy and data center applications; and high-voltage transformer equipment undertakes core transmission and distribution functions within power grids. Each voltage class has a clear functional positioning, with medium- and high-voltage transformer equipment playing a particularly critical role in supporting emerging energy systems and large-scale computing infrastructure.

The global power supply structure is accelerating its transition toward renewable energy. The continued expansion of installed capacity for wind and PV power, coupled with the intermittency and uncertainty of renewable generation output, poses greater challenges for voltage regulation and stable energy transmission. The integration of energy storage systems for grid balancing and regulation further increases overall system complexity. Meanwhile, driven by sustained growth in computing demand, data centers and AI computing infrastructure are expanding rapidly, with increasing server power density placing higher requirements on the reliability, stability, and energy efficiency of power systems under continuous load conditions. Under the combined influence of energy structure transformation and expanding computing demand, overall power system load and complexity are increasing globally. This imposes higher requirements on the stable operation capabilities of transformer equipment under different operation conditions.

It is estimated that global electricity demand will exceed 35,000 TWh by 2030, driving cumulative grid investment beyond USD2,000 billion and providing long-term demand support for power infrastructure upgrades. Transformer equipment is therefore evolving toward higher power density, lower losses, intelligent monitoring, and liquid cooling solutions to enable efficient power supply and real-time control. At the same time, the expansion of emerging scenarios such as EV charging networks, energy storage systems, and hydrogen energy facilities continues to drive innovation in transformer equipment design, materials, and system integration, further broadening the industry's application scope and technological depth.

Value Chain Analysis of Transformer Equipment Industry

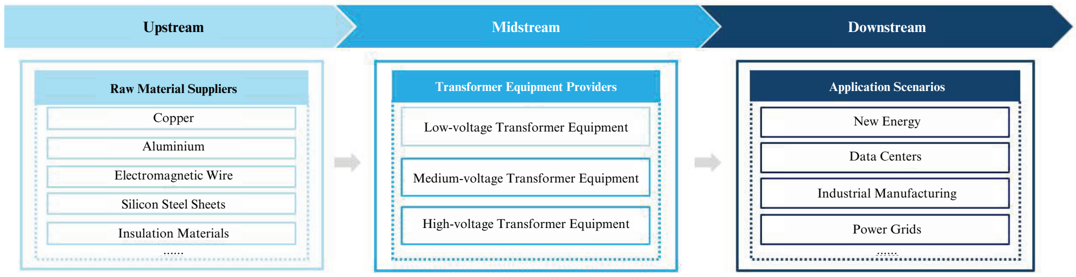
The transformer equipment industry value chain consists primarily of three segments: upstream raw material supply, midstream transformer equipment design, manufacturing and integration, and downstream applications.

The upstream segment mainly comprises raw material suppliers. Key materials include copper, aluminium, electromagnetic wire, silicon steel sheets, and insulation materials, which provide standardized, stable, and high-performance inputs for transformer equipment manufacturing while driving midstream equipment performance upgrades through ongoing material innovation.

The midstream segment consists of transformer equipment providers responsible for product design, manufacturing, and system integration. This segment represents a part of the value chain where technological barriers are relatively high and value is relatively concentrated. Companies in this segment typically require long-term capabilities in electromagnetic design, power density control, reliability validation, and large-scale delivery. On this basis, leading enterprises leverage solid R&D and manufacturing foundations to continuously enhance adaptability to complex loads and multi-application scenarios through high integration and intelligent upgrades of core transformer equipment, further deepening the application of transformer equipment in areas such as new energy charging piles and energy storage systems, supporting stable and efficient power supply across diverse application scenarios.

Downstream segments include application scenarios such as new energy, data centers, industrial manufacturing, and power grids. Data centers, driven by rising computing density and rapid expansion in electricity consumption, are becoming major growth drivers for high-efficiency, low-loss transformer equipment. In the meantime, the large-scale deployment of renewable energy power generation including PV and wind power as well as supporting energy storage systems has further elevated the requirements for transformer equipment in terms of energy efficiency and stability. As global electrification levels rise and energy systems accelerate toward low-carbon and intelligent transformation, transformer equipment penetration across emerging application scenarios is expected to further increase.

Value Chain of Transformer Equipment Industry



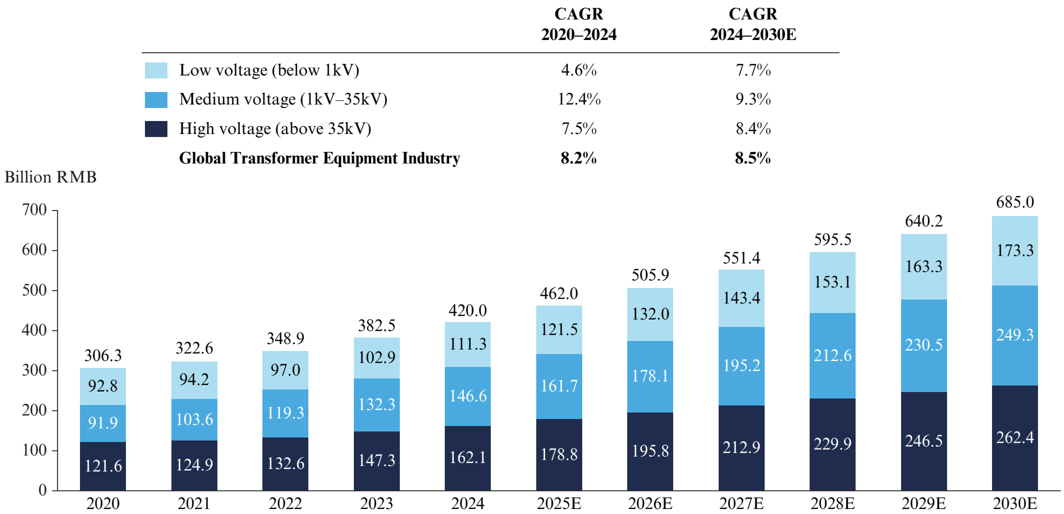
Sources: Frost & Sullivan

Market Size Analysis of Global and China's Transformer Equipment Industry

Driven by accelerated global energy transition, rising electrification levels, and continuous expansion of downstream application scenarios, the global transformer equipment market grew from RMB306.3 billion in 2020 to RMB420.0 billion in 2024, representing a CAGR of 8.2%. With the accelerated construction of new power systems worldwide, the global transformer equipment market is expected to reach RMB685.0 billion by 2030, with a CAGR of approximately 8.5% from 2024 to 2030.

By voltage level, the global transformer equipment market in 2024 comprised low-voltage, medium-voltage, and high-voltage segments accounting for 26.5%, 34.9%, and 38.6% of total market size, respectively. Among these, the global medium-voltage transformer equipment market benefited from clustered grid integration of renewable power stations, release of load regulation demand driven by energy storage projects, accelerated construction of charging infrastructure, and strong demand from data centers for stable and efficient power distribution systems. Market size increased from RMB91.9 billion in 2020 to RMB146.6 billion in 2024, with a CAGR of 12.4%. Looking ahead, as demand from renewable energy and data centers for high-reliability medium-voltage transformer equipment continues to grow, the global medium-voltage transformer equipment market is expected to expand to RMB249.3 billion by 2030, with a CAGR of approximately 9.3% from 2024 onward.

Market Size of Global Transformer Equipment Industry, by Voltage Level, 2020–2030E



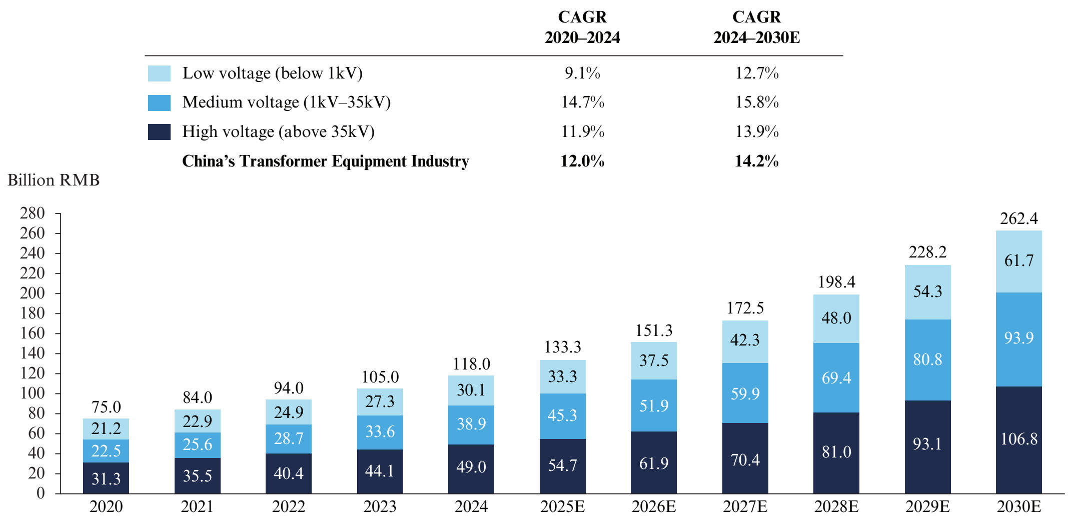
Sources: Frost & Sullivan

Note: The voltage level classification is based on the "Standard Voltages" (GB/T 156–2017).

Benefiting from the comprehensive advancement of China's new power system construction and the continuous release of demand from data centers and other scenarios, China's transformer equipment market reached approximately RMB118.0 billion in 2024, accounting for 28.1% of the global market. Under the combined influence of carbon neutrality goals, grid resilience enhancement requirements, and the advancement of energy digitalization platforms, China's transformer equipment market is expected to reach approximately RMB262.4 billion by 2030, with a CAGR of approximately 14.2% from 2024 onward.

Among them, China's medium-voltage transformer equipment market expanded from RMB22.5 billion in 2020 to RMB38.9 billion in 2024, with a CAGR of 14.7%. Driven jointly by accelerated renewable energy infrastructure construction and clustered data center development, this market is expected to continue its growth trajectory, reaching RMB93.9 billion by 2030, with a CAGR of approximately 15.8% from 2024 onward.

Market Size of China's Transformer Equipment Industry, by Voltage Level, 2020–2030E



Sources: Frost & Sullivan

Note: The voltage level classification is based on the "Standard Voltages" (GB/T 156–2017).

Competitive Landscape of Global Transformer Equipment Industry

In 2024, the market size of global medium-voltage transformer equipment industry reached approximately RMB146.6 billion. The top five China-based suppliers together holding around 9.7% of the market share. Our Group recorded revenue of RMB3.3 billion, corresponding to a market share of 2.2% and ranking second among China-based suppliers.

Top Five China-based Suppliers in Global Medium-voltage Transformer Equipment Industry, 2024

Ranking	Company	Revenue *(RMB Billion)*	Market Share *(%)*
1	Company A	4.0	2.7
2	**Our Group**	**3.3**	**2.2**
3	Company B	2.8	1.9
4	Company C	2.2	1.5
5	Company D	2.0	1.4
	Top Five	14.3	9.7
	Total	**146.6**	

Sources: Frost & Sullivan

Notes:

1. **Company A**, founded in 2015 and headquartered in China, is listed on the Shenzhen Stock Exchange. It is engaged in the research and development, production and sales of power transmission and distribution equipment and control devices within the fields of new energy and new type of infrastructure, with key products including smart transformer station, complete switchgear and transformers.

2. **Company B**, founded in 1997 and headquartered in China, is listed on the Shanghai Stock Exchange. Its core business focuses on the research and development, manufacturing, and sales of power equipment, with key products applied in the power transmission, distribution, and control segments, particularly for new energy and high-end equipment applications.

3. **Company C**, founded in 1993 and headquartered in China, is listed on the Shanghai Stock Exchange. Its core business focuses on the manufacturing and sales of power transmission and transformation equipment, with key products including transformers, wires and cables, and turnkey power transmission and transformation engineering solutions.

4. **Company D**, founded in 2008 and headquartered in China, is listed on the Shanghai Stock Exchange. Its core business covers intelligent power transformation and distribution systems, DC transmission systems, smart meters, intelligent medium-voltage power supply and consumption equipment, new energy systems and system integration solutions, as well as charging and battery swapping equipment.

OVERVIEW OF GLOBAL AND CHINA NEW ENERGY TRANSFORMER EQUIPMENT INDUSTRY

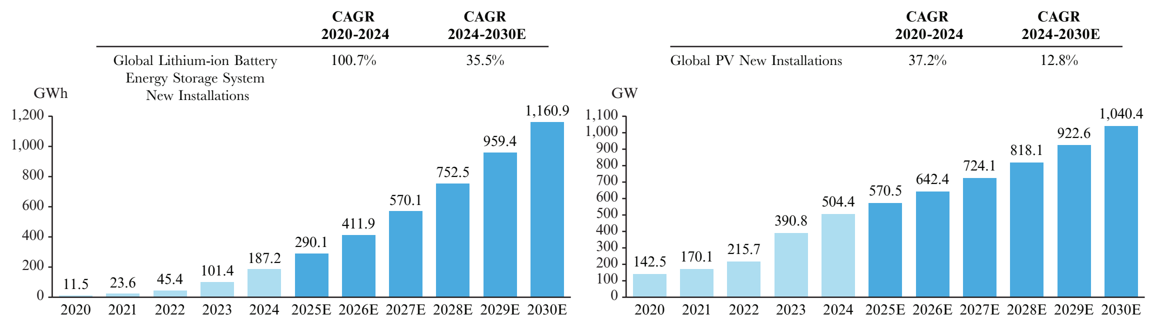
Overview of New Energy Transformer Equipment Industry

With the rapid expansion of PV, wind power, and energy storage projects, new energy transformer equipment has become a key component in supporting efficient grid integration and stable system operation. New energy transformer equipment refers to transformer equipment applied in renewable power generation systems, including PV, wind power and energy storage installations, serving functions such as voltage conversion, energy transmission, and system protection. Compared with traditional power grid transformer equipment, new energy transformer equipment features higher efficiency, lower losses, intelligent monitoring, and resistance to complex environments, enabling safe and efficient energy transfer between generation, storage, and grid integration.

Against the backdrop of a global energy transition toward clean and low-carbon sources, the installed capacity of renewable power continues to grow, driving stronger demand for supporting transformer equipment. In 2024, global PV new installations reached 504.4 GW, and it is projected to grow to 1,040.4 GW by 2030; during the same period, energy storage, serving as a critical component for smoothing energy fluctuations and enhancing grid flexibility, is forecasted to expand rapidly. The global lithium-ion battery energy storage system new installations reached 187.2 GWh in 2024 and is expected to increase significantly to approximately 1,160.9 GWh by 2030, representing a CAGR of about 35.5% from 2024 to 2030. The coordinated development of PV and energy storage has enabled new energy power transformation equipment not only to serve grid connection but also to deeply participate in the management of energy storage charging/discharging and power regulation processes, making it an essential infrastructure for the new power system. The integration of digitalization and intelligent operations further enhances the role of transformer equipment in grid scheduling, energy efficiency management, and system safety, establishing it as indispensable infrastructure within the new energy value chain.

With the rapid increase in renewable installed capacity and the rising proportion of distributed energy integration, the new energy transformer equipment industry faces challenges such as high energy loss, thermal management difficulties, harmonic interference, and insufficient system intelligence. Traditional transformer equipment struggles to meet the complex load and dynamic power requirements of PV, energy storage, and EV charging scenarios, leading to reduced operational efficiency and system stability. In response, leading companies focus on the intelligence and integrated design of new energy transformer equipment, leveraging expertise in high-frequency magnetic materials, power electronics, and automated manufacturing to continuously optimize grid-connected PV transformer equipment, and energy storage conversion modules. These efforts enable a transition from single transformer equipment to complete system-level energy solutions, providing safe, reliable, and efficient energy hubs for renewable power systems.

Market Size of Global Lithium-ion Battery Energy Storage Systems and PV New Installations, 2020–2030E



Sources: IEA, China Energy Storage Alliance (CNESA), China's National Energy Administration, Solar Energy Industries Association, Frost & Sullivan

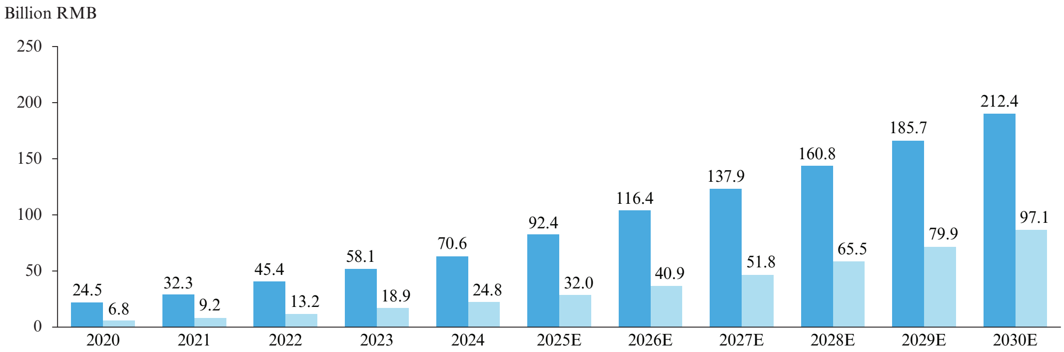
Market Size of Global and China's New Energy Transformer Equipment Industry

The global energy transition is rapidly driving the development of new energy transformer equipment. The global market size grew from RMB24.5 billion in 2020 to RMB70.6 billion in 2024, representing a CAGR of 30.3%. Looking ahead, as PV, wind, and energy storage projects expand in Europe, and Southeast Asia accelerates its energy transition, in order to meet the collaborative operation requirements of new energy generation and energy storage systems, new energy transformer equipment continues to improve in efficiency, safety, and energy loss reduction. The global market is expected to reach RMB212.4 billion by 2030, with a CAGR of 20.2% from 2024 onward.

From 2020 to 2024, driven by faster renewable power plant construction and the increased proportion of energy storage system configuration drive the rising demand for supporting transformer equipment, China's new energy transformer equipment market expanded from RMB6.8 billion to RMB24.8 billion, with a CAGR of 38.4%. Looking forward, under continued "dual-carbon" policies, sustained energy storage projects, and ongoing technological upgrades, China's market is projected to reach RMB97.1 billion by 2030, with a CAGR of 25.6% from 2024 onward.

Market Size of Global and China's New Energy Transformer Equipment Industry, 2020–2030E

	CAGR 2020–2024	CAGR 2024–2030E
Global New Energy Transformer Equipment Industry	30.3%	20.2%
China's New Energy Transformer Equipment Industry	38.4%	25.6%



Sources: IEA, Bloomberg NEF, Frost & Sullivan

Drivers and Development Trends Analysis of Global and China's New Energy Transformer Equipment Industry

- **Continuous Downstream Construction Drives Demand for Transformer Equipment**

The rapid expansion of renewable capacity, including PV and wind power, continues to increase the number of grid-connected renewable power plants, driving strong demand for high-efficiency, safe, and low-loss transformer equipment. By 2030, global PV new installations are expected to exceed 1,000GW, and global lithium-ion battery energy storage system new installations are projected to exceed 1,100GWh, further driving demand for safe, efficient, and low-loss transformer equipment.

Aging grid upgrades in Europe and accelerated energy transition in emerging markets such as Middle East and Southeast Asia significantly boost demand for high-performance transformer equipment. Leading companies expand overseas markets and increase direct sales abroad, achieving efficient market penetration while enhancing brand recognition internationally.

- **Technological Innovation and Integration Promote Product Diversification and Application Expansion**

Transformer equipment is evolving from standalone products toward highly integrated and diversified solutions. Modular designs enable compact structures, intelligent operations, and efficient system performance, meeting differentiated application requirements and improving energy efficiency and system stability.

Leading companies leverage their power electronics expertise to extend their product portfolio into transformer equipment used for energy storage systems, charging stations, and hydrogen energy, building a diversified product matrix, strengthening technological leadership and overall competitiveness in the market.

- **Intelligent Manufacturing Improves Production Efficiency and Flexibility**

As the industry demands higher product performance and delivery efficiency, smart factories and automated production workshops have become key enablers. Through automated production lines, digital monitoring, and data-driven optimization, companies significantly improve manufacturing efficiency while reducing labor costs and process errors.

Modular intelligent manufacturing systems allow flexible, controllable production processes, enabling high-volume manufacturing of transformer equipment with varying capacities and voltage levels within the same workshop. This approach shortens delivery cycles while ensuring consistent quality and high operational reliability.

Competitive Landscape of the Global New Energy Transformer Equipment Industry

In 2024, the global new energy transformer equipment market reached approximately RMB70.6 billion, with a relatively fragmented competitive landscape. The top five China-based suppliers collectively holding around 20.5% of the market share. Among them, Our Group achieved RMB2.6 billion in revenue, representing a 3.7% market share and ranking second among China-based suppliers.

Top Five China-based Suppliers in Global New Energy Transformer Equipment Industry, 2024

Ranking	Company	Revenue *(RMB Billion)*	Market Share *(%)*
1	Company A	4.5	6.4
2	**Our Group**	**2.6**	**3.7**
3	Company B	2.5	3.6
4	Company C	2.5	3.5
5	Company D	2.3	3.3
	Top Five	14.4	20.5
	Total	**70.6**	

Sources: Frost & Sullivan

OVERVIEW OF GLOBAL AND CHINA DATA CENTER TRANSFORMER EQUIPMENT INDUSTRY

Overview of Data Center Transformer Equipment Industry

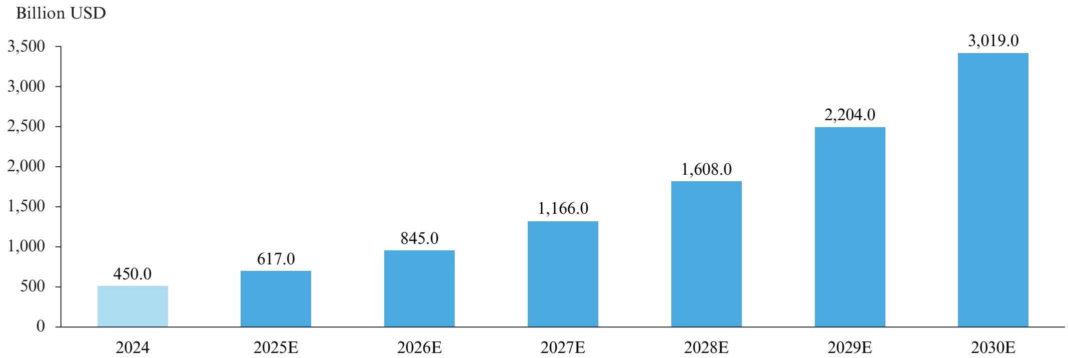
As data center construction and operational scale expand, data center transformer equipment is playing an increasingly critical role in ensuring power supply for high-density computing loads, gradually becoming a key application area within the transformer equipment industry. Data center transformer equipment refers to the core power equipment system that provides power conversion, distribution, and regulation for large-scale data centers and computing infrastructure. Its primary functions include voltage transformation, load distribution, power quality optimization, and redundant power assurance, ensuring safe, stable, and continuous power supply to high-energy-density equipment such as servers, storage devices, and networking equipment. It is also a critical foundational component supporting the high-reliability operation of data centers.

AI computing, cloud computing, the Internet of Things, and 5G applications continue to deepen, driving rapid growth in data center construction scale. Global data center capital expenditure is entering a phase of rapid expansion. It is projected to increase from approximately USD450.0 billion in 2024 to approximately USD3,019.0 billion by 2030, with a CAGR of 37.3% from 2024 to 2030. The sustained expansion in capital investment is directly driving a significant rise in demand for upgrades to power supply and distribution systems. In next-generation data centers such as AIDC facilities, power supply and distribution systems need not only meet high power density load requirements but also achieve high energy efficiency and stability. Accordingly, higher requirements are placed on transformer equipment, which feature low losses, high reliability, low noise, and intelligent monitoring capabilities. Performance of transforms directly impacts power usage effectiveness (PUE) and power supply security, making it a critical infrastructure supporting the safe, energy-efficient, and sustainable operation of the computing industry.

Data centers impose increasingly stringent requirements on power system stability, energy efficiency, and reliability. Traditional transformer equipment has limitations in high power density and dynamic response scenarios. Data center transformer equipment is accelerating toward high-efficiency, integrated, and modular architectures with intelligent operation and maintenance, enabling simplified system design and scalable deployment for large-scale data centers. Among these, Panama power supply integrates transformer equipment, power distribution, and UPS functions into a single high-power module. Characterized by high power density, high efficiency, bidirectional power flow control, and flexible parallel expansion, it enables efficient energy conversion while significantly enhancing system resilience. Its compatible transformer equipment achieves stable parallel operation and current sharing through phase adjustment, enhancing the system's dynamic response and reliability, providing critical core power support for large-scale data centers. Leading enterprises are actively deploying advanced solutions that customized to Panama power supply architectures, accelerating the commercialization and large-scale application of next-generation data center power solutions and providing a more efficient and reliable power foundation for high-computing infrastructure.

Global Data Center Capital Expenditure, 2024–2030E

	CAGR 2024-2030E
Global Data Center Capital Expenditure	37.3%



Sources: IEA, Frost & Sullivan

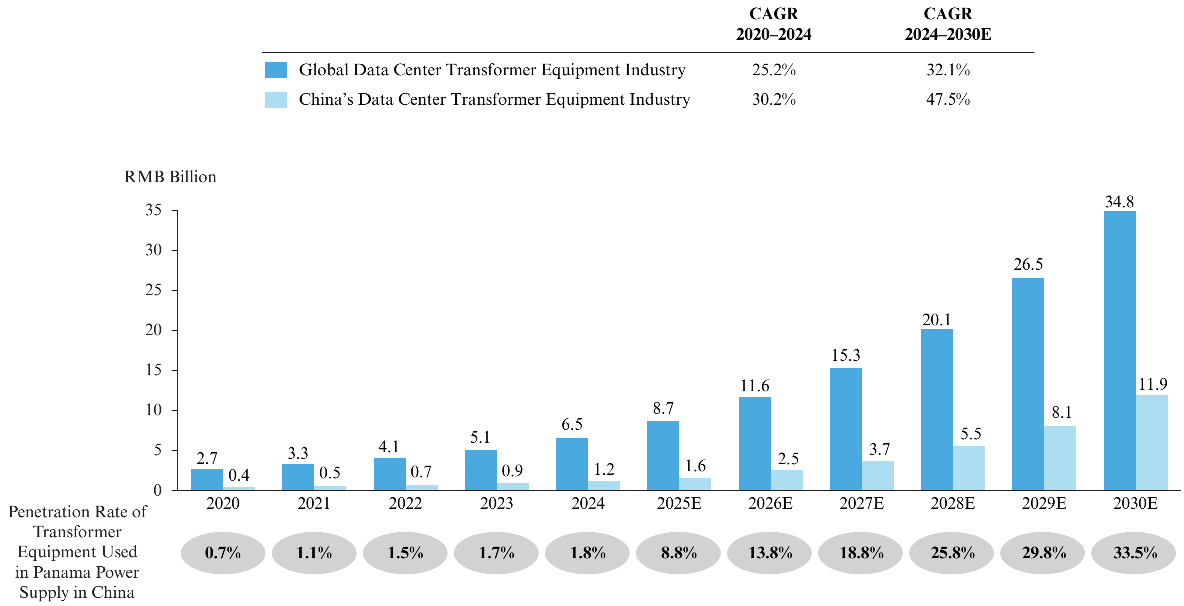
Market Size Analysis of Global and China's Data Center Transformer Equipment Industry

Rapid growth in AI computing power demand continues to drive the expansion of the data center transformer equipment market. The global data center transformer equipment market increased from RMB2.7 billion in 2020 to RMB6.5 billion in 2024, representing a CAGR of 25.2% over the period. Looking ahead, as global demand for highly stable power supply systems driven by artificial intelligence, cloud computing, and hyperscale data centers continues to upgrade, the global data center transformer equipment market is expected to reach RMB34.8 billion by 2030, representing a CAGR of 32.1% from 2024 onward.

From 2020 to 2024, China's data center computing capacity expanded rapidly, with facility loads iterating toward higher power density, driving the data center transformer equipment market to grow from RMB0.4 billion to RMB1.2 billion, representing a CAGR of 30.2% over the period. Looking forward, supported by the continued construction of the "Eastern Data, Western Computing (東數西算)" initiative and the rapid increase in the number of hyperscale data centers, China's data center transformer equipment market is expected to reach RMB11.9 billion by 2030, representing a CAGR of 47.5% from 2024 onward.

In this context, Panama power supply, leveraging its comprehensive advantages in supporting high-power-density power supply architectures and product reliability, is expected to drive penetration of its compatible transformer equipment in China with penetration increasing from 1.8% in 2024 to 33.5% by 2030.

Market Size of Global and China's Data Center Transformer Equipment Industry, 2020–2030E



Sources: IEA, IDC, Frost & Sullivan

Drivers and Development Trends Analysis of Global and China's Data Center Transformer Equipment Industry

- ***Rising Computing Power Demand and Capital Investment Drive Industry Expansion***

The rapid development of frontier technologies such as large models and generative AI continues to drive global computing power demand upward. By 2030, global AI computing power demand is expected to reach 864 ZFLOPS, approximately 16 times that of AI computing power demand in 2025. To support the continuous expansion of AI training, inference, and hybrid computing clusters, leading AI enterprises and major cloud service providers are accelerating the deployment of hyperscale, high-power computing facilities. As a result, capital expenditure deployed for global data centers is expected to increase from approximately USD450.0 billion in 2024 to more than USD3.0 trillion by 2030.

As the energy hub of computing infrastructure, the performance, reliability, and energy efficiency of data center transformer equipment directly affect overall operational efficiency and energy consumption. Optimization of data center transformer equipment can significantly improve power usage efficiency (PUE), reduce operating costs, and alleviate pressure on traditional power grids.

- ***Continuous Evolution of Technical Pathways Reshapes the Industry Landscape***

As data centers evolve toward larger scale and higher power density, single-cabinet power density has increased from less than 10 kW to more than 200 kW. Traditional power systems face bottlenecks in high-power and high-density scenarios, including low efficiency, excessive redundancy, large space occupation, and insufficient load flexibility. The industry is accelerating its transition toward highly integrated and modular power supply architectures, among which Panama power supply, with its advantages in high efficiency, high power density, and flexible scalability, is becoming a core direction for the upgrading of data center power supply systems.

Through compatible transformer equipment, Panama power supply achieves more stable voltage regulation and power distribution, while supporting parallel expansion, rapid deployment, and modular maintenance. This significantly enhances system energy efficiency and reliability while reducing the space and cost burden of traditional power supply chains. As large-scale and hyperscale data centers accelerate construction, the efficiency, integration, and flexibility of Panama power supply make it one of the key technologies in future mainstream power supply architectures, continuously driving the data center transformer equipment industry toward higher energy efficiency, lower PUE, and stronger scalability.

- ***Leading Transformer Equipment Enterprises Support Data Center Industry Development***

Leading transformer equipment enterprises, leveraging deep expertise in power electronics and system integration, have developed mature capabilities in voltage conversion, energy efficiency management, harmonic suppression, and overload protection for high-power transformer equipment. This enables them to rapidly provide stable and reliable power guarantee for data center construction, particularly for AIDCs.

At the same time, supported by comprehensive power product portfolios and global delivery capabilities, leading enterprises are transferring industrial-grade solutions to computing scenarios. On the one hand, they continue to advance transformer equipment technologies to match increasing power density and reliability requirements resulting from expanding computing scale and evolving load structures. On the other hand, through the coordinated application of modular power systems, liquid-cooled integrated cabinets, and intelligent monitoring platforms, they achieve flexible configuration and efficient operation of high-density computing loads, thereby providing stable and reliable energy support for data center infrastructure construction and the data center transformer equipment industry.

Competitive Landscape of Global Data Center Transformer Equipment Industry

In 2024, the global data center transformer equipment market reached approximately RMB6.5 billion, with a relatively fragmented competitive landscape. The top five China-based equipment suppliers collectively holding around 12.5% of the market. Among them, Our Group recorded revenue of RMB149.3 million, representing approximately 2.3% market share, ranking third among China-based data center transformer equipment suppliers. In addition, the Group was the world's largest supplier of transformer equipment for Panama power supply in 2024.

Top Five China-based Suppliers in Global Data Center Transformer Equipment Industry, 2024

Ranking	Company	Revenue *(RMB Million)*	Market Share *(%)*
1	Company B	250.0	3.8%
2	Company C	180.0	2.8%
3	**Our Group**	**149.3**	**2.3%**
4	Company E	125.0	1.9%
5	Company F	110.0	1.7%
	Top Five	814.3	12.5%
	Total	**6,500.0**	

Sources: Frost & Sullivan

Note:

1. **Company E**, founded in 1992 and headquartered in China, is listed on the Shenzhen Stock Exchange. Its core business covers the research, manufacturing, and sales of transmission and distribution equipment, widely applied in renewable energy, smart grids, data centers, nuclear power, and rail transit.

2. **Company F**, founded in 1993 and headquartered in China, is listed on the Shenzhen Stock Exchange. It specializes in the R&D, production, and sales of power equipment, spanning sectors such as ultra-high voltage equipment, smart grids, new energy, data centers, EV charging and battery swapping, rail transit, and industrial intelligence.

OVERVIEW OF GLOBAL AND CHINA LED DRIVER INDUSTRY

Overview of LED Driver Industry

LED driver serves as the core equipment within the power equipment system for providing stable and efficient power conversion and management to various lighting loads, representing a key infrastructure component for LED lighting applications. It converts electricity from the grid or energy storage systems into voltage and current for lighting loads, while providing dimming, color control, overload protection, short-circuit protection, and power factor correction, thereby ensuring normal operation, longevity, and luminous efficiency of the light source.

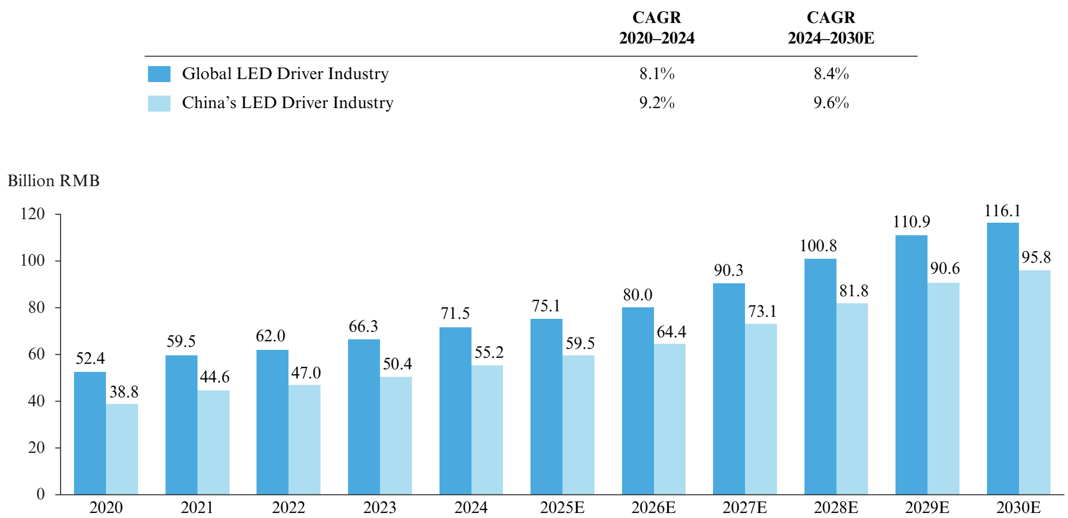
Global energy structure optimization and energy-saving targets are accelerating the transition to LED and smart lighting. The high efficiency, long lifespan, and low energy consumption of LEDs drive increased demand for supporting power supply equipment. At the same time, commercial, residential, public, and urban landscape lighting increasingly require high-quality illumination, dimming and color control, and intelligent management, prompting LED drivers to evolve toward high efficiency, intelligence, and adjustability. With the adoption of smart cities, the Internet of Things, and smart homes, the reliability, flexibility, and functional integration of LED drivers play a decisive role in overall lighting system performance and user experience, making them key equipment for the high-quality development of the lighting industry.

Market Size of Global and China's LED Driver Industry

Driven by accelerated adoption of smart lighting and ongoing global infrastructure upgrades, the global LED driver market grew from RMB52.4 billion in 2020 to RMB71.5 billion in 2024, representing a CAGR of 8.1%. As governments worldwide continue to promote energy efficiency, carbon reduction, smart lighting, and energy structure optimization, the global market is expected to reach RMB116.1 billion by 2030, with a CAGR of 8.4% from 2024 onward.

China plays a significant role in the global LED driver market. Its market grew from RMB38.8 billion in 2020 to RMB55.2 billion in 2024, with a CAGR of 9.2%. Driven by comprehensive smart city development and energy-saving renovation under "dual-carbon" policies, China's market is projected to reach RMB95.8 billion by 2030, with a CAGR of 9.6% from 2024 onward.

Market Size of Global and China's LED Driver Industry, 2020–2030E



Sources: Lighting China, Frost & Sullivan

Drivers and Development Trends Analysis of Global and China's LED Driver Industry

- ***Growing Global Market Demand***

The global promotion of energy-saving, green building policies, and smart city development continues to drive the penetration of LED drivers across residential, commercial, and public sectors. Users in high-end hotels, commercial complexes, and public spaces increasingly demand energy-efficient, high-luminance, and long-life lighting products, placing higher requirements on power supply stability, dimming compatibility, and light quality.

LED drivers are central to energy conversion, power regulation, and dimming control, ensuring stable light output and safe system operation, while supporting flexible scene adaptation and energy-saving management, making them key components of high-performance lighting systems.

- ***Technological Innovation and Product Extension Enhance System Performance***

Compact, ultra-thin, and lightweight designs are key innovation directions, resulting in reduced system volume, simplified installation, and greater flexibility in deployment. Leading companies leverage highly integrated designs, multi-mode dimming, and intelligent control to achieve small size, high efficiency, and flexible dimming for commercial, hotel, and outdoor lighting applications.

LED drivers are expanding from standalone products to system-level lighting solutions. Through modular design and multi-specification adaptation, leading companies offer customized solutions for different customers while ensuring consistent energy efficiency and light quality, further consolidating technological leadership.

- ***Automated Production Accelerates Scale and Customization***

Modular smart manufacturing and automated production lines improve production efficiency and consistency. Flexible manufacturing allows rapid switching between different capacities and specifications of drivers and lighting fixtures, enabling fast delivery and reducing labor risks and quality variation.

Leading companies extend their products to customized lighting systems and combination lighting fixtures, adapting to diverse brand and application requirements, while enhancing overseas market responsiveness to support global expansion.

Competitive Landscape of the Global LED Driver Industry

In 2024, the global LED driver market reached approximately RMB71.5 billion. The industry is relatively fragmented, with the top five suppliers accounting for about 12.9% of the market. Among them, Our Group achieved RMB0.8 billion in revenue, representing a 1.2% market share and ranking fifth.

Top Five Suppliers in Global LED Driver Industry, 2024

Ranking	Company	Revenue *(RMB Billion)*	Market Share *(%)*
1	Company G	3.7	5.2%
2	Company H	1.9	2.7%
3	Company I	1.9	2.6%
4	Company J	0.9	1.2%
5	**Our Group**	**0.8**	**1.2%**
	Top Five	9.2	12.9%
	Total	**71.5**	

Sources: Frost & Sullivan

Notes:

1. **Company G**, founded in 2016 and headquartered in Eindhoven, Netherlands, is listed on the Euronext Amsterdam. Its core business covers the R&D, manufacturing, and sales of lighting products and smart lighting systems, widely applied in street and urban lighting, commercial and industrial lighting, office and retail spaces, public buildings, and smart homes.

2. **Company H**, founded in 2007 and headquartered in Zhejiang, China, is listed on the Shenzhen Stock Exchange. Its core business covers LED drivers, sensors, control systems, and LED module products.

3. **Company I**, founded in 1982 and headquartered in Taiwan, China, focuses on power supply R&D, manufacturing, and sales. Its core products include switching power supplies, LED drivers, and industrial power supplies, widely applied in LED lighting, industrial automation, communications, medical devices, and renewable energy.

4. **Company J**, founded in 2011 and headquartered in Guangdong, China, is listed on the Shenzhen Stock Exchange. Its core business covers LED driver R&D, manufacturing, and sales, serving outdoor, industrial, commercial, plant, and smart lighting applications.

OVERVIEW OF GLOBAL AND CHINA EV POWER SUPPLY INDUSTRY

Overview of EV Power Supply Industry

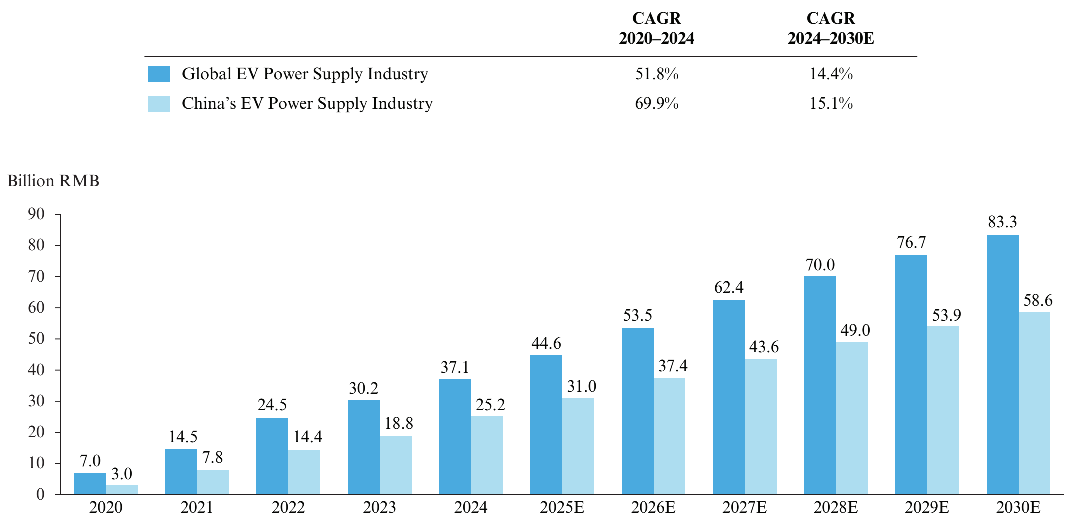
EV power supplies are the core systems within the power equipment industry that provide stable and efficient power conversion and management for automotive electronics and powertrain systems, including core units such as DC-DC converters, on-board chargers (OBC), and power distribution units (PDU). These modules provide stable and efficient power to propulsion systems, intelligent cockpits, and body control systems. As key magnetic components, inductors provide energy storage, filtering, and current control, while their saturation current, DC bias behavior, and high-temperature performance are critical to the reliability and electromagnetic compatibility of the vehicle's electrical system.

Market Size of Global and China's EV Power Supply Industry

From 2020 to 2024, driven by rapid NEV sales growth, the global EV power supply market experienced high-speed development, growing from RMB7.0 billion to RMB37.1 billion, with a CAGR of 51.8%. With further NEV penetration and increasing vehicle intelligence, the global market is expected to reach RMB83.3 billion by 2030, with a CAGR of 14.4% from 2024 onward.

China, with leading NEV penetration and scaled domestic supply chains, saw its EV power supply market grow from RMB3.0 billion in 2020 to RMB25.2 billion in 2024, with a CAGR of 69.9%. Looking ahead, as the NEV market continues to expand and vehicle electronics evolve toward higher energy density, wider temperature ranges, longer lifetimes, and higher safety standards, China's market is projected to reach RMB58.6 billion by 2030, with a CAGR of 15.1% from 2024 onward.

Market Size of Global and China's EV Power Supply Industry, 2020–2030E



Sources: MarkLines, Frost & Sullivan

ENTRY BARRIER ANALYSIS OF POWER EQUIPMENT INDUSTRY

- **Technical Barrier**

The power equipment industry encompasses multiple technical disciplines, including high-voltage electrical engineering, power electronics, thermal management, materials science, and control algorithms. Core equipment is required to deliver high efficiency, low losses, and high reliability, requiring strict design for insulation structures, magnetic material performance, coil processes, and thermal control. Automation and full-process digitalization also establish high technical barriers for consistent product quality and fast response.

- **Full Value Chain Barrier**

Covering magnetic materials, power devices, system integration, and O&M services, leading companies build vertical integration capabilities across the full value chain. They control from raw materials to component processing, system design, and complete delivery, while extending solutions to energy storage and charging infrastructure, forming cross-segment service barriers.

- **Customer Barrier**

Power equipment directly impacts power system safety. Clients impose stringent certification, testing, and life-cycle requirements, and suppliers typically require several years to enter the supply chain. Through long-term, project-based collaborations, leading companies have established deep partnerships with clients, and are capable of providing customized solutions.

- **Global Supply Barrier**

Serving Europe, the Americas, Middle East, and Southeast Asia requires compliance with regional standards and energy certifications. Leading companies rely on overseas factories and local teams to deliver quickly and provide local service, enhancing trust and responsiveness.

- **Product Innovation and Customization Barrier**

With diverse downstream applications, products evolve from standard units to integrated, modular, and intelligent systems. Leading companies leverage advanced electrical design and manufacturing to rapidly iterate and customize solutions, creating sustained product barriers.

- **Capital Barrier**

R&D, raw material procurement, component processing, assembly, and system testing require substantial investment. Prototyping, lab testing, and long-term reliability validation also require significant capital. Moreover, global deployment necessitates overseas factories and service networks. Together, these factors establish high capital barriers for new entrants.

- **Talent Barrier**

Core technologies span high-voltage electrical, power electronics, materials, thermal management, and system integration. Product development and O&M require engineers with design and field experience. Leading companies cultivate multi-level, cross-disciplinary teams covering R&D, production, quality, sales, and service, forming a deep talent advantage difficult for new entrants to replicate quickly.

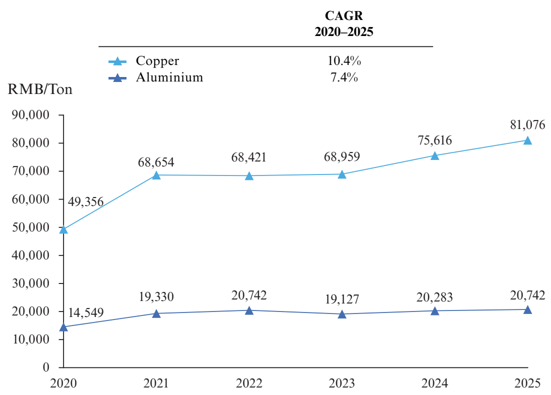
PRICE ANALYSIS OF RAW MATERIAL

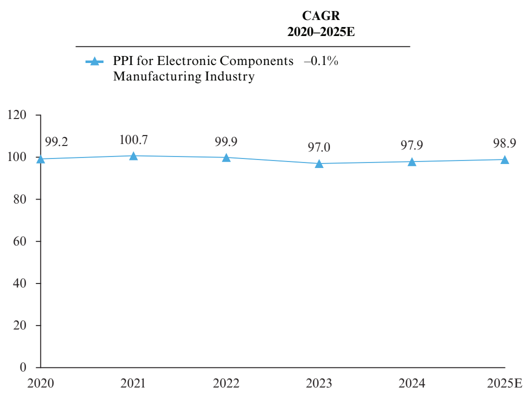
Copper, aluminium and electronic components are the company's main raw materials. Copper, with excellent conductivity and mechanical properties, is the preferred coil material for transformer equipment. Between 2020 and 2025, as global manufacturing demand rebounded rapidly after the pandemic and the installation of new energy capacity along with grid construction accelerated, the average price of copper increased from RMB49,356 per ton to RMB81,076 per ton, with a CAGR of approximately 10.4% during the 2020–2025 period.

Aluminium also possesses good electrical conductivity, along with lower density and typically lower unit cost compared to copper, giving it significant application value in electrical equipment. The average price of aluminium was RMB14,549 per ton in 2020, rising to RMB19,330 in 2021, after which the price increase moderated, reaching approximately RMB20,742 by 2025. Against the backdrop of rapidly rising copper prices, leading companies have established diversified raw material systems that include both copper and aluminium, ensuring overall cost control in the manufacturing of power equipment.

Electronic components are critical for voltage regulation and intelligent control in transformer equipment. Their performance and availability directly impact functional integration, operational reliability, and intelligence. From 2020 to 2024, related price indices remained relatively stable, supporting predictable manufacturing costs and enabling enterprises to upgrade products and expand capacity efficiently.

Average Copper, Aluminium and Electronic Component Prices, 2020–2025E





Sources: National Bureau of Statistics of China, Frost & Sullivan

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on global power equipment industry, global transformer equipment industry, global LED driver industry and global automotive power supply and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB450,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

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

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

We have extracted certain information from the Frost & Sullivan Report in this section and other sections of this Document to provide our [REDACTED] with a more comprehensive presentation of the industry in which we operate. Our Directors confirm to the best of their knowledge and that after taking reasonable enquiries, that there have been no material adverse changes in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict or have an impact on such information.

THE PRC LAWS, REGULATIONS AND POLICIES

This section summarizes the major PRC laws, regulations and policies relevant to the Company's daily business operations currently carried out in the PRC.

POLICIES RELATING TO THE NEW ENERGY TRANSFORMERS EQUIPMENT AND POWER SUPPLY EQUIPMENT INDUSTRY

According to the Work Plan for Stable Growth in the Power Equipment Industry (2025–2026) (《電力裝備行業穩增長工作方案(2025–2026年)》) jointly issued by three ministries and commissions including the Ministry of Industry and Information Technology ("**MIIT**") on and effective from September 12, 2025, the main objectives for 2025–2026 are as follows: the average annual revenue growth rate of traditional power equipment will be maintained at around 6%, while revenue from new energy equipment will see steady growth; the output of power generation equipment will remain within a reasonable range, ensuring an effective supply. The export volume of new energy equipment is expected to increase; the driving role of key regions and enterprises will be strengthened. The average annual revenue of national advanced manufacturing clusters in the power equipment sector will grow by approximately 7%, and that of leading enterprises will rise by around 10%; breakthroughs and widespread application of a number of benchmark equipment will be promoted; the standard system in the field of power equipment will be improved, through which the quality improvement of power equipment and update of large-scale equipment will be driven; the technical standards of transformers and motors will be upgraded; the deep integration of the new generation of information technology and power equipment will be promoted; the energy efficiency level of electric motors, transformers, and power distribution equipment will be improved. Furthermore, the plan emphasizes leveraging bilateral and multilateral cooperation mechanisms to deepen cooperation with emerging market countries across the entire value chain of wind power, photovoltaics, and energy storage, guide enterprises to conduct overseas deployment in a rational and orderly way, enhance product quality, and build a strong brand image in power equipment.

According to the Action Plan for High-Quality Development of New Energy Storage Manufacturing Industry (《新型儲能製造業高質量發展行動方案》) promulgated by eight ministries and commissions including the MIIT on February 10, 2025 and implemented on the same date, new energy storage manufacturing industry is comprehensively deployed and promoted towards high-quality development, injecting strong momentum into the construction of the modern industrial system and energy transformation and upgrading. The plan also highlights that by 2027, China's new energy storage manufacturing industry will demonstrate distinct international competitive advantages across the entire chain, with a further expansion of leading enterprise echelons. Moreover, the industry's capacity for innovation and overall competitiveness will see substantial improvement, achieving high-end, intelligent, and sustainable development.

According to the Guiding Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development (《關於加快經濟社會發展全面綠色轉型的意見》) jointly promulgated by Central Committee of the Communist Party of China and the State Council on July 31, 2024 and implemented on the same date, the construction of a new power system will be accelerated, and the layout of pumped hydro storage, new types of energy storage, and concentrated solar power will be scientifically planned to enhance the safe operation and comprehensive regulatory capabilities of the power system. Smart grids will be built and the construction of microgrids, virtual power plants, and integrated projects for power source, grid, load, and storage will be accelerated. Power demand side management will be strengthened. The reform of the electric power system will be furthered, and the systems and mechanisms that adapt to the new type of electric power system will be further improved.

According to the Action Plan for Accelerating the Establishment of a New Power System (2024–2027) (《加快構建新型電力系統行動方案(2024–2027年)》), which was promulgated by the NDRC, the National Energy Administration ("**NEA**"), and the National Data Bureau on July 25, 2024 and implemented on the same date, the state will promote and implement a number of collaborative projects between computing power and electric power. The data center development needs and new energy resource endowments will be planned in an overall manner, source, load and storage resources will be integrated scientifically, and coordinated planning and layout of computing power and power infrastructure will be carried out. Resources will be integrated and adjusted, the level of collaborative operation of computing power and electricity will be improved, the proportion of green electricity in data centers will be increased, and the demand for grid guarantee capacity will be reduced.

According to the Notice of Promoting the Grid Connection and the Dispatching and Use of New Types of Energy Storage (《關於促進新型儲能併網和調度運用的通知》) issued by the NEA on April 2, 2024 and implemented on the same date, regulating the management of grid connection and access to new types of energy storage, optimizing the dispatch and operation mechanism, giving full play to the role of new types of energy storage, and supporting the construction of new types of power system.

According to the Green and Low-Carbon Transformation Industry Guidance Catalog (2024 Edition) (《綠色低碳轉型產業指導目錄(2024年版)》) promulgated by the NDRC on February 2, 2024 and implemented on the same date, manufacturing of energy-saving transformers, rectifiers, inductors, and welders, manufacturing of energy measurement, testing, monitoring, and control equipment, manufacturing of wind power equipment, manufacturing of smart grid products and equipment were included in the catalog.

According to the Guiding Catalogue for Industrial Structure Adjustment (2024 Version) (《產業結構調整指導目錄(2024年本)》) promulgated by the NDRC on December 27, 2023 and effective on February 1, 2024, semiconductor lighting equipment, semiconductor lighting substrates, epitaxy, chips, packaging and materials, technologies and equipment for new power systems and technologies and applications for renewable energy utilization belong to the state-encouraged industries.

According to the Guiding Opinions on Strengthening the Stability of Power Systems under the New Situation (《關於加強新形勢下電力系統穩定工作的指導意見》) issued by the NDRC and the NEA on September 21, 2023 and implemented on the same date, scientifically planning and allocating energy storage based on demand, actively promoting the construction of new types of energy storage, giving full play to the advantages of electrochemical energy storage, compressed air energy storage, flywheel energy storage, hydrogen energy storage, thermal (cold) energy storage and various new types of energy storage, combining with the application scenarios to build a diversified and integrated development model of energy storage, and enhancing the level of safety and security and comprehensive efficiency.

According to the Guiding Opinions on Promoting the Development of the Energy Electronics Industry (《關於推動能源電子產業發展的指導意見》), which were jointly promulgated by the MIIT and other five departments on January 3, 2023, and came into effect on the same day, energy electronics industry refers to the electronic information technology and products that are used to produce, serve, and apply energy, mainly including new energy storage batteries and other fields. One of the development goals set out in these Opinions is to encourage enterprise-led and market-oriented research and development activities featuring industrial application and expand the supply of intelligent diversified products and services such as PV power generation systems, new energy storage systems, and new energy microgrids. Deep integration in key fields of energy electronics shall be promoted, and the capacity of new energy production, storage, transmission and distribution, and terminal application will be enhanced.

According to the Action Plan for Industrial Energy Efficiency Improvement (《工業能效提升行動計劃》), which were jointly promulgated by the MIIT and other five departments on June 29, 2022, and implemented on the same day, aiming to achieve a comprehensive improvement in the energy efficiency of major industrial sectors, a substantial rise in energy efficiency in key areas such as data centers, and an increase in the proportion of green low-carbon energy use. The action set a slew of targets for a wide range of industries, seeking to bring the proportion of new energy-efficient motors to over 70 percent by 2025 and that of new energy-efficient transformers to more than 80 percent.

According to the New Energy Storage Development Plan During China's "14th Five-Year Plan" Period (《"十四五"新型儲能發展實施方案》) jointly promulgated by the NDRC and the NEA on January 29, 2022, by 2025, new energy storage will expand from the initial stage of commercialization to the stage of scale development and be ready for large-scale commercial application. By 2030, new energy storage will be developed on a fully market-oriented basis, and diversified technology development will be promoted.

According to the "14th Five-Year Plan" for Modern Energy System (《"十四五"現代能源體系規劃》) jointly issued by the NDRC and the NEA on January 29, 2022, it will accelerate the large-scale application of new energy storage technologies. It will vigorously promote the development of energy storage on the power supply side, rationally allocate energy storage scale, improve the output characteristics of new energy sites, and support the rational configuration of energy storage systems for distributed new energy. It will optimize the layout of grid-side energy storage and give full play to the multiple roles of energy storage in absorbing new energy, shaving peaks and filling valleys, enhancing grid stability and emergency power supply. It will actively support the diversified development of user-side energy storage, improve user power supply reliability, and encourage user-side energy storage such as EVs and uninterruptible power supplies to participate in system peak and frequency regulation. It will broaden the application scenarios of energy storage, promote the diversified application of technologies such as electrochemical energy storage, cascade power station energy storage, compressed air energy storage, and flywheel energy storage, and explore new models and new business forms such as energy storage aggregation and shared utilization.

According to the "14th Five-Year Plan" for Scientific and Technological Innovation in the Energy Field (《"十四五"能源領域科技創新規劃》) jointly issued by the NEA and the Ministry of Science and Technology on November 29, 2021, it will accelerate the research and development of strategic and forward-looking core grid technologies, support the construction of an advanced power grid that is adaptable to large-scale renewable energy and distributed power generation, has two-way interaction between sources, grids and loads, and is intelligent and efficient; it will break through key technologies and core equipment for energy storage and system integration, such as energy-type and power-type energy storage, to meet the development needs of energy storage in different application scenarios of energy systems.

According to the Action Plan for Carbon Dioxide Peaking Before 2030 (《2030年前碳達峰行動方案》) promulgated by the State Council on October 24, 2021 and implemented on the same date, in terms of green and low-carbon energy transformation, the construction of a new power system will be accelerated, and "new energy + energy storage" model, source-grid load-storage integration and multi-energy complementarity will be actively developed. Support will be given to the rational configuration of distributed new energy storage systems. By 2025, the installed capacity of new energy storage will reach more than 30 million kilowatts. In terms of energy conservation, carbon reduction and efficiency improvement, it will optimize the energy consumption mix in new types of infrastructure by employing models including DC electricity, distributed energy storage, and "solar + storage," explore diversified energy supply, and increase the proportion of non-fossil energy consumption; it will improve the level of electrification of building terminals, and build the PEDF (Photovoltaic, Energy storage, Direct current, Flexibility) buildings that integrate PV power generation, energy storage, DC power distribution, and flexible electricity use.

According to the Guiding Opinions on Accelerating the Development of New Energy Storage (《關於加快推動新型儲能發展的指導意見》), which were jointly promulgated by the NDRC and the NEA on July 15, 2021 and came into effect on the same date, the PRC will strive to build a clean, low-carbon, safe and efficient energy system, and drive down the cost and advance the commercial-scale application of more mature new energy storage technologies, in an effort to achieve carbon peak and carbon neutrality. By 2025, the transformation from the initial stage of commercialization to large-scale development of new energy storage shall be achieved, and the installed capacity shall reach more than 30 million kilowatts. The full market-oriented development of new energy storage shall be realized by 2030. The core technologies and equipment of new energy storage shall be independent and controllable, and the installed capacity shall basically meet the corresponding needs of the new power system.

LAWS AND REGULATIONS ON FOREIGN INVESTMENT

The establishment, operation and governance of corporate entities in the PRC is governed by the Company Law of PRC (《中華人民共和國公司法》) (the "**PRC Company Law**"), which was issued by the SCNPC on December 29, 1993, last revised on December 29, 2023 and became effective on July 1, 2024. Limited liability companies and stock limited companies established in the PRC shall be subject to the PRC Company Law. A foreign-invested company is also subject to the PRC Company Law unless otherwise provided by the foreign investment laws.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which was promulgated by the NPC on March 15, 2019 and came into effect on January 1, 2020, specifies that the state shall implement the management system of pre-entry national treatment and the Negative List for foreign investment. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favourable than the treatment accorded to domestic investors and their investments; Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the state. The state provides national treatment to foreign investments outside the Negative List. In addition, the Regulations on Implementing the Foreign Investment Law of the PRC ("**Implementation Regulations**") (《中華人民共和國外商投資法實施條例》), which were promulgated by the State Council on December 26, 2019 and came into effect on January 1, 2020, further stipulate that the state shall, in accordance with the needs of the national economy and social development, formulate a catalog of industries for encouraging foreign investment, setting out the specific industries, fields and regions in which foreign investors will be encouraged and induced to invest.

The NDRC and the MOFCOM jointly revised and promulgated the "the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Version)" (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**") on September 6, 2024, which came into effect on November 1, 2024, replacing the previous Negative List, pursuant to which, domestic enterprises engaged in business sectors prohibited under the Negative List that seek to issue shares and list overseas shall be subject to review and approval by the relevant national competent authorities, and foreign investors are not allowed to participate in the operation and management of the enterprise and their shareholding ratios shall be implemented with reference to the relevant regulations on the management of domestic securities investment by foreign investors.

According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) (the "**Measures**") promulgated by NDRC and MOFCOM on December 19, 2020 and effective from January 18, 2021, foreign investments that have an actual or potential impact on national security are subject to security review in accordance with the provisions of the Measures. Foreign investors or relevant domestic parties who intend to invest in the following areas should proactively apply to the mechanism's office for a security review prior to implementation of the investment: (1)investment in defense, defense support and related sectors that have a bearing on national defense security, as well as investment in areas surrounding military and defense facilities; (2)investment in important agricultural products, important energy and resources, major equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies, and other important sectors related to national security, while obtaining actual control over the invested enterprise.

REGULATIONS ON OVERSEAS INVESTMENT

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated by the MOFCOM on September 6, 2014 and effective from October 6, 2014, the MOFCOM and provincial competent commerce departments shall carry out administration either by record-filing or by verification and approval depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by verification and approval. Outbound investment that falls under any other circumstances shall be subject to administration by record-filing.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by NDRC on December 26, 2017 and effective from March 1, 2018, domestic enterprises (the "**investors**") in the PRC making an outbound investment shall go through verification and approval or record-filing or other procedures applicable to outbound investment projects (the "**Projects**"), report relevant information, and cooperate with the supervision and inspection. Sensitive Projects carried out by the investors directly or through overseas enterprises controlled by them shall be subject to the management of verification and approval; non-sensitive Projects directly carried out by the investors, namely, non-sensitive projects involving the investors' direct contribution of assets or rights and interests or provision of financing or security, shall be subject to the management of record-filing. The aforementioned sensitive project means a project involving sensitive countries and regions or a sensitive industry. The NDRC promulgated the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018 to list the sensitive industries for foreign investment in detail.

According to the "Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment" (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued by the SAFE on February 13, 2015 and effective from June 1, 2015, the approval of foreign exchange registration for direct investment is canceled. Banks directly review and handle the foreign exchange registration for overseas direct investment. The State Administration of Foreign Exchange and its branches indirectly supervise the registration of foreign exchange for overseas direct investment through banks.

On April 3, 2024, the SAFE promulgated the Guidelines of Capital Account Foreign Exchange Business (2024 Version) (《資本項目外匯業務指引(2024年版)》), which came into effective on May 6, 2024, and stipulates guidelines for the capital account foreign exchange business.

LAWS AND REGULATIONS RELATING TO NETWORK SECURITY AND DATA SECURITY

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, 2016 and came into effect on June 1, 2017, last revised on October 28, 2025 and became effective on January 1, 2026, the State promotes the construction of a socialized service system for cybersecurity and encourages relevant enterprises and institutions to provide security services such as cybersecurity certification, testing and risk assessment. Critical information infrastructure operators that intend to purchase internet products and services that may affect national security must be subject to the national security review organized by the national cyberspace authority in conjunction with relevant departments under the State Council. Furthermore, operators of key information infrastructure shall, during their operations in the PRC, store the personal information and important data collected and produced within the territory of the PRC. Where cross-border transfer of such data is necessary for business, unless otherwise provided for in laws and administrative regulations, a security assessment shall be conducted in accordance with the measures formulated by the national cyberspace authority in conjunction with the relevant departments under the State Council.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**"), effective from September 1, 2021. According to the Data Security Law, the State supports research on data development and utilization and data security technologies, encourages the promotion of technologies and commercial innovation in the fields of data development and utilization and data security, and nurtures and develops data development and utilization and data security products and industrial systems. The State also supports education and scientific research institutions and enterprises to carry out education and training on data development and utilization technologies and data security, and adopts various means to train professionals in data development and utilization technologies and data security to promote the exchange of talents.

The Data Security Law also introduces a data classification and hierarchical protection system based on the materiality of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of persons or organizations when such data is tampered with, destroyed, divulged, or illegally acquired or used. Appropriate protection measures are required to be taken for each respective category of data. For example, a processor of important data shall designate the personnel and the management body responsible for data security, carry out risk assessments for its data processing activities, and file the risk assessment reports with the competent authorities; the central national security leadership organization is responsible for coordinating the decision-making and discussion of national data security matters. In addition, the Data Security Law provides that a national security review procedure should be performed for those data activities which may affect national security and export restrictions should be imposed on certain data and information. Without the approval of the competent PRC authorities, entities or individuals within the territory of the PRC may not provide foreign judicial or law enforcement authorities with the data stored within the territory of the PRC.

On September 24, 2024, the State Council promulgated the Administrative Regulations for Internet Data Security (《網絡數據安全管理條例》) (the "**Data Security Regulations**"), which came into effect on January 1, 2025. Pursuant to the Data Security Regulations, internet data processors shall conduct national security examination in accordance with relevant state regulations if their internet data processing activities affect or may affect national security. The state internet information departments shall coordinate and integrate the establishment of a special working mechanism for the management of national data export security by relevant departments, research and formulate policies related to the management of national internet data export security, and coordinate the handling of major issues related to internet data export security. The Data Security Regulations stipulates that an internet data processor may provide personal information outside of the PRC if one of the following conditions is met: (I) it has passed the data export security assessment organized by the state internet information departments; (II) it has undergone personal information protection certification by a professional organization in accordance with the requirements of the state internet information departments; (III) it conforms to the regulations on standard contract for personal information export formulated by the state internet information departments; (IV) it is indeed necessary to provide personal information outside of the PRC for the purpose of entering into and performing a contract to which the individual is a party; (V) it is indeed necessary to provide personal information of employees outside of the PRC for the purpose of implementing the cross-border human resources management in accordance with the labor rules and regulations formulated in accordance with the law and the collective contract signed in accordance with the law; (VI) it is indeed necessary to provide personal information outside of the PRC for the purpose of fulfilling the legal duties or legal obligations; (VII) it is indeed necessary to provide personal information outside of the PRC for the purpose of protecting the life, health and property safety of natural persons in case of emergencies; (VIII) other conditions stipulated by laws, administrative regulations or the state internet information departments.

On December 28, 2021, the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室) (the "**CAC**"), the NDRC, the MIIT and several other PRC governmental authorities jointly promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》), these Measures took effect on February 15, 2022 and replaced the former Cybersecurity Review Measures promulgated on April 13, 2020. Pursuant to the Cybersecurity Review Measures, a critical information infrastructure operator that purchases network products and services, or an internet platform operator that conducts data processing activities, which affect or may affect national security, shall be subject to a cybersecurity review according to the Measures. In addition, the internet platform operator which processes the personal information of more than one million users and intends to be listed on a foreign stock exchange must be subject to a cybersecurity review. And the Cybersecurity Review Office under the CAC is responsible for developing institutions and norms on cybersecurity review and organizing cybersecurity reviews.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**") promulgated by the SCNPC on March 12, 1984, last revised on October 17, 2020 and effective from June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, last revised on December 11, 2023 and effective from January 20, 2024, there are three types of patents, namely invention, utility model and design. Invention patents are valid for 20 years, while utility model patents are valid for 10 years and design patents are valid for 15 years, all starting from the date of application. After the granting of a patent for an invention or utility model, unless otherwise provided for in the Patent Law, no entity or individual may exploit the patent without the permission of the patentee; after the granting of a design patent, no entity or individual shall, without permission of the patentee, exploit the patent, that is, they shall not make, promise to sell, sell, or import the product incorporating its or his patented design, for production and business purposes.

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) (the "**Trademark Law**") promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and came into effect on November 1, 2019, and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, last amended on April 29, 2014 and came into effect on May 1, 2014 stipulate the application, examination and approval, renewal, modification, transfer, use and invalidation of trademark registration, and protect the exclusive right to use a trademark enjoyed by the trademark registrant. The Trademark Office of China National Intellectual Property Administration (the "**Trademark Office**") is responsible for the registration of trademarks. The valid period of a registered trademark shall be ten years from the date of approval of the registration. Upon expiry of the valid period, the registrant shall go through the formalities for renewal within twelve months prior to the date of expiry as required if the registrant needs to continue to use the trademark. If the registrant fails to do so within the period, an extension period of six months may be granted. Valid period for each renewal is ten years from the next day after expiry of the previous valid term. The Trademark Office shall announce the trademarks subject to renewal of registration.

Moreover, according to the Trademark Law and the Regulation on the Implementation of the Trademark Law of the PRC, the trademark registrant may, by concluding a trademark licensing contract, authorize others to use the registered trademark. For licensed use of a registered trademark, the licensor shall file record of the licensing of the said trademark with the Trademark Office, while non-filing of the licensing of a trademark shall not be contested against a good faith third-party. The licensor shall supervise the quality of the goods on which the licensee uses the licensor's registered trademark, and the licensee shall guarantee the quality of the goods on which the registered trademark is used.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, last revised on November 11, 2020 and effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002, last revised on January 30, 2013 and effective on March 1, 2013, works of PRC citizens, legal persons or unincorporated organizations, whether published or not, shall enjoy copyright in accordance with law. Works refer to intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form. A copyright holder shall enjoy a number of personal and property rights, including the right of publication, the right of authorship and the right of amendment.

According to the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001, last revised on January 30, 2013 and effective on March 1, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration of the PRC on February 20, 2002, computer software refers to computer programs and their associated documentation. Chinese citizens, legal persons or other units shall enjoy the copyright for software they develop, regardless of whether it has been published. Software copyright arises from the date of completion of software development. The protection period of the software copyright of legal persons or other units shall be 50 years, ending on December 31, of the fiftieth year after the first publication of the software. Software which has not been published for 50 years since the date of completion of software development shall not be under protection.

Domain Names

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017, which came into effect on November 1, 2017, the MIIT is responsible for the supervision and management of China's domain name services. No organization or individual shall impede the safe and stable operation of the Internet domain name system.

REGULATIONS RELATING TO HOUSE LEASING

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994, was last revised on August 26, 2019 and came into effect on January 1, 2020, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

In addition, according to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and came into effect on February 1, 2011, within 30 days after the conclusion of the house leasing contract, the parties involved in the house leasing shall carry out house leasing registration with the construction (real estate)administrative department of the people's government of a municipality directly under the central government of the PRC, city or county where the house leased is located. If individuals or entities are in violation of the above provisions, they may be ordered to make corrections within a specified time limit by the competent construction (real estate) department of the people's government of a municipality directly under the central government, city or county. If any individual fails to do so, a fine of less than RMB1,000 will be imposed, while if any entity fails to do so, a fine of more than RMB1,000 but less than RMB10,000 will be imposed.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993, last revised on December 29, 2018, producers and sellers shall establish a sound internal product quality control system and strictly adhere to a job responsibility system in relation to quality standards and quality liabilities together with implementing corresponding examination and inspection measures. The counterfeiting or imitation of quality marks such as certification marks, falsifying the place of origin of products, and falsifying or imitating the name or address of another factory or adulteration of, or mixing of improper elements with products, passing off the sham as the genuine or passing off the inferior as the superior is prohibited.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT TRADE

According to the Customs Law of the PRC (《中華人民共和國海關法》), which was promulgated by the SCNPC on January 22, 1987 and last revised on April 29, 2021, unless otherwise stipulated, the customs declaration of imported and exported goods and the payment of customs duties may be handled by the consignees or consignors of the goods or the entrusted customs declaration enterprises. The consignee or the consignor of imported or exported goods and the customs declaration enterprise are required to complete customs declaration and filing procedures at the relevant customs in accordance with the law.

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and as amended and in force as at the date of this document, and the Regulation of the PRC on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, last revised on March 10, 2024 and became effective on May 1, 2024, the PRC Government permits the free import and export of goods, but may restrict or prohibit such import or export on statutory grounds.

In accordance with the Export Control Law of the PRC (《中華人民共和國出口管制法》) ("**Export Control Law**"), promulgated by the SCNPC on October 17, 2020 and effective from December 1, 2020, and the Regulations of the PRC on Export Control of Dual-use Items (《中華人民共和國兩用物項出口管制條例》) ("**Export Control of Dual-use Items Regulations**"), promulgated by the State Council on September 30, 2024 and effective from December 1, 2024, China controls the export of dual-use items, military goods, nuclear and other goods, technologies, services and other items that are relevant to safeguarding the security and interests of China and fulfilling its international obligations in the area of non-proliferation. Under the Export Control Law and the Export Control of Dual-use Items Regulations, exporters are required to obtain export licenses prior to the export of items identified by the PRC State Council and the Central Military Commission of the PRC as subject to export controls. The regime also provides mechanisms for regulating exports based on end-users and destinations, including through the maintenance of (i) a Control List (管控名單) which identifies importers and end-users of concern who are subject to corresponding restrictive measures; and (ii) a Watch List (關注名單) which identifies importers and end-users that have failed to cooperate with MOFCOM in its end-use and end-user verification exercises, and would therefore face additional scrutiny in obtaining export licences.

LAWS AND REGULATIONS RELATING TO SANCTIONS

Several sanctions/counter-sanctions regimes have been established under PRC laws, which apply to PRC persons and businesses operating in the PRC. According to the Provisions on the Unreliable Entity List (《不可靠實體清單規定》), which was promulgated by MOFCOM on September 19, 2020 and effective on the same date, MOFCOM may designate foreign entities or individuals on the Unreliable Entity List where such entities or individuals are considered to have endangered the national sovereignty, security, or development interests of the PRC, or to have undermined the legitimate rights and interests of Chinese enterprises, other organizations, or individuals. The measures that typically apply to entities or individuals designated on the Unreliable Entity List include restrictions or prohibitions on the following activities: (1) engaging in import and export activities related to the PRC; (2) investments in the PRC; (3) entry into the PRC; or (4) working, staying or residing in the PRC. In addition, depending on the circumstances of each designation, MOFCOM may impose fines or other necessary measures, including prohibiting PRC persons from dealing with the designated person, including, for example, transmitting data or sensitive information to it from the PRC.

According to the Anti-Foreign Sanctions Law of the PRC (《中華人民共和國反外國制裁法》), which was promulgated by the SCNPC on June 10, 2021 and effective on the same date, and the Provisions on Implementing the Anti-Foreign Sanctions Law of the PRC (《實施《中華人民共和國反外國制裁法》的規定》) published on March 23, 2025 and effective on the same date, the PRC may impose counter-sanctions measures against individuals or organisations that are considered to be actively pursuing or involved in the decision-making in relation to, or the formulation or enforcement of, "discriminatory restrictive measures" against the PRC, or that are otherwise considered to be threatening the PRC's national interests. Such individuals or organisations may be placed on the counter-sanctions list. Depending on the scope of each countermeasure, individuals or entities related to the designated persons may also be affected. The countermeasures imposed typically include: (1) visa and entry denial or deportation; (2) asset freezes or seizures in the PRC; and (3) prohibiting or restricting dealings between the designated persons and organisations and individuals in the PRC. MOFCOM may also impose other measures as necessary.

Furthermore, the Ministry of Foreign Affairs has, under a separate sanctions regime, imposed sanctions on certain foreign individuals and entities, with the applicable measures typically including entry bans (which may extend to Hong Kong and Macau), asset freezes within the PRC, and restrictions on transactions or other dealings with organizations and individuals in the PRC.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL INSURANCE

Labor Law and Labor Contract Law

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) last revised by the SCNPC on December 29, 2018 and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) last revised by the SCNPC on December 28, 2012 and came into effect on July 1, 2013, a labor contract shall be concluded when a labor relationship is established. Employers shall establish and improve labor rules and systems in accordance with the law to safeguard employees' labor rights and fulfillment of labor obligations.

Social Insurance and Housing Provident Fund

In accordance with the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) last revised and put into effect by the SCNPC on December 29, 2018, the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) last revised and put into effect by the State Council on March 24, 2019, social insurance system has been established for basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. Enterprises shall register social insurance with local social insurance agency and participate in social insurance. Enterprises and employees shall pay their social insurance premiums in full and in a timely manner.

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) which was last revised and put into effect by the State Council on March 24, 2019, enterprises shall register at the housing provident fund management center to pay housing provident funds and open housing provident fund accounts for their employees. Enterprises are required to pay housing provident funds on behalf of their employees in full and in a timely manner. With respect to any entity that fails to make deposit registration of the housing provident fund or fails to complete the housing provident fund account establishment procedures for its employees, such entity shall be ordered by the housing provident fund management center to complete such procedures within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. Furthermore, if an employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

Pursuant to the Interpretation II of the Supreme People' s Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) which was enacted by the Supreme People' Court and came into effect on September 1, 2025, any agreement or employee undertaking to waive social insurance contributions shall be deemed null and void by the people's court. In the event of an employer's failure to make legal social insurance contributions, the employee shall be entitled to rescind the labor contract and request economic compensation in accordance with the PRC Labor Contract Law.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax

Pursuant to the EIT Law (《中華人民共和國企業所得稅法》) promulgated by the SCNPC and last revised and took effect on December 29, 2018, and the Regulations on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) ("**Regulations on the Implementation of the EIT Law**"), which were promulgated by the State Council on December 6, 2024, revised and took effect on January 20, 2025, a uniform enterprise income tax rate of 25% is imposed on both foreign invested enterprises and domestic enterprises, but tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The Chinese government provides key support to high-tech enterprises, which are subject to a reduced enterprise income tax rate of 15%.

Value-added Tax

According to the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》) which was last amended on November 19, 2017 and was repealed by the Value-added Tax Law of the PRC from January 1, 2026, any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the law and regulations. The rate of VAT for sale of goods is 17% unless otherwise specified, such as the rate of VAT for sale of transportation is 11%.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to VAT Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) which was promulgated on April 4, 2018 and came into effect on May 1, 2018, the original rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》), which was promulgated by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, the original rates of 16% or 10% applicable to the general VAT payers' sales activities or imports goods that are subject to VAT are adjusted to 13% or 9%, respectively.

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) ("**VAT Law** "), which came into effect on January 1, 2026. Pursuant to the VAT Law, entities and individuals (including individual industrial and commercial proprietors)selling goods, services, intangible assets, real estate and importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless stated otherwise, for payers who sell goods, and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13%, and be, in certain specified circumstances, 9%, 6% and 0%.

Tax on Dividends

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), amended by the SCNPC on August 31, 2018 and effective on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) amended by the State Council on December 18, 2018 and effective on January 1, 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by MOF, the State Administration of Taxation and the CSRC on September 7, 2015 and effective on September 8, 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the EIT Law and the Regulations on the Implementation of the EIT Law, a non-resident enterprise is subject to a reduced rate of 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Arrangement between Chinese Mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was promulgated on August 21, 2006 and effective from December 8, 2006, the withholding tax rate of no more than 10% applies to dividends paid by a PRC company to a Hong Kong resident if the recipient is a company that holds less than 25%of the capital of the PRC company. The withholding tax rate of no more than 5% applies to dividends paid by a PRC company to a Hong Kong resident, provided that the recipient is a company that holds at least 25% of the capital of the PRC company.

LAWS AND REGULATIONS RELATING TO FOREIGN CURRENCY EXCHANGE

The Foreign Exchange Control Regulations of the PRC (《中華人民共和國外匯管理條例》) last revised by the State Council on August 5, 2008, are applicable to all activities related to the foreign exchange receipts and disbursements and transactions of domestic corporations and individuals and to the said activities of overseas corporations and individuals within the territory of the PRC.

According to the Circular of the SAFE on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) announced by the SAFE on December 26, 2014, the SAFE and its branch offices and administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, opening and use of accounts, trans-border payments and receipts, exchange of funds and other conduct involved in overseas listing. Domestic company shall, within 15 working days upon the end of its public offering overseas, handle registration formalities for overseas listing with the foreign exchange authority at its place of registration with the required materials.

According to the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was promulgated by the SAFE on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation.

Where the current regulations contain any restrictive provisions on the foreign exchange settlement of foreign exchange receipts under capital accounts of domestic institutions, such provisions shall prevail.

According to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Management Service in Support of Foreign Business Development (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020 and came into effect on June 1, 2020, enterprises meeting the prescribed requirements are allowed to use income under the capital accounts as capital funds, external debts and overseas listings for domestic payment without providing banks with authenticity certification materials in detail in advance, to the extent that funds are used for true and law-compliant purposes and such enterprises comply with the in-force administrative provisions on the use of income under the capital accounts. According to the Notice of the State Administration of Foreign Exchange on Further Deepening Reforming to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) issued by the SAFE on December 4, 2023, the foreign exchange funds raised by domestic enterprises through overseas listing may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts may be settled and used at discretion.

The Circular of the State Administration of Foreign Exchange on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification (Hui Fa [2017]No.3) (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》(匯發[2017]3號)) (the "**Circular 3**") promulgated by the SAFE on January 26, 2017 and became effective on the same date stipulates that, several capital control measures with respect to the outward remittance of profits from domestic institutions to overseas institutions. Specifically, a bank that handles outward remittance of profits equivalent to more than US$50,000 for a domestic institution shall, under the principle of genuine transactions, review the resolutions of the Board of Directors on distribution of profits, original tax recordation form and audited financial statements, and stamp and endorse the relevant original tax recordation form with the actual remittance amount and remittance date. Domestic institutions should hold income to account for previous years' losses in accordance with the laws before remitting the profits. Moreover, pursuant to the Circular 3, in addition to providing corresponding materials as required, domestic institutions shall make explanations of the sources and utilization of capital (plans of utilization), and provide board resolutions, contracts and other certification materials for authenticity to the bank when completing the registration and remitting procedures in connection with an outbound direct investment.

Regulations Relating to Environmental Protection

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

Construction Projects

According to the Regulation on the Administration of Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and came into effect on October 1, 2017, the Interim Measures for Environmental Protection Acceptance Examination Upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), which was promulgated by the Ministry of Environmental Protection (now merged into the Ministry of Ecology and Environment of the PRC) on November 20, 2017 and came into effect on the same day, and the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on December 29, 2018 and came into effect on the same day, the PRC implements a system to assess the environmental impact of construction projects. The construction entity shall submit an environmental impact report or an environmental impact statement for approval prior to the commencement of the construction project, or an environmental impact registration form as required by the environmental protection administrative department of the State Council for record. In addition, after the completion of a construction project for which an environmental impact report or an environmental impact statement has been prepared, the construction entity shall, in accordance with the standards and procedures prescribed by the competent administrative department of environmental protection under the State Council, conduct acceptance checks on the supporting environmental protection facilities and prepare an acceptance report. For construction projects that are constructed in phases or put into production or used in phases, the corresponding environmental protection facilities shall be inspected and accepted in phases. The construction projects can only be put into production or use after the completed supporting environmental protection facilities have passed the acceptance inspection. Facilities that have not been carried out or have not passed the acceptance examination shall not be put into production or use.

Atmospheric Pollution

According to the Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》) promulgated by the SCNPC on September 5, 1987, which was last amended on October 26, 2018 and came into effect on the same day, enterprises, public institutions, and other business entities shall, according to relevant provisions and monitoring norms of China, monitor the industrial waste gases and the toxic and hazardous atmospheric pollutants listed in the catalogue mentioned in Article 78 of the Atmospheric Pollution Prevention and Control Law of the PRC they have discharged, and preserve the original monitoring records. Enterprises and public institutions discharging industrial waste gases or the toxic or hazardous atmospheric pollutants listed in the aforementioned catalogue and other entities subject to pollutant discharging licensing administration shall obtain a pollutant discharge license. In addition, when building projects that have an impact on atmospheric environment, enterprises, public institutions, and other business entities shall conduct environmental impact assessments and publish the environmental impact assessment documents in accordance with the law; when discharging pollutants to the atmosphere, they shall conform to the atmospheric pollutant discharge standards and abide by the total quantity control requirements for the discharge of key atmospheric pollutants.

Water Pollution

According to the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》) promulgated by the SCNPC on May 11, 1984, which was last amended on June 27, 2017 and came into effect on January 1, 2018, an enterprise or public institution or other business entity which directly or indirectly discharges industrial waste water or medical sewage to waters or waste water or sewage that may be discharged after a pollutant discharge license has been obtained as required shall obtain a pollutant discharge license. In addition, construction, renovation and expansion projects and other upper-water facilities that directly or indirectly discharge pollutants to water are subject to environmental impact assessment in accordance with the law. Facilities for water pollution prevention are required to be designed, constructed and put into operation simultaneously with the main part of the project.

Noise Pollution

According to the Noise Pollution Prevention and Control Law of the PRC (《中華人民共和國噪聲污染防治法》), which was promulgated by the SCNPC on December 24, 2021 and came into effect on June 5, 2022, the emission of noise and generation of vibration shall comply with the noise emission standards, the relevant ambient vibration control standards and the requirements of relevant laws, regulations and rules. In addition, the construction, renovation or expansion of projects that might cause environmental noise pollution shall be subject to environmental impact assessment in accordance with the law. Facilities for prevention and control of environmental noise pollution must be designed, constructed and put into use simultaneously with the main part of a construction project. Before a construction project is put into production or use, the construction employer shall, in accordance with the provisions of relevant laws and regulations, conduct the acceptance check of the supporting facilities for noise pollution prevention and control, work out the acceptance check report, and release it to the public. The construction project may not be put into production or use before its acceptance check is carried out or if it fails to pass its acceptance check.

Solid Waste Pollution

Pursuant to the Solid Waste Pollution Prevention and Control Law of the PRC (《中華人民共和國固體廢物污染環境防治法》), which was promulgated by the SCNPC on October 30, 1995, which was latest amended on April 29, 2020 and came into effect on September 1, 2020, entities generating hazardous waste shall store, utilise and dispose hazardous waste according to the relevant requirements of the state and environmental protection standards, and shall not dump or pile up hazardous waste without authorisation. Furthermore, it is forbidden to entrust hazardous waste to entities without a permit for disposal, or else the competent ecological and environmental authorities shall order it to make rectification, impose fines, confiscate illegal gains, and in serious circumstance, order it to suspend business or close down upon the approval of government authorities.

Pollution Permit

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

Production Safety

Work Safety Law of PRC (《中華人民共和國安全生產法》) was promulgated by the SCNPC on June 29, 2002, which was latest revised on June 10, 2021 and came into effect on September 1, 2021. Production and business entities shall abide by this Law and other laws and regulations concerning work safety, strengthen work safety management, establish and improve a work safety responsibility system and work safety rules and systems for all employees, increase efforts to guarantee the input of funds, materials, technology, and personnel in work safety, improve work safety conditions, strengthen standardization and informatization of work safety, construct a dual prevention mechanism consisting of graded management and control of safety risks and examination and control of potential risks, improve the risk prevention and resolution mechanism, raise work safety levels, and ensure work safety. The law stipulates provisions on guarantee of safety by production and business operation entities, rights and obligations of employees relating to work safety, supervision and administration of work safety, emergency rescue, investigation, and handling of work safety accidents and legal responsibilities.

LAWS AND REGULATIONS RELATING TO THE ISSUANCE AND LISTING OF SECURITIES OVERSEAS BY DOMESTIC ENTERPRISES

Securities Laws and Regulations

The Securities Law of the PRC (《中華人民共和國證券法》) (the "**Securities Law**"), which was last revised by the SCNPC on December 28, 2019 and became effective on March 1, 2020, comprehensively regulates the activities of the securities market in the PRC, including the issuance and trading of securities, acquisitions of listed companies, disclosure of information, investor protection, stock exchanges, securities companies, securities registration and clearing institutions, securities service agencies, securities associations and securities regulatory authorities. The Securities Law further stipulates that domestic enterprises that directly or indirectly issue securities abroad or list their securities abroad shall comply with the relevant provisions of the State Council, and that the specific provisions for subscription and trading of shares of domestic companies in foreign currencies shall be separately stipulated by the State Council. CSRC is a securities regulatory body established by the State Council, which is responsible for supervising and managing the securities market in accordance with the law, maintaining market order and safeguarding the legal operation of the market.

Overseas Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and related guidelines, which came into effect on March 31, 2023. Pursuant to the Trial Measures, where a domestic enterprise in the PRC directly or indirectly issues or lists shares overseas, it shall file a report with the CSRC within 3 working days after submitting the application documents for issuance and listing overseas; overseas issuance and listing shall be prohibited under any of the following circumstances: where the issuance and listing is prohibited by laws, administrative regulations or the relevant provisions of the state; where the overseas issuance and listing is recognized by the relevant competent department of the State Council in accordance with the law may jeopardize national security; where domestic enterprises or their controlling shareholders or de facto controllers are involved in criminal offenses of corruption, bribery, misappropriation of property, embezzlement of property, or disruption of the socialist market economy order within the last three years; where domestic enterprises suspected of committing crimes or major violations of laws and regulations are being investigated by the law, and has not yet come to a definitive conclusion of the opinion; where there are significant ownership disputes over the shareholdings held by controlling shareholders or shareholders directed by controlling shareholders or de facto controllers.

Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Provisions on Confidentiality and Archives Administration**"), which was jointly issued by the CSRC together with other relevant authorities on February 24, 2023 and became effective on March 31, 2023, for the activities of overseas issuance and listing of domestic enterprises, the domestic enterprises as well as securities companies and securities service agencies providing corresponding services shall strictly comply with the relevant laws and regulations of the PRC and the requirements of the Provisions on Confidentiality, enhance their legal awareness of the need to protect state secrets and enhance archive management, and establish a sound system for confidentiality and archive management. Necessary measures shall be taken to fulfill the responsibility of confidentiality and archive management, and state secrets and the working secrets of state organs shall not be disclosed, or the state and public interests shall not be jeopardized. Where any domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listed subjects documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals including securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State. Where a domestic enterprise provides or publicly discloses to relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listed subjects' documents or materials the disclosure of which would adversely affect national security or public interests, it shall strictly fulfill the corresponding procedures in accordance with the relevant provisions of the state.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE UNITED STATES

Businesses operating in the United States are subject to a variety of federal, state and local laws and regulations ("**U.S. Regulations**"). The U.S. Regulations expected to be material to our operations are those relating to, among others, product safety, product liability, data privacy and customs and imports procedures as described below.

Product Safety

The law of product safety is primarily under the jurisdiction of the U.S. Consumer Product Safety Commission ("**CPSC**"), an administrative agency of the United States federal government that regulates certain classes of products sold to the public. The CPSC was established pursuant to the 1972 Consumer Product Safety Act (as amended, the "**CPSA**"). The CPSA is the umbrella statute at the federal level with respect to product safety for consumer products.

The CPSA was amended by the U.S. Consumer Product Safety Improvement Act of 2008 ("**CPSIA**") in 2008. The implementation of CPSIA was a significant overhaul of consumer product safety laws in the United States and was designed to enhance federal and state efforts to improve the safety of all products imported into and distributed in the United States. Products imported into the United States which fail to comply with CPSIA's requirements are subject to confiscation and the importer and/or distributor in the United States is subject to civil penalties and fines, as well as possible criminal prosecution.

Under the CPSIA, a "general conformity certification" is required for any consumer product imported into the United States that is subject to a consumer product safety rule, standard, regulation, or ban pursuant to the CPSA or issued by the CPSC. The requirement applies to all subcontractors and importers of goods. Those parties must certify that their products comply with all applicable consumer product safety rules and laws such as the CPSA, the Flammable Fabrics Act, the Federal Hazardous Substance Act, and the Poison Prevention Act. The CPSA specifies that certification must be based on a "test of each product or a reasonable testing program." The certificate must accompany the product or shipment of products, and a copy must be furnished to each distributor or retailer and U.S. Customs and Border Protection ("**CBP**"). The CPSC may also request a copy of the certification.

The CPSA also contains several reporting requirements for subcontractors and sellers of consumer products sold in the U.S. Section 15 of the CPSA requires a manufacturer or a seller to inform the CPSC immediately in the event it obtains information that any of its products: (1) creates a substantial risk of injury to consumers; (2) creates an unreasonable risk of serious injury or death; or (3) fails to comply with an applicable consumer product safety rule or with any other rule, regulation, standard, or ban under the CPSA or any other statute enforced by the CPSC. The CPSC may require the manufacturer or the seller to cease distribution of the product, and notify each person to whom the manufacturer or the seller knows such product was sold of such noncompliance, defects or risk. In certain circumstances, the CPSC may require the manufacturer or the seller to bring the product into conformity with the applicable product safety rules, repair the defect in the product, replace the product with an equivalent product that complies with the applicable product safety rules, issue a product recall and/or refund the purchase price of the product.

Proposition 65

Proposition 65, officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986 ("**Prop 65**"), is a California law that requires that California consumers receive warnings regarding the presence of more than 800 chemicals known to cause cancer and/or reproductive toxicity. The law is highly technical, constantly evolving, and actively enforced by the government and private enforcement action. Under Prop 65, any person in the course of doing business must provide a "clear and reasonable warning" before exposing individuals to listed carcinogens and reproductive toxins in their products. Prop 65 provides detailed requirements for the form, content, and placement of the required warning.

The probability that a company will be subject to Prop 65 regulations is high because of how broadly the statute is worded. If a company manufactures, imports, distributes or sells a product that will be sold in California either through brick and mortar or online stores, or if a company has a physical presence of any kind in California (retail, office, warehouse, facility, factory, plant, etc.), then that company must abide by Prop 65 requirements. Recently, the California Office of Environmental Health Hazard Assessment (OEHHA) adopted a significant amendment to the Prop 65 warning requirement allowing companies to provide notice of the potentially toxic product either to the authorized agent for the business to whom they are selling or transferring the product, i.e., the next business in line, or to the authorized agent for the retail seller. Although this amendment appears to minimize the burden on companies, paying careful attention to Prop 65 requirements is encouraged. Auditing Prop 65 compliance well in advance could mean avoiding costly lawsuits, the loss of valuable business opportunities or relationships, large monetary penalties, serious financial or reputational damage, or even product recalls.

Product Liability Law

U.S. state law generally imposes liability on all subcontractors and retailers (and parties in the supply chain) for injuries that result from unsafe, defective and dangerous products sold to consumers. Product liability claims in the United States are typically based on three theories of law: (1) strict liability, (2) negligence and (3) breach of warranty. In addition, as noted above, U.S. laws and regulations can also obligate subcontractors and retailers (and parties in the supply chain) to remedy product defects, which can include safety recall campaigns.

Parties involved in manufacturing, distributing or selling a product may be subject to liability for harm caused by a defect in that product. There are three types of product defects, namely, design defects, manufacturing defects and defects in marketing. In a negligence claim, a defendant may be held liable for personal injury or property damage caused by the failure to use due care. Strict liability claims, however, do not depend on the defendant's level of care. Instead, a defendant is liable when it is shown that an injury (personal or to property) occurred as the result of a product's defect. Breach of warranty is also a form of strict liability in the sense that a showing of fault is not required. The plaintiff need only establish the warranty was breached, regardless of how that came about. Companies that manufacture, distribute or sell a product in a particular state may be subject to the jurisdiction of such state's product liability laws, whether the company's jurisdiction of incorporation or principal place of business is in that state, in another U.S. state or in a non-U.S. jurisdiction.

Product liability legal actions and recall campaigns in the United States could involve personal injury and property damage and could involve claims for substantial monetary damages. The results of any future litigation and claims involving product liability in the United States are inherently unpredictable. Based on our past experience, we do not anticipate that, in the aggregate, the outcome of any such litigation and claims involving us will have a material effect on our consolidated financial position or liquidity; however, such outcome could be material to our results of operations in particular period in which costs, if any are recognized by us.

Data Privacy

We are subject to a variety of laws and regulations in the United States that involve privacy, data protection and personal information, data security, and data retention and deletion. In particular, we are subject to federal, state, and foreign laws regarding privacy and protection of people's data. U.S. federal and state laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from state to state and country to country and inconsistently with our current policies and practices.

Import Tariffs and Customs Regulations

United States customs regulations ("**Customs Regulations**"), administered by CBP apply to any products entering the United States. Those regulations cover, among other areas, valuation of goods, classification, recordkeeping requirements, entry formalities, and laws related to duties and tariffs. The United States imposes tariffs on certain goods imported from various countries. Tariff rates are generally set forth in the Harmonized Tariff Schedules of the United States (the "**HTSUS**"). Note that embargoes, antidumping duties, countervailing duties, and other specific matters administered by the United States executive branch are not contained in the HTSUS and that various regulations or administrative actions could result in modification of these duties. Section 201 of the Trade Act of 1974, 19 USC §2101 et. seq. (the "**Trade Act**") permits the President of the United States to grant temporary import relief by raising import duties or imposing non-tariff barriers (e.g., quotas) on goods entering the United States that injure or threaten to injure domestic industries producing similar goods. Section 301 of the Trade Act authorizes the President of the United States to take all appropriate action, including retaliation, to obtain the removal of any act, policy, or practice of a foreign government that violates an international trade agreement or is unjustified, unreasonable, or discriminatory, and that burdens or restricts U.S. commerce. The law does not require that the U.S. government wait until it receives authorization from the World Trade Organization to take such enforcement actions.

Currently, U.S. and China trade policy has given rise to the imposition of significant additional tariffs on products imported in the United States from China, and vice versa, under Section 301 of the Trade Act and the International Emergency Economic Powers Act.

Depending on the latest development of the trade negotiations between the U.S. and China, the level and number of products subject to additional tariffs may change over time.

Corporate Income Tax

U.S. corporate income tax is imposed at the federal level on all entities treated as corporations and by 47 states and the District of Columbia. The U.S. corporate income tax (CIT) rate is based on a progressive rate schedule; however, an alternative minimum tax provides for a flat rate with fewer deductions. Certain localities also impose corporate income tax. Corporate income tax is imposed on all domestic corporations and on foreign corporations having income or activities within the jurisdiction.

Transfer Pricing

The U.S. has an extensive system of laws and practices designed to preserve the U.S. tax base by preventing income from being shifted among related parties through the inappropriate pricing of related party transactions. The U.S. transfer pricing regime seeks to ensure that transactions involving the transfer goods and services between related companies are made on an arm's length basis and are priced based on market conditions that permit profit to be reflected in the appropriate tax jurisdiction. Where the results of a transaction do not reflect an arm's length price, the U.S. tax authority can reallocate the income to reflect the appropriate price and in some cases, impose monetary penalties for substantial or deliberate inaccuracy.

The U.S. Congress has enacted legislation and the US Treasury Department has promulgated regulations to control transfer pricing, all of which are administered and enforced by the Internal Revenue Service ("**IRS**"). On December 22, 2017, the Tax Cuts and Jobs Act (Tax Act) became law. The Tax Act represents a comprehensive reform to the Internal Revenue Code ("**IRC**"). Among its many changes, the Tax Act lowered the federal corporate income tax rate to 21% and overhauled the international tax provisions of the

IRC, which may cause many multi-national companies to reevaluate their transfer pricing arrangements. Additionally, the Tax Act amended the IRC's transfer pricing provisions, which will directly affect transfers of intangible property.

Federal tax legislation is contained in the IRC. Specifically, Section 482 of the IRC governs transfer pricing and applies when two or more organizations, trades, or businesses (regardless of form and place of the organization) are owned or controlled, directly or indirectly, by the same interests. The general rule of Section 482 authorizes the IRS to reallocate income, deductions, credits or allowances among the members of a controlled group of entities to ensure clear reflection of income or to prevent tax avoidance.

Section 482 also provides an additional test for transfers of intangible property (IP). Income with respect to the transfer (or license) of IP must be "commensurate with the income" attributable to the IP. Under the commensurate-with-income standard, actual profit realized from the exploitation of an intangible must be considered in determining an arm's length price for the transfer of the intangible. The amount of the compensation should therefore reflect changes in the income attributable to that intangible over time.

In the U.S., individual states enact their own corporate income tax rules, which include the power and authority to regulate transfer pricing. The state rules focus on the shifting of income and deductions from a high-tax state to lower-tax states. Although the focus of most multinational businesses is on the relationship with the IRS, the state-by-state approach to transfer pricing methodologies must not be ignored. Each state is a sovereign taxing jurisdiction with the authority to disregard the conclusions reached by the IRS with respect to the appropriateness of a particular transfer pricing method.

Each of the 50 U.S. states has its own internal statutes, regulations, case law and other authority governing transfer pricing issues.

Contract Law

Contract law in the U.S. governs the obligations established by agreements between private parties. Whether these agreements are express or implied, they create legally enforceable rights and duties. The law of contracts varies from state to state. Each state has its own set of rules and principles governing contracts. However, there are certain areas where federal contract law applies nationwide.

Misrepresentation under U.S. contract law generally occurs when one party makes a false statement of law or fact to another party which induces that other party to enter into a contract. More specifically, fraudulent misrepresentation under U.S. contract law occurs when one party makes an intentional or reckless misrepresentation of fact or opinion with the intention to coerce another party into action or inaction on the basis of that misrepresentation. Courts may award damages to the injured party, typically monetary compensation, and punitive damages are generally not awarded.

Fraud under civil tort or criminal law might be based on a misrepresentation of fact that was either intentional or negligent. Under federal law, criminal fraud includes any scheme to defraud, or using false promises or representation to obtain one's money or property. And the definition is similar in most state laws across the U.S. Penalties for criminal fraud generally include life imprisonment, fines, and/or restitution to pay back.

U.S. Economic Sanctions

U.S. economic sanctions rules generally impose various restrictions on transactions or economic activities involving certain countries, specific sectors, as well as certain designated parties or entities, depending on the type of sanctions program that is involved. U.S. sanctions laws and regulations have become increasingly complex and are subject to change with little to no warning in response to evolving geopolitical and national security interests. The principal agency that is responsible for administering and enforcing U.S. sanctions is the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of the Treasury, although there are some aspects of certain U.S. sanctions programs that are also administered by the U.S. Department of State.

U.S. sanctions can be classified into "primary sanctions" or "secondary sanctions". In general, primary sanctions are economic restrictions that broadly comprise of: (a) comprehensive sanctions; and (b) targeted sanctions such as list-based sanctions and sectoral sanctions. U.S. primary sanctions apply to all U.S. persons, which includes: (1) all entities organized under the laws of the U.S. or any jurisdiction within the U.S. (including foreign branches); (2) all U.S. citizens and permanent residents (wherever located); and (3) all persons physically located in the U.S., regardless of nationality. For certain sanctions programs pertaining to Iran and Cuba, the definition of "U.S. persons" may also include foreign companies owned or controlled by U.S. persons. Comprehensive sanctions prohibit virtually all U.S. persons from engaging in transactions and dealings with an entire country or region. OFAC currently maintains comprehensive sanctions against North Korea, Cuba, Iran, the Crimea region of Ukraine, as well as the self-proclaimed Luhansk People's Republic and Donetsk People's Republic. List-based sanctions on the other hand generally prohibit all activities and dealings with targeted individuals and entities that have been found to have engaged in conduct or activities that are contrary to the foreign policy and national security interests of the United States, such as those individuals and entities listed on the Specially Designated Nationals and Blocked Persons List (SDN List). Finally, sectoral sanctions are restrictions targeted at specific strategic industries rather than an entire country. OFAC currently maintains sectoral sanctions against the financial, energy, and defense sectors of the Russian economy for example.

On the other hand, secondary sanctions are intended to assert additional pressure on sanctions imposed on a particular target by penalizing non-U.S. persons for directly or indirectly providing material assistance to, or otherwise engaging in or facilitating significant transactions with, sanctioned targets, even in the absence of a U.S. nexus. U.S. secondary sanctions are extraterritorial in nature and are aimed at deterring non-U.S. persons from engaging in economic activities with sanctioned targets by threatening to restrict their access to the U.S. market.

U.S. Export Controls

The United States export controls framework is designed to regulate the transfer of controlled items, sensitive goods, materials, software, technologies, and services to foreign countries and parties outside of the U.S. to protect its foreign policy and national security interests. The main administrative agency responsible for enforcing U.S. export controls is the Bureau of Industry and Security ("**BIS**") of the U.S. Department of Commerce, which administers the Export Administration Regulations ("**EAR**"), the primary legal framework governing these controls. Apart from the BIS, the Directorate of Defense Trade Controls (DDTC) of the U.S. Department of State regulates and enforces U.S. export controls under the International Traffic in Arms Regulations (ITAR) that relate to defense-related articles and services.

Under the EAR, a license, license exception or authorization from BIS may be required for the export, reexport, and transfer (in-country) of items subject to the EAR, depending on the item's classification, destination, end-user and end-use. Generally speaking, items 'subject to the EAR' include: (a) all items in the U.S., including in a U.S. Foreign Trade Zone or moving in-transit through the U.S. from one foreign country to another (with certain exceptions); (b) U.S.-origin items, wherever located; and (c) certain foreign-made items that incorporate more than a *de minimis* amount of U.S.-origin controlled content as defined in the EAR or that are produced abroad using U.S. software, technology, or tools. The EAR also contains various lists that identify certain foreign parties who are subject to stringent export controls restrictions in relation to items subject to the EAR. The Entity List for example identifies persons reasonably believed to be involved, or pose a significant risk of being or becoming involved, in activities contrary to the national security or foreign policy interests of the U.S. The EAR imposes license requirements on, and limits the availability of most license exceptions in relation to, the supply of items subject to the EAR to persons on the Entity List. The Military End-User List on the other hand identifies foreign parties as military end users that are subject to a license requirement for the export, reexport, or transfer (in-country) of certain items specified in the EAR.

OVERVIEW LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE UNITED STATES

Product Safety — Products imported into the United States which fail to comply with U.S. Consumer Product Safety Improvement Act of 2008 requirements are subject to confiscation and the importer and/or distributor in the United States is subject to civil penalties and fines, as well as possible criminal prosecution.

Proposition 65 — Proposition 65, under California law, requires that California consumers receive warnings regarding the presence of more than 800 chemicals known to cause cancer and/or reproductive toxicity.

Product Liability Law — U.S. state law generally imposes liability on all subcontractors and retailers (and parties in the supply chain) for injuries that result from unsafe, defective and dangerous products sold to consumers.

Data Privacy — There is a variety of laws and regulations in the United States that involve privacy, data protection and personal information, data security, and data retention and deletion.

Import Tariffs and Customs Regulations — The United States imposes tariffs on certain goods imported from various countries. Tariff rates are set forth in the Harmonized Tariff Schedules of the United States. Depending on the latest development of the trade negotiations between the U.S. and China, the level and number of products subject to additional tariffs may change over time.

Corporate Income Tax — Corporate income tax is imposed on all domestic corporations and on foreign corporations having income or activities within the jurisdiction.

U.S. Economic Sanctions — U.S. economic sanctions rules generally impose various restrictions on transactions or economic activities involving certain countries, specific sectors, as well as certain designated parties or entities, depending on the type of sanctions program that is involved.

RELEVANT LAWS AND REGULATIONS OF THE THAILAND ("THAI")

This section summarizes the major Thai laws, regulations and policies relevant to the Company's daily business operations currently carried out in Thai.

1. Corporate Matters

The Thai Subsidiary is incorporated as a private limited company under the Civil and Commercial Code of Thailand (the "**CCC**"). A Thai private limited company is a separate juristic person and must have at least two shareholders at all times. Shareholders' liability is generally limited to the unpaid amount on their respective shares.

A private limited company is managed by a board of directors appointed by the shareholders. There is no statutory requirement regarding the minimum number or nationality of directors. Directors are authorised to manage the business of the company in accordance with the company's objectives, Articles of Association, shareholders' resolutions and applicable Thai laws, and may delegate certain powers to officers or managers.

The registered capital of a Thai private limited company is divided into shares of equal par value. At least 25% of the par value of each issued share must be paid up upon issuance. Share transfers must be made in writing and signed by the transferor and transferee in the presence of at least one witness, and are not effective against the company or third parties unless recorded in the company's register of shareholders.

Dividends may be distributed only out of profits and generally require shareholders' approval, except that interim dividends may be declared by the directors if permitted under the articles of association. The CCC requires an appropriation of at least 5% of net profits as a reserve until such reserve reaches 10% of the registered capital.

2. Restrictions on Foreign Ownership

Foreign ownership and investment in Thailand are principally governed by the Foreign Business Act B.E. 2542 (1999) (the "**FBA**"). A company is classified as a "foreign" entity if 50% or more of its shares are held by non-Thai individuals or juristic persons.

The FBA categorises restricted business activities into three lists. List 1 comprises businesses strictly prohibited to foreigners. List 2 covers businesses related to national security, culture and natural resources, which may be carried on by foreigners only with Cabinet approval. List 3 covers trading, service businesses and other activities in which Thai nationals are not yet considered ready to compete with foreigners, and which may be carried on by foreigners subject to a foreign business licence issued by the Department of Business Development.

Manufacturing activities are generally not restricted under the FBA. Based on the nature of its manufacturing business, the Thai Subsidiary is not required to obtain a foreign business licence under the FBA for its current operations.

3. Board of Investment of Thailand (BOI)

The Investment Promotion Act B.E. 2520 (1977) establishes the Board of Investment of Thailand (the "**BOI**") to promote domestic and foreign investment in activities considered beneficial to Thailand's economic and industrial development.

The BOI grants investment promotion privileges in respect of eligible activities, subject to compliance with specified conditions. Such privileges may include tax incentives, such as exemptions of corporate income tax, import duty and withholding on dividends and non-tax incentives, such as permission for foreign-owned companies to own land for promoted activities, visa and work permit privileges and to engage in certain activities otherwise restricted under the FBA.

The Thai Subsidiary is a BOI-promoted company and has been granted certain tax and non-tax incentives in respect of its promoted manufacturing activities under 3 BOI promotion certificates, subject to the terms, conditions and duration set out in the relevant BOI promotion certificates and applicable laws. Based on the information and documents provided to us, we are not aware of any non-compliance with such BOI promotion certificates or any changes in applicable Thai laws which would materially and adversely affect the incentives granted to the Thai Subsidiary by the BOI.

4. Industrial Estate Authority of Thailand (IEAT)

The Industrial Estate Authority of Thailand (the "**IEAT**") is a state enterprise under the Ministry of Industry responsible for the establishment, development and regulation of industrial estates in Thailand.

Operators located within IEAT-administered industrial estates benefit from centralised infrastructure, utilities, waste management systems and regulatory oversight. In addition to general Thai laws, such operators are subject to regulations issued by the IEAT governing operational standards, environmental management and safety.

The Thai Subsidiary operates its manufacturing facilities (Factory phase 2) within an Pinthong industrial estate (Project 3) and has obtained the relevant permissions to operate therein.

5. Factory Permits

The establishment and operation of factories in Thailand are governed principally by the Factory Act B.E. 2535 (1992), as amended (the "**Factory Act**"). Under the Factory Act, a factory operator whose activities fall within the statutory thresholds relating to the use of machinery, number of workers and nature of production is generally required to obtain a factory permit (Ror. Ngor. 4) from the competent authority prior to commencing operations. The Factory Act also imposes ongoing obligations on factory operators in relation to, among others, the installation and operation of machinery, workplace safety and accident prevention measures, environmental pollution control, industrial waste management, and reporting and inspection requirements, and any material change to the factory or manufacturing process may require prior approval from the relevant authority.

Where a factory is located within an industrial estate established and supervised by the IEAT, the licensing and regulatory authority in respect of factory operations rests with the IEAT. In such case, the factory operator is not required to obtain a factory permit under the Factory Act from the Department of Industrial Works, but must instead obtain approval from and comply with the rules, regulations and conditions prescribed by the IEAT, which incorporate factory safety, environmental and operational standards comparable to those under the Factory Act.

The Thai Subsidiary holds valid factory permit issued under the Factory Act for its manufacturing facilities located outside the IEAT zone (Factory Phases 1 and 3), and, based on the information and documents provided to us, is in compliance in all material respects with the applicable licensing requirements.

6. Land Ownership

Under Thai law, foreigners are generally restricted from owning land in Thailand unless permitted under specific legislation. Pursuant to applicable Thai laws, an industrial operator located within an industrial estate established and supervised by the IEAT, or a company granted investment promotion by the BOI, may be permitted to own land for the purpose of carrying on its business, notwithstanding the general restrictions on foreign land ownership, subject to the terms and conditions prescribed by the IEAT or the BOI, as applicable.

The Thai Subsidiary owns the land on which its manufacturing facilities located within the IEAT zone are situated, pursuant to the land ownership permission granted by the IEAT. Such land is used for the operation of the Thai Subsidiary's business and, based on the information and documents provided to us, the Thai Subsidiary has complied in all material respects with the applicable requirements relating to such land ownership. As of the date of this document, we are not aware of any existing or proposed changes in applicable Thai laws or regulations that would materially and adversely affect such land ownership rights.

7. Environmental Laws

Environmental matters in Thailand are principally governed by the Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992), as amended, together with regulations and notifications issued thereunder and other sector-specific laws, including the Factory Act and the Industrial Estate Authority of Thailand Act. These laws regulate, among others, the prevention and control of environmental pollution arising from industrial operations, including wastewater discharge, air emissions, noise, vibration and industrial waste management, and empower the relevant authorities to prescribe environmental standards and conduct inspections.

For factories located within an industrial estate under the supervision of the IEAT, the IEAT acts as the primary regulatory authority responsible for environmental supervision and monitoring. Operators are required to install and maintain appropriate systems for the treatment of wastewater, control of air emissions and proper disposal of industrial waste, and to comply with environmental standards and reporting requirements prescribed by the IEAT and the relevant governmental authorities. For factories located outside the IEAT zone, environmental regulation and supervision are primarily governed by the Factory Act, and related regulations administered by the Department of Industrial Works, including requirements on pollution control, waste management and environmental reporting. Based on the information and documents provided to us, the Thai Subsidiary has implemented the required environmental control measures for its manufacturing operations and is in compliance in all material respects with the applicable environmental laws and regulations.

8. Trade Restrictions

The import and export of goods in Thailand are regulated principally by the Customs Act B.E. 2560 (2017), together with ministerial regulations and notifications issued by the Thai Customs Department and other relevant authorities. Under Thai law, goods imported into or exported from Thailand are subject to customs clearance procedures, declaration requirements and payment of applicable customs duties, unless an exemption applies under applicable laws or privileges granted by competent authorities.

As a manufacturing company engaged in the import of raw materials and machinery and the export of its products, the Thai Subsidiary is required to comply with applicable customs procedures, including accurate declaration of goods, customs valuation, tariff classification and compliance with export control requirements. Certain products may also be subject to specific import or export restrictions, licensing requirements or standards controls imposed under sector-specific laws. For the Thai Subsidiary, exemptions from import duties on machinery and raw materials are granted by the BOI. Based on the information and documents provided to us, and having regard to the nature of the raw materials imported and the products exported by the Thai Subsidiary, we are not aware of any material trade restrictions, prohibitions or licensing requirements applicable to such imports or exports under Thai law. The Thai Subsidiary conducts its import and export activities in compliance in all material respects with applicable Thai customs and trade-related laws and regulations.

9. Intellectual Property

Intellectual property rights in Thailand are principally governed by the Trademark Act B.E. 2534 (1991), the Patent Act B.E. 2522 (1979) and the Copyright Act B.E. 2537 (1994), as amended. These laws provide statutory protection for registered intellectual property rights and grant the right holders the exclusive right to use and enforce such rights against infringement in Thailand.

Based on the information and documents provided to us, the Thai Subsidiary does not own or have any registered intellectual property rights in Thailand. However, the Company has registered certain trademark in Thailand, which are used in connection with the Group's business. Under Thai law, trademark rights arise upon registration, and registered trademarks may be licensed to affiliates for use in Thailand, subject to compliance with applicable legal requirements.

10. Taxation

Thai companies are subject to corporate income tax on their worldwide income at the prevailing rate (currently 20%), subject to applicable exemptions and incentives. As an investment-promoted company, the Thai Subsidiary has been granted an exemption from corporate income tax for a period of three years in respect of profits generated from its BOI-promoted activities, subject to the terms and conditions prescribed by the relevant BOI promotion certificates and applicable laws.

Withholding tax applies to certain categories of income, including dividends, interest, royalties and service fees, at rates prescribed by the Revenue Code.

Thailand operates a Value Added Tax ("**VAT**") system. VAT in Thailand is imposed on the sale of goods, the provision of services and the importation of goods. Under the VAT system, an operator charges VAT on its sales or services and may credit VAT paid on purchases of goods or services against its output VAT, with the net amount remitted to the Thai Revenue Department, such that VAT is effectively borne by the end consumer. The standard VAT rate prescribed by law is 10% (inclusive of municipal tax). However, the rate currently applied is 7%, subject to extension by the Thai government from time to time. As a manufacturing company, the Thai Subsidiary is subject to VAT in respect of its sale of goods and importation of goods and is required to comply with applicable VAT registration, filing and payment obligations under Thai tax laws.

THE HONG KONG LAWS, REGULATIONS AND POLICIES

This section summarizes the major Hong Kong laws, regulations and policies relevant to the Company's daily business operations currently carried out through its subsidiary in Hong Kong.

LAWS RELATING TO BUSINESS REGISTRATION

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) (the "BRO")

According to the BRO, every person, (a company or individual), who carries on a business in Hong Kong is required under the BRO to apply for a business registration certificate from the Inland Revenue Department within one month from the date of commencement of the business, and to display a valid business registration certificate at the place of business. Business registration does not serve to regulate business activities and it is not a licence to trade. Business registration serves to notify the Inland Revenue Department of the establishment of a business in Hong Kong. A business registration certificate is renewable every year or every three years (if business operators elect for issuance of business registration certificate that is valid for three years). Any person who fails to apply for business registration shall be guilty of an offence and shall be liable to a fine of HK$5,000 and to imprisonment for one year.

LAWS AND REGULATIONS RELATING TO EMPLOYMENT

Employment Ordinance (Chapter 57 of the Laws of Hong Kong) ("EO")

The EO regulates the general conditions of employment and matters connected therein in Hong Kong. It provides for various employment-related benefits and entitlements to employees. All employees covered by the EO, irrespective of their hours of work, are entitled to protection including payment of wages, restrictions on wages deductions and the granting of statutory holidays. Employees who are employed under a continuous contract are further entitled to such benefits as rest days, paid annual leave, sickness allowance, severance payment and long service payment.

Employee's Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) ("ECO")

The ECO establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or deaths caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases. Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

According to section 40 of the ECO, all employers are required to take out insurance policy to cover their liabilities both under the ECO and at common law for injuries at work in respect of all employees (including full-time and part-time employees) for an amount not less than the applicable amount specified under the ECO. An employer who fails to comply with the ECO to secure an insurance cover is liable on conviction upon indictment to a fine at level 6 (currently at HK$100,000) and to imprisonment for two years, and on summary conviction to a fine at level 6 (currently at HK$100,000) and to imprisonment for one year.

Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) ("MWO")

The MWO provides for a prescribed minimum hourly wage rate (as at the Latest Practicable Date, HK$42.1 per hour) during the wage period for every employee engaged under a contract of employment under the EO (except those specified under section 7 of the MWO). A provision of a contract of employment that purports to extinguish or reduce any right, benefit or protection conferred on the employee by the MWO is void.

Mandatory Provident Fund Scheme Ordinance (Chapter 485 of the Laws of Hong Kong) ("MPFSO")

The MPFSO provides for, *inter alia*, the establishment of a system of privately managed, employment related mandatory provident fund schemes for members of the workforce to accrue financial benefits for retirement. Subject to the minimum and maximum relevant income levels, it is mandatory for both employers and their employees to contribute 5% of the employee's relevant income to the mandatory provident fund scheme. Currently, the minimum and maximum relevant income levels for employees who are paid monthly are HK$7,100 and HK$30,000 respectively. Further, employers are obliged to enroll their employees aged 18 to 65 to a Mandatory Provident Fund Scheme within 60 days of his or her employment.

Immigration Ordinance (Chapter 115 of the Laws of Hong Kong) ("IO")

Generally speaking, under the IO, a person is required to hold a visa/entry permit to work in Hong Kong unless he has the right of abode or right to land in Hong Kong. Section 17I of the IO stipulates that any person who is the employer of an employee who is not lawfully employable commits an offence and is liable to a fine of HK$350,000 and to imprisonment for three years if the employee is not a prohibited employee, and if the employee is a prohibited employee, to a fine of HK$500,000 and to imprisonment for 10 years.

REGULATIONS RELATING TO TAXES

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) ("IRO")

As our Group carries out business in Hong Kong, the Company is subject to the profits tax regime under the IRO. The IRO is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The IRO provides, among others, that persons, which include corporations, partnerships, trustees and bodies of person, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business. As at the Latest Practicable Date, the standard profits tax rate for corporations is currently at 8.25% on assessable profits up to HK$2,000,000; and 16.5% on any part of assessable profits over HK$2,000,000. The IRO also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowance for depreciation.

Section 51(1) of the IRO requires every person, upon receipt of a written notice from the Inland Revenue Department, to submit a return within a reasonable time as stated in such notice. In relation to (i) any tax computation containing incorrect information (the "Incorrect Information"); and (ii) the filing of tax return containing the Incorrect Information, a person may be subject to prosecution under section 80(2) or 82(1) of the IRO.

Additionally, section 51C of the IRO provides that any person carrying on a trade, profession or business in Hong Kong shall keep sufficient records in the English or Chinese language of his income and expenditure to enable the assessable profits of such trade, profession or business to be readily ascertained and shall retain such records for a period of not less than seven years after the completion of the transactions, acts or operations to which they relate. The section sets out general requirement of records that should be kept. Any person who without reasonable excuse fails to comply with section 51C is liable on conviction to a maximum fine at level 6 (i.e. HK$100,000).

REGULATIONS RELATING TO ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING

Drug Trafficking (Recovery of Proceeds) Ordinance (Chapter 405 of the Laws of Hong Kong) ("DTROP")

Among other things, the DTROP contains provisions for the investigation of assets suspected to be derived from drug trafficking activities, the freezing of assets on arrest and the confiscation of the proceeds from drug trafficking activities by the competent authorities. It is an offence under the DTROP for a person to deal with any property knowing or having reasonable grounds to believe it to represent the proceeds from drug trafficking. The DTROP requires a person to report to an authorised officer if he/she knows or suspects that any property (in whole or in part directly or indirectly) represents the proceeds of drug trafficking or is intended to be used or was used in connection with drug trafficking, and failure to make such disclosure constitutes an offence under the DTROP.

Organized and Serious Crimes Ordinance (Chapter 455 of the Laws of Hong Kong) ("OSCO")

Among other things, the OSCO empowers officers of the Hong Kong Police Force and the Hong Kong Customs & Excise Department to investigate organised crime and triad activities, and confers jurisdiction on the Hong Kong courts to confiscate the proceeds of organised and serious crimes, to issue restraint orders and charging orders in relation to the property of defendants of specified offences under the OSCO. The OSCO extends the money laundering offence to cover the proceeds from all indictable offences in addition to drug trafficking.

United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the Laws of Hong Kong) ("UNATMO")

Among other things, the UNATMO stipulates that it is a criminal offence to: (1) provide or collect property (by any means, directly or indirectly) with the intention or knowledge that the property will be used to commit, in whole or in part, one or more terrorist acts; or (2) make any property or financial (or related) services available, by any means, directly or indirectly, to or for the benefit of a person knowing that, or being reckless as to whether, such person is a terrorist or terrorist associate, or collect property or solicit financial (or related) services, by any means, directly or indirectly, for the benefit of a person knowing that, or being reckless as to whether, the person is a terrorist or terrorist associate. The UNATMO also requires a person to disclose his knowledge or suspicion of terrorist property to an authorised officer, and failure to make such disclosure constitutes an offence under the UNATMO.

OVERVIEW

On October 15, 1999, Mr. Xiao and Mr. Yang Yeheng (楊業恒) (a family member of Mr. Xiao) established the Foshan Sunrise Electric Manufacturing Co., Ltd.* (Sunrise E&E) (佛山市日昇電業製造有限公司), the predecessor of our Company, in Foshan, Guangdong Province. On December 26, 2005, Sunrise E&E was renamed as Foshan Eaglerise Electric Manufacturing Co., Ltd.* (佛山市伊戈爾電業製造有限公司). On December 28, 2007, our Company was converted into a joint stock company with limited liability under the laws of the PRC and was converted into Eaglerise Electric & Electronic (Foshan) Co., Ltd.* (佛山市伊戈爾電業製造股份有限公司). On March 10, 2011, our Company was renamed as Eaglerise Electric & Electronic (CHINA) Co., Ltd.* (伊戈爾電氣股份有限公司). Over years of development, our Group has developed a diversified portfolio of products and solutions covering multiple application fields, such as new energy, data centers, power distribution, industrial control, and lighting, providing integrated solutions tailored to various application scenarios.

On December 29, 2017, our A Shares were listed on the Shenzhen Stock Exchange (stock code: 002922.SZ), marking a significant milestone in our access to capital markets.

BUSINESS MILESTONES

The following table summarizes the key milestones in our history:

Year	Milestones
1999	Sunrise E&E, the predecessor of our Company, was established in Foshan, China.
2006	We launched the EAGLERISE trademark.
2007	We commenced our expansion into global markets.
2011	We were renamed as Eaglerise Electric & Electronic (CHINA) Co., Ltd. (伊戈爾電氣股份有限公司).
2013	We launched high-frequency magnetic components, marking our Company's entry into the new energy sector.
2017	We were successfully listed on the Shenzhen Stock Exchange (stock code: 002922.SZ).
	We established a new production base in Ji'an, China, expanding domestic production facilities.
2018	We initiated our digital transformation program and were recognized as a National "Green Factory."

Year	Milestones
2020	We launched our flagship new energy transformer product, accelerating our development in new energy business.
2022	Our first intelligent manufacturing digital factory was completed and put into production.
2023	We completed and commenced operations at our manufacturing facility in Malaysia and commenced the establishment of a production base in Mexico, thereby transitioning from the "product export" model to the "production capacity export" model.
2024	Our manufacturing facilities in Huainan, Anhui, and Thailand have been completed and are now in operation, further enhancing our global supply network.
2025	Our production bases in Jizhou, Jiangxi and the United States were completed and put into production, realizing our vision of "Made Globally, Sold Globally."

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following table sets out the place and date of establishment/incorporation, and the principal business activities, of our major subsidiaries that made a material contribution to our results of operations during the Track Record Period:

Subsidiary Name	Place and date of establishment/ incorporation	Equity interest attributable to our Group (%)	Principal business activities
Foshan Eaglerise Power Science &Technology (Shunde) Co., Ltd. (佛山市順德區伊戈爾電力科技有限公司)	PRC (Foshan), 2008–11–20	100	Research and development, production and sales of transformers, rectifiers and inductors, power transmission, distribution and control equipment, electromechanical equipment, and lighting devices.
Eaglerise Electric & Electronic (JIAN) Co., Ltd. (吉安伊戈爾電氣有限公司)	PRC (Ji'an), 2015–01–14	100	Research and development, production and sales of transformers and components (including cores and enclosures), power supply products and lighting products, and the import and export of goods and technology

Subsidiary Name	Place and date of establishment/ incorporation	Equity interest attributable to our Group (%)	Principal business activities
Eaglerise Magnetoelectricity (JI AN) Co., Ltd. (吉安伊戈爾磁電科技有限公司)	PRC (Ji'an), 2018–07–30	100	Research and development, production and sales of transformers and components, power supply products, and lighting products, and the import and export of goods and technology.
Eaglerise Digital Power Technology (JIANG XI) Co., Ltd. (江西伊戈爾數字能源技術有限公司)	PRC (Ji'an), 2022–05–06	100	Research and development, production, and sales of transformers and components (including cores and enclosures), power supply products, and lighting products, and the import and export of goods and technology.
NET (AN HUI) Electrical Technology Co., Ltd. (安徽能啟電氣科技有限公司)	PRC (Huainan), 2023–02–02	100	Research and development, production, and sales of transformers and power supply components, intelligent box-type substations, inductors, reactors.
Eaglerise Electric & Electronic (Thailand) Co., Ltd. (伊戈爾電氣(泰國)有限公司)	Thailand (Laem Chabang), 2023–11–13	100 (Indirect)	Research, development, production, and sales of transformers and components, as well as power supply products, and the import and export of goods and technology.
EAGLERISE RENEWABLE ENERGY USA INC. (伊戈爾新能源(美國)公司)	United States, 2023–02–23	100 (Indirect)	Research, development, production, and sales of transformers, box-type substations, energy storage systems, charging piles, and residential energy storage inverters, among others.

For further information regarding our Company's subsidiaries, please refer to the paragraph headed "— Corporate Structure" in this section below and see the Accountants' Report as set out in Appendix I to this Document.

ESTABLISHMENT AND DEVELOPMENT OF OUR COMPANY

Establishment of our Company

On October 15, 1999, Mr. Xiao and Mr. Yang Yeheng (楊業恒) (a family member of Mr. Xiao) established the Foshan Sunrise Electric Manufacturing Co., Ltd.* (Sunrise E&E) (佛山市日昇電業製造有限公司), the predecessor of our Company, in Foshan, Guangdong Province. On December 26, 2005, Sunrise E&E was renamed as Foshan Eaglerise Electric Manufacturing Co., Ltd.* (佛山市伊戈爾電業製造有限公司). On December 28, 2007, our Company was converted into a joint stock company with limited liability in accordance with the PRC Company Law and other applicable regulations, and with the approval of MOFCOM, through an overall conversion of Foshan Eaglerise Electric Manufacturing Co., Ltd.* (佛山市伊戈爾電業製造有限公司) into a joint stock company, namely Eaglerise Electric & Electronic (Foshan) Co., Ltd.* (佛山市伊戈爾電業製造股份有限公司). Our Company's initial registered capital was RMB195,979,690. The shareholding structure of our Company upon establishment was as follows:

Shareholder	Number of shares	Equity interest (%)
Billion Profit International Limited	158,947,368	81.10
Foshan Xini'er Investment Consulting Co., Ltd.* (佛山市禧尼爾投資諮詢有限公司)	13,822,447	7.05
China-Belgium Direct Equity Investment Fund* (中國 — 比利時直接股權投資基金)	12,893,504	6.58
Shenzhen Pailong Investment Co., Ltd.* (深圳市湃龍投資有限公司)	7,737,278	3.95
Shenzhen Meilin Pengcheng Investment Co., Ltd.* (深圳市美林鵬程投資有限公司)	2,579,093	1.32
Total	195,979,690	100

Note:

1. Billion Profit International Limited is a company incorporated in the British Virgin Islands, whose ultimate controlling shareholder is True Fortune Limited, holding 100% of its shares. True Fortune Limited is a company incorporated in the British Virgin Islands, whose ultimate controlling shareholder is Winner River Limited, holding 68.02% of its shares. Winner River Limited is a company incorporated in the British Virgin Islands, whose ultimate controlling shareholder is Mr. Xiao, holding 100% of its shares. Accordingly, Mr. Xiao is the ultimate controlling shareholder of our Company.

   On October 6, 2014, Billion Profit International Limited, TRUE FORTUNE LIMITED, and WINNER RIVER LIMITED were all deregistered.

2. Foshan Xini'er Investment Consulting Co., Ltd.* (佛山市禧尼爾投資諮詢有限公司), was held by our certain senior management and employees at the time. On September 23, 2021, Xini'er Investment Consulting Co., Ltd.* (佛山市禧尼爾投資諮詢有限公司) was deregistered.

3. Apart from the aforementioned controlling shareholders and their ultimate controlling shareholder, all other shareholders are independent third parties and have no connection with our Company, our Company's controlling shareholders, directors, senior management, or any of their respective associates.

Early History of our Company

Between 2007 and 2017, the shareholding structure of our Company underwent numerous changes. As of December 29, 2017, prior to the listing of our A shares on the Shenzhen Stock Exchange, the shareholding structure of our Company was as follows:

Shareholder	Number of shares	Equity interest *(%)*
Foshan MegaMax Investment Co., Ltd. 佛山市麥格斯投資有限公司(1)	60,089,750	60.70
Foshan Yingwei Investment Co., Ltd. 佛山市英威投資有限公司(2)	23,361,450	23.60
Foshan Kainote Investment Consulting Co., Ltd. 佛山市凱諾特投資諮詢有限公司(3)	5,642,400	5.70
Zhang Zexue (張澤學)	3,712,228	3.75
Deng Guorui (鄧國銳)(4)	3,712,228	3.75
Shenzhen Peng Feng and Controversial Investment Management Enterprise (L.P.) 深圳市鵬峰創智投資管理企業(有限合夥)	2,474,819	2.50
Total	98,992,875	100

Note:

1. MegaMax was established on July 14, 2010, with Mr. Xiao as its legal representative and solo shareholder. Its registered capital and paid-up capital are both RMB49,000,000, fully contributed by Mr. Xiao, representing 100% of its equity. Mr. Xiao is the executive director of MegaMax, and holds 100% equity interest in MegaMax. Accordingly, Mr. Xiao was the ultimate controlling shareholder of our Company and, through his wholly owned company, MegaMax indirectly controls 60.70% of the Company's issued shares.

2. With respect to the historical shareholding structure prior to the [REDACTED] on Shenzhen Stock Exchange, Mr. Wang Yilong, a former director of our Company, held 23.6% shares of our Company through Foshan Yingwei Investment Co., Ltd. (佛山市英威投資有限公司), which he controlled. As of the Latest Practicable Date, Mr. Wang Yilong no longer serves as a director of our Company since November 2025.

3. With respect to the historical shareholding structure prior to the Listing on Shenzhen Stock Exchange, Foshan Kainote Investment Consulting Co., Ltd. 佛山市凱諾特投資諮詢有限公司* was held by our certain senior management and employees at the time. On December 20, 2019, Foshan Kainote Investment Consulting Co., Ltd. 佛山市凱諾特投資諮詢有限公司* was deregistered.

4. With respect to the historical shareholding structure prior to the [REDACTED] on Shenzhen Stock Exchange, Mr. Deng Guorui previously served as an director and shareholder of our Company. During the Track Record Period and as of the Latest Practicable Date, Mr. Deng Guorui no longer serves as a director of our Company. Accordingly, Mr. Deng Guorui is considered an independent third party.

5. Save for the aforementioned controlling shareholder and his ultimate controlling shareholder, all other shareholders are independent third parties and are not connected with our Company, our Company's controlling shareholders, directors, senior management, or any of their respective associates.

Listing on the Shenzhen Stock Exchange in December 2017

As approved by the CSRC, on December 29, 2017, our Company completed the initial public offering and listing of our A Shares on the Shenzhen Stock Exchange (stock code: 002922.SZ). Upon completion, our registered share capital was increased to RMB131,992,875, represented by 131,992,875 Shares, all fully paid. The shareholding of our Company was as follows:

Shareholder	**Number of shares**	**Equity interest** *(%)*
Foshan MegaMax Investment Co., Ltd. 佛山市麥格斯投資有限公司	60,089,750	45.52
Foshan Yingwei Investment Co., Ltd. 佛山市英威投資有限公司	23,361,450	17.70
Foshan Kainote Investment Consulting Co., Ltd. 佛山市凱諾特投資諮詢有限公司	5,642,400	4.27
Other Public shareholders	42,899,275	32.06
Total	131,992,875	100

Other Shareholding Changes

Since the listing of our A Shares in 2017 and during the Track Record Period, the shareholding structure of our Company has undergone numerous changes. Set out below are the major shareholding changes of our Company since our A Share listing and up to the Latest Practicable Date.

2020 Private Placement of A Shares

On August 4, 2020, our Company obtained approval from the CSRC to conduct a private placement of A Shares not exceeding 40,545,442 shares. The placement was made to 19 subscribers, including our ultimate controlling shareholder, Mr. Xiao, with the remaining subscribers being independent third parties. Following completion, the Company's registered capital and total issued share capital were both recorded at RMB174,408,600.

Capitalisation of Reserves and Dividend Distribution

In April 2021, our Company implemented a profit distribution and capitalization of reserves plan. Based on a total share capital of 174,306,150 A Shares (after cancellation of 102,450 restricted A Shares repurchased in March 2021), the Company distributed a cash dividend of RMB2.00 (inclusive of tax) for every 10 Shares, amounting to RMB34,861,230 in aggregate. No bonus shares were issued. At the same time, the Company capitalized reserves by issuing 7 new Shares for every 10 Shares held, resulting in the issuance of 122,014,305 new A Shares. Following completion, the Company's total issued share capital increased from 174,306,150 A Shares to 296,320,455 A Shares, with the registered capital recorded at RMB296,320,455.

2023 Private Placement of A Shares

On August 4, 2023, our Company completed a non-public issuance of A Shares. We issued a total of 89,671,636 new A Shares to specific investors who, to the best knowledge of our Directors, were Independent Third Parties. Following completion, the Company's registered capital and total issued share capital were both recorded at RMB391,641,891.

2025 Private Placement of A Shares

In August 11, 2025, our Company completed a private placement of 29,563,933 new A Shares to MegaMax. Following completion, our registered share capital and total issued share capital both were recorded at RMB423,103,124.

Option and Share Incentive Schemes

In order to enhance the Company's competitiveness in the talent market, fully meet the growing demand for talent, and build a high-quality workforce, the Company has adopted four equity incentive plans since its A-share listing, namely: (i) the 2019 Restricted Share Incentive Plan; (ii) the 2022 Share Option and Restricted Share Incentive Plan; (iii) the 2023 Share Option and Restricted Share Incentive Plan; and (iv) the 2024 Share Option and Restricted Share Incentive Plan.

For further details of the 2022, 2023, and 2024 Share Option and Restricted Share Incentive Plans, please refer to "Appendix IV — Statutory and General Information — Option and Restricted Share Incentive plan".

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Since December 29, 2017, our A Shares have been listed on the Shenzhen Stock Exchange. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there have been no instances of any material non-compliance by our Group with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of our Directors, there are no material matters in relation to our compliance record on the Shenzhen Stock Exchange that should be brought to the attention of the Stock Exchange or potential investors of the [REDACTED]. Our PRC Legal Advisor has advised us that, during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties or regulatory measures imposed by the CSRC, the Shenzhen Stock Exchange or other competent PRC securities regulatory authorities. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause them to cast doubt on the Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange in any material respect.

We are seeking to list our H Shares on the Stock Exchange to raise additional capital to support our business growth and expansion, optimize and standardize the Group's shareholding structure, and reinforce our corporate governance platform in line with our international development strategy. Given that the Group's business layout and key growth opportunities are primarily overseas, the [REDACTED] in Hong Kong, as an international financial center and an important hub connecting China with global capital markets, is expected to facilitate access to international investors, diversify fundraising channels, strengthen the Group's industry position, and enhance global brand recognition and international competitiveness.

Furthermore, the [REDACTED] on the Stock Exchange will help the Company further optimize its capital structure and corporate governance, strengthen its positioning as an internationally oriented enterprise, and provide strong support for future overseas business expansion, potential international cooperation, and sustainable development. The Directors consider that the [REDACTED] in Hong Kong is in the best interests of the Company and its Shareholders as a whole. For further details, see this Document.

PUBLIC FLOAT

Pursuant to Rule 19A.13A, there must be open markets in the securities for which [REDACTED] is sought. Where a new applicant is a PRC issuer with other listed shares at the time of [REDACTED], this will normally mean that the portion of H Shares for which [REDACTED] is sought that are [REDACTED], at the time of [REDACTED], must: (a) represent at least 10% of the issuer's total number of issued shares in the class to which H Shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

Taking into account the [REDACTED] (assuming the [REDACTED] are not exercised), there will be [REDACTED] H Shares [REDACTED] pursuant to Rule 19A.13A. These H Shares represent at least [REDACTED] of the total number of issued shares in the class to which H Shares belong after the [REDACTED] and will be included in the Company's public float, thereby satisfying the public float requirements under Rule 19A.13A(2) of the Listing Rules.

FREE FLOAT

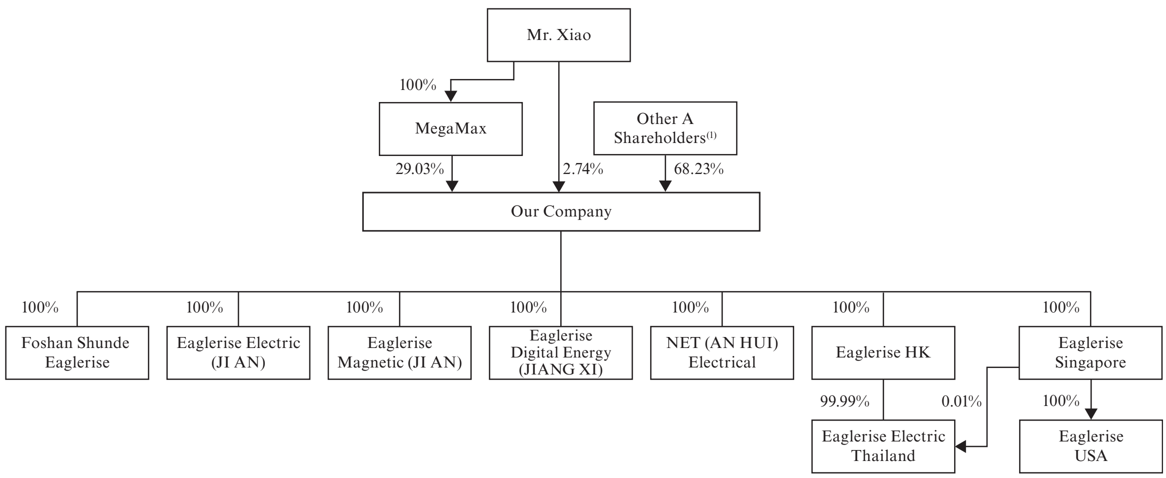
Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of [REDACTED], this will normally mean that the portion of H Shares for which [REDACTED] is sought that are [REDACTED] and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (a) represent at least 5% of the total number of issued shares in the class to which H Shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK$50,000,000; or (b) have an expected market value at the time of [REDACTED] of not less than HK$600,000,000.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), it is expected, pursuant to Rule 19A.13C of the Listing Rules, that the H Shares [REDACTED] will have a sufficient open market, with an expected market capitalization of the H Shares being held by the public and not subject to any disposal restrictions at the time of the [REDACTED] of not less than HK$600,000,000 based on the minimum [REDACTED] of HK$[REDACTED] per H Share. Therefore, our Company will satisfy the free float requirements for H Shares under Rule 19A.13C of the Listing Rules.

CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

The following diagram sets forth the simplified shareholding and corporate structure of our Group immediately before the completion of the [REDACTED] assuming that no changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]:



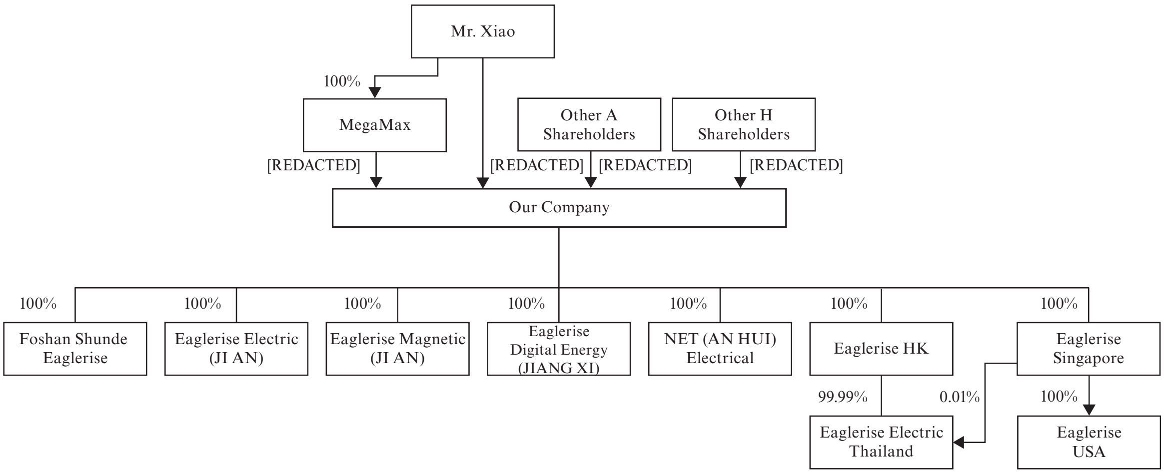
Notes:

(1) To the best knowledge of our Directors, there were over 40,000 other A Shareholders and none of these A Shareholders holds 10% or more interests in the Company as of the Latest Practicable Date.

(2) As of the Latest Practicable Date, we had 45 subsidiaries, including our major subsidiaries. For ease of reference, the above corporate structure chart only displays the names of our major subsidiaries.

Corporate Structure Immediately After the [REDACTED]

The following diagram sets forth our Group's simplified shareholding and corporate structure immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and [REDACTED]):



Notes:

(1)–(2) See "— Corporate Structure — Corporate Structure Immediately Before the [REDACTED]" in this section.

POSITIONING

We are a global supplier of power equipment and solutions. Leveraging our core proprietary technologies and dedicated R&D capabilities, we provide a diversified product portfolio across multiple application fields, including new energy, data centers, power distribution, industrial control, and lighting. We specialize in transformer equipment, power supplies, and magnetic component products. In addition, we deliver integrated solutions tailored to specific application scenarios, committed to our customers worldwide in achieving reliable and efficient operations.

Since our inception, we entered the global market through consumer electronics as our initial product line. We have consistently remained attuned to market demand, and subsequently expanded into the new energy sector and established a position in the new energy transformer equipment industry. Through our commitment to product quality, our business has continuously expanded, enabling us to build a base of high-quality global customers and achieve scaled production capabilities. By strategically replicating our product advantages across more high-growth industries, we further extended our business into the data center sector. Along the industry value chain, we have further expanded our product portfolio from supplying core components to selling complete machines, resulting in a product portfolio comprising various product categories and covering multiple sectors. Leveraging years of accumulated industry experience, we have developed the capability to provide customers with one-stop customized solutions.

As of September 30, 2025, through the effort of our dedicated sales team, we had established a presence over 60 countries and regions worldwide, providing high-quality products and solutions to customers across various industries and application areas. In terms of revenue, in 2024, the top five China-based suppliers in the global medium-voltage transformer equipment industry accounted for 9.7% of the total market size, and we ranked second among China-based suppliers with a market share of 2.2%. In the new energy transformer equipment industry, in 2024, we held approximately 3.7% of the global market size and ranked second among China-based suppliers with a revenue of approximately RMB2.6 billion. In the data center transformer equipment industry, in 2024, we held approximately 2.3% of the global market size and ranked third among China-based suppliers with a revenue of approximately RMB149.3 million. In the LED driver industry, in 2024, we held approximately 1.2% of the global market share and ranked fifth among global suppliers with revenue of approximately RMB842.7 million.

OUR MARKET OPPORTUNITIES

According to Frost & Sullivan, the global installed capacity of new energy is growing rapidly, with the intermittency and uncertainty of wind power, photovoltaics and other similar sources becoming increasingly prominent, posing higher demands on voltage regulation and stable transmission of power systems. Meanwhile, the rapid expansion of AI computing infrastructures and data centers, characterized by high-density and continuous load characteristics, presents new challenges to the reliability and energy efficiency of power supply and distribution systems. Against this backdrop, transformer equipment is evolving towards the objectives, such as, higher power density, lower losses, intelligent monitoring, and liquid cooling to achieve efficient power supply and real-time regulation. Furthermore, the continuous expansion of emerging scenarios, such as, EV charging networks, energy storage systems, and hydrogen energy facilities is driving continuous innovation in equipment design, materials, and system integration, further broadening the industry's application boundaries and technological depth.

New energy transformer equipment industry: According to Frost & Sullivan, the ongoing deepening of the global energy structure transition has significantly propelled the rapid expansion of the new energy transformer equipment market. The global market size for new energy transformer equipment increased from approximately RMB24.5 billion in 2020 to approximately RMB70.6 billion in 2024, representing a CAGR of 30.3% during this period. With the accelerated construction of energy storage projects such as PV and wind power in Europe, the expedited energy transition in Southeast Asia, and continuous upgrades in energy storage adaptation efficiency, safety performance, and energy loss control of new energy transformer equipment, the global market size of new energy transformer equipment is expected to reach approximately RMB212.4 billion by 2030, with a CAGR of 20.2% from 2024 to 2030. Driven by the accelerated construction of new energy power stations and the increased demand for supporting power transmission equipment in China, the market size of the new energy transformer equipment industry grew from approximately RMB6.8 billion in 2020 to approximately RMB24.8 billion in 2024, with a CAGR of 38.4% during the same period. Against the backdrop of the ongoing implementation of the "dual carbon" policy, accelerated deployment of energy storage projects, and continuous technological advancements, the Chinese market size is expected to increase to RMB97.1 billion by 2030, with a CAGR of 25.6% from 2024 to 2030.

Data center transformer equipment industry: According to Frost & Sullivan, the rapid increase in AI computing power demands continues to drive the expansion of the data center transformer equipment market. The global market size of data center transformer equipment industry grew from approximately RMB2.7 billion in 2020 to RMB6.5 billion in 2024, with a CAGR of 25.2% during this period. As AI, cloud computing, and hyperscale data centers further upgrade their demands for highly stable power supply systems, the global market size is expected to increase to approximately RMB34.8 billion by 2030, with a CAGR of 32.1% from 2024 to 2030. The accelerated expansion of China's data center computing power scale and the evolution of data center room loads toward higher power density have driven the domestic market to grow from approximately RMB0.4 billion in 2020 to approximately RMB1.2 billion in 2024, with a CAGR of 30.2% during the same period. Against the backdrop of the ongoing implementation of the "Eastern Data and Western Computing" ("東數西算") program and the rapid growth in the number of hyperscale data centers, China's market size is expected to reach RMB11.9 billion by 2030, with a CAGR of 47.5% from 2024 to 2030, wherein the market penetration of Panama Power Supply's compatible transformer equipment in China's data center transformer equipment market is expected to increase from 1.8% in 2024 to 33.5% in 2030 relying on its high density power supply architecture adaptability, product reliability, and large-scale delivery experience.

EV power supply industry: According to Frost & Sullivan, driven by the rapid growth in new energy vehicle sales, the global EV power supply industry entered a stage of rapid development from 2020 to 2024, with the market size growing from approximately RMB7.0 billion to approximately RMB37.1 billion, achieving a CAGR of 51.8% during this period. With the continued global penetration of new energy vehicles and advancements in automotive intelligence, the global market size for EV power supplies is expected to reach approximately RMB83.3 billion by 2030, with a CAGR of 14.4% from 2024 to 2030. Benefiting from China's leading global penetration rate of new energy vehicles and the large-scale advantages of its local supply chain, China's EV power supply market size grew from approximately RMB3.0 billion in 2020 to RMB25.2 billion in 2024, with a CAGR of 69.9% during the same period. Driven by the steady growth in demands for new energy vehicles and the upgrading of automotive electronics toward higher energy density, wide temperature range, long lifespan, and higher safety standards, China's EV power supply market size is expected to increase to approximately RMB58.6 billion by 2030, with a CAGR of 15.1% from 2024 to 2030.

OUR ACHIEVEMENTS

Our achievements as of September 30, 2025 can be illustrated as follows:

Leading industry position	**No. 2** Ranked by revenue in 2024 China-based supplier in the global medium-voltage transformer equipment market[4]	**No. 2** Ranked by revenue in 2024 China-based supplier in the global new energy transformer equipment market[4]	**No. 3** Ranked by revenue in 2024 China-based supplier in the global data center transformer equipment market[4]
Outstanding commercial achievements	**80%** Coverage rate among top customers[1] for PV inverters[4]	**70%** Coverage rate among top customers[2] for LED drivers[4]	**More than 60** Countries and regions our business has reached[3]
Strong technical and production capabilities	**542** Patented technologies[3]	**6** R&D centers in China[3]	**9** Global production bases[3]

Note 1: Top customers for PV inverters refer to the top ten enterprises in the industry ranked by the shipment volume in 2024.

Note 2: Top customers for LED drivers refer to the top ten enterprises in the industry ranked by the revenue in 2024.

Note 3: Data is as of September 30, 2025.

Note 4: The data is provided by Frost & Sullivan.

OUR PERFORMANCE

We have achieved steady revenue growth and stable cash inflows during the Track Record Period. Our revenue increased by 27.3% from RMB3,616.3 million in 2023 to RMB4,602.7 million in 2024; the revenue for the nine months ended September 30, 2025 RMB3,769.4 million, representing a 16.9% increase compared to the same period in 2024. In 2023, 2024 and for the nine months ended September 30, 2025 , our net cash generated from operating activities was RMB173.4 million, RMB179.4 million, and RMB233.4 million, respectively.

OUR COMPETITIVE ADVANTAGES

We have established a global footprint and localized service capabilities in overseas markets, enabling us to provide end-to-end localized services throughout the entire lifecycle, from pre-sales consultation and product manufacturing to after-sales support.

Our global layout encompasses a strategy integrating comprehensive and deeply localized operations for production, sales, and services. As of September 30, 2025, we have nine production bases worldwide, four in the overseas markets, namely Thailand, the United States, Malaysia, and Mexico; five in Chinese Mainland, Ji'an (Jiangxi), Huainan (Anhui), Foshan and Shenzhen (Guangdong), Zhongshan (Guangdong). Our global production is now operating at scale. We have significantly enhanced delivery certainty and shortened delivery cycles by positioning production capacity in target markets. Our smart transformer manufacturing plant in Fort Worth, Texas, USA, officially commenced operations in October 2025, and will combine with the production capacity of our Mexican production base, will form our localized supply capability serving the North American market. In addition, our plants in Malaysia and Thailand have commenced production. These Southeast Asian bases, along with our production bases in North America and China, enable synergistic production capacity coordination, allowing us to achieve exceptional flexibility in dynamically allocating global production capacity based on customer location, order requirements, and cost-effectiveness, resulting in a highly resilient supply chain system.

We have established an independently controlled sales network in key overseas markets. We have set up direct sales branches in regions, such as, North America, Europe, and Southeast Asia, and have assembled localized sales teams well-versed in local market regulations, cultures and customer needs. This enables us to accurately grasp market demand trends in real time, establish direct communication channels with customers, and maintain full control over product pricing, brand building, and profit retention.

We have simultaneously established a local after-sales service system directly managed by us as advancing sales localization. This ensures that our customers can benefit from rapid technical support, regular maintenance, and fault response services from local teams, achieving a full-cycle localized closed loop from pre-sales consultation and product production to after-sales support, thereby enhancing customer loyalty.

We have accumulated extensive technical expertise and maintain fully independent in-house research and development capabilities.

Through sustained investment in R&D over the years, we have built deep technical expertise, safeguarded our core technologies with a robust portfolio of patents, and consistently upheld a strategy of independent product research and development. We have established a complete closed-loop R&D process that spans from basic material research and electromagnetic technology development to product trial production and validation. This ensures our complete control over core technologies and the ability to continuously iterate them, serving as the foundation for responding to market changes, meeting customized customer needs, and achieving high product quality and reliability.

Our technological advantages are evident across multiple business sectors. In the new energy products segment, our high-frequency magnetic components have become the core products to mainstream domestic manufacturers by virtue of their low noise and high stability. We have successfully penetrated the new energy markets with our new energy transformers in the United States and the European Union, attributable to their high conversion efficiency and strong environmental adaptability. We are a leading enterprise in small- and medium-power LED driver power supplies in China in the lighting products field. Our products compete with international first-tier brands, and we have established long-term and stable strategic partnerships with several internationally renowned companies. In other products segment, we have pioneered the application of advanced processes, such as, PPS integrated injection molding in the car-mounted inductor products, achieving high reliability, lightweight design, and cost reduction in our products.

Our technological leadership is not only reflected in the continuous optimization of existing products but also in the active exploration and substantive breakthroughs in cutting-edge technological directions within the industry. Driven by market demands, we continuously transform our technological advantages into competitive product advantages through forward-looking R&D. For example, in response to the rapid growth in global demand for data center transformer equipment, we have concentrated our R&D resources and successfully expanded our data center transformer product line from phase-shift transformers to oil-immersed transformers, dry-type transformers and other varieties, while extending our sales reach from the domestic market to overseas regions.

With our profound know-how in cutting-edge technological fields, we are actively positioning ourselves in the next generation of power electronics technology. Solid-state transformers, as a critical technical pathway for power supply and distribution systems in AI data centers and the key equipment for future smart grids and energy Internet applications, have led us to actively invest in related technological R&D, and we have already initiated the development of solid-state transformer related products. Simultaneously, we are also actively investing resources to explore the market for new high-efficiency power supply systems, such as, "Panama Power Supply", dedicated to providing more reliable and energy-saving system-level solutions for high-end application scenarios like data centers.

Our technological know-how covers multiple aspects, and we have applied for intellectual property rights for key R&D technologies, boasting patents covering critical areas such as product design, production processes, and automation equipment. As of September 30, 2025, we possessed 542 patented technologies in China, including 189 newly added patents for the nine months ended September 30, 2025. Our R&D expenses accounted for 5.1%, 4.2%, and 4.6% of our revenue, respectively in 2023, 2024 and for the nine months ended September 30, 2025.

We have assembled a sizable, experienced, and seasoned professional R&D team. The core members possess profound professional backgrounds and years of R&D practical experience in the power electronics, electromagnetic technology, and related application fields. This high-caliber team serves as driving force for our continuous technological breakthroughs and product innovation. As of September 30, 2025, we operate six R&D centers in China, with the R&D team consisting of over 695 members, accounting for 21.0% of our total workforce.

We possess advantages in diverse product portfolio, continuous optimizing and enriching of product lines based on market and customer demands.

Our product portfolio strategically focuses on high-growth industries globally, primarily covering new energy, data centers, power distribution, industrial control and lighting sectors, while continuously fostering the growth of new businesses such as car-mounted inductors, EV power supplies and communication power supplies.

Our offerings have expanded from key components to system solutions. Specifically, in the new energy products segment, the product line has expanded from high-frequency magnetic components for PV inverters to new energy transformers and smart transformer stations; in the data center products segment, the product line has expanded from phase-shift transformers, oil-immersed transformers and dry-type transformers to complete solutions for Panama Power Supply products. This signifies our evolution from a single-component supplier to a partner capable of providing integrated system services.

Leveraging our global layout and advantages in overseas localized services, we maintain frequent and direct communication with customers, enabling us to keenly perceive and promptly respond to policy changes, technological standard iterations, and personalized customer needs in local markets. As a result, we efficiently transform market demands into new product types based on customer needs, leveraging our technological and R&D strengths. Finally, we complete localized production through our global production capacity layout and deliver products to the market via our proprietary sales network, swiftly reaching customers in demand.

Our products comply with a variety of international market access requirements, including Chinese National Standards (GB), Underwriters Laboratories (UL) standards in the United States, Canadian Standards Association (CSA) certifications, EU CE certifications, German TÜV certifications, and Japan's Product Safety of Electrical Appliance & Materials (PSE). This enables us to support the global business deployment of our customers, eliminating technical barriers and market access thresholds, whether it involves supporting Chinese inverter manufacturers for overseas expansion or directly supplying for large-scale projects in Europe, the United States, Japan, and other regions, thereby facilitating rapid business expansion and in-depth cooperation.

We have established a high-quality customer base, which has contributed to the continuous enhancement of our brand reputation and industry influence.

Dedicated to years of in-depth engagement in the industry, we have constructed a high-quality customer ecosystem encompassing global industry leaders, characterized by close and continuously deepening partnerships, which is primarily attributable to our long-standing strategic approach of prioritizing technology leadership, quality as the foundation, and customer demand-orientation.

In the new energy products segment, we are a key supplier of core components for PV inverters in the energy products sector, and have consistently supplied large quantities of products to multiple mainstream domestic inverter manufacturers for many years. We are also a core supplier of PV and energy storage transformers, and have deeply collaborated with global PV inverter leaders for overseas expansion. In the rapidly growing data center market, our customers cover power management giants, Internet companies and telecom operators.In the industrial control products segment, we serve numerous top-tier equipment manufacturers worldwide. In the lighting products segment, we have maintained long-term and stable strategic partnerships with internationally renowned enterprises. Collaborating with these market-leading customers across various sectors not only brings us sustained high-quality orders but also significantly enhances our brand reputation and industry influence.

We have established a digitalized management system, which has laid a solid foundation for our efficient production and operational activities.

We have established an integrated digital management system that enables transparent and precise control over the entire production chain. We have achieved full-chain digital management from sales orders to product delivery by introducing and seamlessly integrating core information systems, including ERP, APS, MES, and WMS.

Specifically, the ERP system serves as the management hub, integrating orders, finance, and master data to provide a unified view of overall operations. The APS system performs scientific scheduling calculations based on precise capacity models and order requirements, refining production plans down to each process step and machine, significantly enhancing the accuracy and efficiency of order reviews and delivery. On the production floor, MES collects critical data on production progress, process parameters, quality inspections, and other aspects in real time through direct connections with production hardware, making the entire manufacturing process transparent, visible, and traceable. Meanwhile, the WMS system, in collaboration with automated vertical warehouses and logistics robots, enables fully automated and precise management of materials from inbound storage, warehousing, and distribution to the production line, substantially reducing human errors and waiting times. This interconnected digital network allows us to monitor multidimensional production data in real time and dynamically oversee and intervene in key processes, laying a solid foundation for efficient production operations.

We have enhanced core production efficiency metrics across multiple dimensions by leveraging on our digital management system, combined with our industry know-how over the years and a stable workforce of skilled technicians. In terms of production efficiency and capacity, taking the digital factory of Ji'an Eaglerise Magnetic & Electronic Technology Co., Ltd. as an example, we have improved the factory's production efficiency compared to traditional methods through measures, such as, overall logistics optimization, introduction of automated winding equipment, and intelligent vacuum drying production lines. With respect to delivery, the APS system can swiftly respond to order changes, and implement simulated scheduling and delivery assessments, while automated logistics significantly shortens production cycles. In particular, the intelligent drying line substantially reduces drying time during oil-immersed transformer production.

We have an experienced and visionary management team.

We are led by a core management team with profound experience, a clear strategic vision, and a high degree of collaboration. Our Chairman, Mr. Xiao, as the Company's founder, possesses a comprehensive perspective spanning from technological R&D to corporate strategic management. He graduated with a degree in Electrical Machinery from the Department of Electrical Engineering at Huazhong University of Science and Technology in 1988 and obtained an EMBA degree from the Hong Kong University of Science and Technology in 2008, which equipped him with both a solid technical engineering background and systematic modern business management knowledge. Since founding the Company in 1999, he has dedicated himself to business management, ensuring the continuity and stability of our strategic direction through over two decades of industry immersion and leadership, successfully guiding us to achieve a global footprint.

Our key team members have deep roots in the electrical manufacturing industry and have developed a clear and efficient division of labor and collaboration mechanisms through long-term collaboration. They have accumulated extensive comprehensive management experience in production operations, quality control, market development, and product R&D, possessing precise insights into industry policies and future trends, enabling us to formulate a clear development strategy. Based on shared values and an open and collaborative culture, the team continuously attracts outstanding talents from both domestic and international sources and systematically enhances organizational capabilities through a systematic echelon development plan, solidifying the talent foundation for our long-term development. Relying on this professionalism and strategic focus, the management team remains focused on core technologies and key products when facing diverse market opportunities, accurately seizing high-growth opportunities in sectors, such as, new energy and data centers. Our strategic focus and efficient execution enable us to fully capitalize on the opportunities presented by the global energy transition and digital wave, driving the company towards sustained and steady growth in long term.

OUR DEVELOPMENT STRATEGIES

We plan to focus on core business strengths and leverage them to penetrate new products and market regions.

We consistently plan our business strategies around core technological capabilities and market demands, continuously consolidating and expanding our existing core business advantages while systematically expanding in two directions — along the product value chain and the business ecosystem chain — guided by forward-looking industry insights. Specifically, we plan to extend from supplying key core components to offering a wider range of complete machine products; in terms of the business models, we will transition from selling a single product to providing more scenario-based solution services. This strategy represents a natural extension based on our profound technological know-how and a deep understanding of customer needs, serving as one of our core drivers for business growth.

We plan to continue our global expansion.

Global expansion remains the core of our strategy. We are committed to building in-depth operational capabilities that integrate localized production, marketing, and services. We plan to leverage the wave of global energy transition and digital infrastructure development, combining the cost-effectiveness of "Made in China" with the agile services of "Global Manufacturing" through market-proximate efficient operations to become a highly competitive solution provider in the international market.

We plan to deepen localized cooperation models by establishing joint venture subsidiaries, making investments, or pursuing mergers and acquisitions to rapidly integrate the resources of overseas strategic partners. We are actively exploring deeper cooperation models, forming strategic alliances with local dominant enterprises to swiftly acquire localized resources such as market access, channel networks, and policy understanding, further enhancing our influence in overseas markets.

We plan to strive to secure breakthrough market share in key domestic market sectors.

Leveraging our technological, manufacturing, and customer advantages in the field of power equipment, we plan to concentrate resources on making in-depth breakthroughs into high-growth, high-value-added key application areas, with the core objective of securing a breakthrough in our market share in strategic directions, such as, the data center transformer equipment industry. Our goal is to combine our core strengths with emerging market opportunities to become one of the key dominant players.

We plan to keep abreast of industry technological development and market demands while Increasing R&D resource investment to upgrade and enrich our existing product portfolio.

We regard technological innovation and product iteration as the core components of our corporate development. Our R&D activities are closely aligned with industry development trends, with a clear market-oriented R&D direction dedicated to maintaining and expanding our technological advantages in core areas through continuous technical refinement and precise product definition. Specifically, we aim to consolidate our technological leadership by continuously increasing R&D resource investment, keenly capturing global customer needs through our global network, and relying on our technological R&D capabilities to build a continuously evolving and highly competitive product portfolio as we are committed to transforming technological advantages into product competitiveness.

We intend to continue to strengthen the depth of our R&D fields, continuously improve the allocation of R&D resources, and establish a more efficient R&D platform. We will focus on talent recruitment and cultivation, making efforts to recruit high-caliber talents to enhance the overall quality of our R&D capability and provide talent support for our technological innovation.

We plan to continue the construction and promotion of intelligent digital factories.

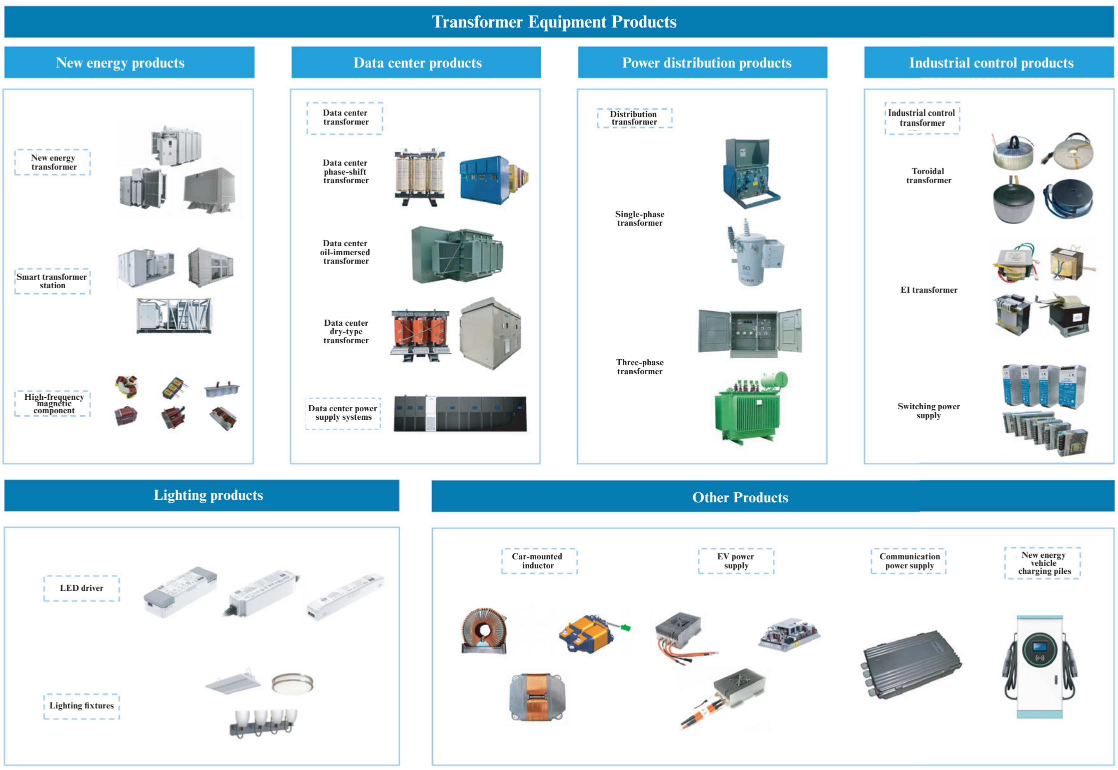
We plan to continue the process of intelligent factory transformation and upgrading, equipping factories with advanced production equipment, iterating process routes, and upgrading digital systems. We plan to extend our digital and intelligent factory projects to a broader range of production bases within the Group, building a group-level digital twin system to bring strategic benefits, such as, improved decision-making quality, accelerated market response efficiency, the formation of industry digital barriers, and the creation of new revenue streams.

OUR PRODUCTS

Overview

We are a global supplier of power equipment and solutions, focusing on sectors such as new energy, data centers, power distribution, industrial control, and lighting, specializing in transformer equipment products and related integrated solutions. Through continuous technological innovation and product iteration, we continue to expand and enhance our product portfolio, and we provide high-quality system products, solutions and related services to customers worldwide. According to Frost & Sullivan, in 2024, we accounted for approximately 3.7% of the global market share in the new energy transformer equipment industry, ranking top-tier among the China-based suppliers, and approximately 1.2% of the global market share in the LED driver industry, ranking fifth globally. Our product portfolio is structured into three primary segments: transformer equipment products (including new energy products, data center products, power distribution products and industrial control products), lighting products, and other products. Looking ahead, we will continue to deepen our presence in the electronic power sector and, leveraging our core technologies, upgrade from the supply of core components and system products to integrated solution offerings, while achieving global expansion and scaled growth in the new energy, data center and power distribution markets.

The following diagram sets out our product portfolio by category:



The table below sets out the details of our revenue by product types for each year/period indicated:

	Year ended December 31				Nine months ended September 30			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Transformer Equipment Products	2,626,562	72.6	3,390,204	73.7	2,350,954	73.0	2,781,578	73.8
— New energy products	1,953,199	54.0	2,636,273	57.3	1,767,010	54.8	2,207,647	58.6
— Data center products	49,678	1.4	149,294	3.2	105,969	3.3	99,344	2.6
— Power distribution products	374,069	10.3	372,004	8.1	305,256	9.5	312,572	8.3
— Industrial control products	249,616	6.9	232,633	5.1	172,719	5.4	162,015	4.3
Lighting Products	811,713	22.4	978,349	21.3	709,937	22.0	660,535	17.5
Other Products	178,033	5.0	234,141	5.0	163,258	5.0	327,319	8.7
Total	**3,616,308**	**100.0**	**4,602,694**	**100.0**	**3,224,149**	**100.0**	**3,769,432**	**100.0**

Transformer Equipment Products

Our transformer equipment products includes new energy products, data center products, power distribution products and industrial control products.

New Energy Products

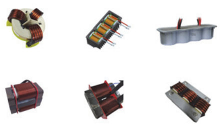
Our new energy products include:

- ***New Energy Transformer.*** Our new energy transformers primarily include those applied in new energy power scenarios such as PV power generation, energy storage, and hydrogen energy, which are characterized by high conversion efficiency, strong stability and strong adaptability to harsh operating environments. Leveraging proven performance across multiple application scenarios, our new energy transformers have established a leading position within the industry. As a core product in our new energy product category, the supply of our new energy transformers are mainly targeted to overseas markets for many years and we have successfully exported our products in volume under European-standard and U.S.-standard specifications, thereby allowing us to accumulate extensive experience in global deliveries for products with mature technical systems. For the production of new energy transformers, we operate digital factories, which enable us to ensure a high degree of product consistency and provide a solid foundation for technology iteration and performance optimization.

- ***Smart Transformer Station.*** Our smart transformer stations integrates sensors, communication technologies and intelligent control devices to enable functions, such as, self-monitoring, self-diagnosis, automated control and remote monitoring to meet the modern power system's demand for efficient, reliable, and safe power supply. This product is designed with resistance to high and low temperatures, adaptability to high-altitude conditions, corrosion resistance and energy-saving and environmentally friendly features. Our transformer stations are engineered to minimize upfront investment at the project level, while delivering competitive per-watt construction costs that enhance overall capital efficiency, our transformer stations are able to achieve peak system efficiency of over 99% under certain operating scenarios.

- ***High-Frequency Magnetic Component.*** Our high-frequency magnetic components serve as the core elements for PV inverter equipment, featuring low noise, high stability, lightweight design, compact structure, and high efficiency. They generally operate at frequencies above approximately 1kHz to support high-frequency switching applications. Through high-frequency design, our high-frequency magnetic components can effectively reduce magnetic core size and increase power density compared with conventional designs, thereby supporting compact and modular layouts and simplifying installation in applicable terminal products. Under high-frequency operating conditions, our high-frequency magnetic components exhibit fast dynamic response capabilities, favorable steady-state accuracy and resistance to electromagnetic interference.

The table below sets out a summary of our new energy products by product category:

Product Category	Product Graph	Product Features	Application Areas
New Energy Transformer		High conversion efficiency, good stability, strong adaptability to harsh environments	PV power generation
Smart Transformer Station		High power capacity and operational efficiency, and system stability and reliability	PV power generation and energy storage
High-Frequency Magnetic Component		Low noise, high stability	Inverters

Data Center Products

Our data center products include:

- ***Data Center Transformer.*** Our data center transformer products primarily comprise phase-shift transformers, oil-immersed transformers and dry-type transformers for data center applications. Phase-shifting transformers are specialized transformers customized for data center power distribution systems. They are primarily used to suppress harmonics, improve power quality, and ensure the stable operation of core loads such as server power supplies. These transformers feature high reliability, low harmonics, high efficiency, and precise voltage regulation. Oil-immersed transformers adopt precision-manufactured cores and windings together with vacuum oil-filling and systematic insulation treatment, which enable low loss, reliable sealing and stable operation, supporting grid connection and other critical power supply scenarios. Dry-type transformers feature oil-free, moisture-resistant and low-loss designs, enabling safe, stable and low-noise operation and offer excellent performance to meet environmental and reliability requirements across different application scenarios. Our data center transformer products are developed and designed in-house, aiming to meet the requirements for high reliability and long-term stable operation. We have deployed these data center transformers in multiple projects both domestically and overseas, accumulating extensive operational and delivery experience in the process.

- ***Data Center Power Supply System.*** Our data center power supply systems provide stable and efficient power supply solutions for data center applications through power-conversion technologies and system-level integration. These systems support core requirements, such as, continuous operation, high load capacity, and energy efficiency management, and can offer customized power supply systems tailored to the operational demands of modern data centers. By adopting optimized power conversion architectures and highly integrated system designs, our data center power supply system improves overall operating efficiency, reduces energy loss, and effectively minimizes switching interference during power distribution. Panama power supply is a HVDC integrated power supply architecture for data centers, named after the Panama Canal's "one-step" efficiency. Notably, in the Panama power supply transformer equipment sector, we were the largest equipment supplier globally in 2024 according to Frost & Sullivan.

The table below sets out a summary of our data center products by product category:

Product Category	Product Graph	Product Features	Application Areas
Data Center Phase-shift Transformer		High efficiency, stable and reliable operation, optimized phase control capability, strong overload capacity, and energy-saving	Data center
Data Center Oil-immersed Transformer		High-insulation reliability, low no-load/load loss	Data center
Data Center Dry-type Transformer		Low energy consumption, low noise, strong environmental adaptability, environmental protection, safety and reliability	Data center
Data Center Power Supply System		Stable and efficient operation, high system reliability, and excellent energy management capabilities	Data center

Power Distribution Products

Our power distribution products include:

- ***Distribution Transformer.*** Our distribution transformers mainly include single-phase transformers and three-phase transformers. As core equipment of medium and low-voltage power grids, they can convert high-voltage electrical energy into low voltage suitable for end users, widely supporting residential, industrial, and new energy grid connection scenarios. Among them, our single-phase transformers feature simple structure, small size, and low loss, and are suitable for low-voltage distribution networks with low load levels, such as residential areas and small commercial buildings. Our three-phase transformers are mainly applied in step-up or step-down scenarios of three-phase power supply systems, such as industrial plants and large commercial facilities, especially adapting to the power demands of high-load motors and large power equipment. We operate manufacturing facilities for distribution transformers in both the PRC and overseas markets, and have established sales and service networks in Latin America, Africa, and Southeast Asia. This allows us to serve customers across different regions and support the delivery arrangements for related projects.

The table below sets out a summary of our power distribution products by product category:

Product Category	Product Graph	Product Features	Application Areas
Single-phase transformer		Convenient for maintenance due to integration	Temporary power, and distributed energy
Three-phase transformer		High power density	Industrial zones and commercial complexes

Industrial Control Products

Our industrial control products include:

- ***Industrial Control Transformer.*** Our transformers for industrial control applications primarily include toroidal transformers, EI transformers and switching power supplies. They are mainly used in energy-saving and environmentally friendly equipment, as well as applications in fields, such as, medical and security systems. Most of our industrial control transformer products can be deeply customized according to customer specifications to meet certain requirements, including voltage regulation rate, impedance voltage, operating environment, and other factors. Our toroidal transformer products are designed for power-supply applications that a require compact structure, low noise and favorable electromagnetic performance. Our EI transformers are constructed with laminated cores and bobbins and are designed to be sized and rated based on specific power requirements for integration into customer equipment. Our switching power supply products are designed to provide efficient power conversion within compact form factors, with an emphasis on output regulation and heat-dissipation performance. Our industrial control products have certifications, such as, China Compulsory Certification, China Quality Certification Center and European Conformity as per customer requirements.

The table below sets out a summary of our industrial control products by product category:

Product Category	Product Picture	Product Features	Application Areas
Toroidal Transformer		High efficiency, low vibration, low noise, compact size, and supports a high degree of customization	Professional audio equipment, precision instruments, industrial control, as well as household and specialised commercial equipment and other areas
EI Transformer		Strict quality control, supports thermal switch and fuse protection, fully customizable, multiple EI lamination specs available	UPS, inverters, audio equipment and household appliances, automation and drive systems
Switching Power Supply	 	Adjustable output voltage, wide input-voltage design and multiple protection functions	Industrial automation machinery, industrial control systems, mechanical and power equipment

Lighting Products

Our lighting products include:

- ***LED Driver***. Our LED drivers are primarily designed for commercial, home and outdoor lighting fixtures. They are designed with features, such as, high efficiency, high power factor, compact form factor and flicker-free performance, and are widely applied in indoor, outdoor and smart-lighting scenarios. Our lighting power supply excels in energy efficiency, reliability, compatibility with intelligent-dimming systems, environmental protection performance and ingress-protection, meeting application needs under diverse and stringent operating conditions. We also provide product customization, technical support and after-sales services to customers. Through our continuing efforts in product quality, R&D capability and delivery management, our LED driver products have been ranked among the world's leading lighting power supplies in 2024.

- ***Lighting Fixtures***. We develop and supply customized lighting fixtures primarily for customers in the North American market, covering indoor and outdoor products, such as ceiling lights, wall lights, chandeliers, down lights and low-voltage landscape lights. Leveraging our experience in the North American market, we provide customers with comprehensive services including product design, engineering support and customized solutions.

  The table below sets out a summary of our lighting products by product category:

Product Category	**Product Graph**	**Product Features**	**Application Areas**
LED Driver		Supports constant current/voltage driving with multiple dimming systems, flicker-free and compact in design	Indoor/outdoor/smart lighting fixtures
Lighting Fixtures		100% customized	Residential/commercial/ architectural settings

Other Products

Our other products include:

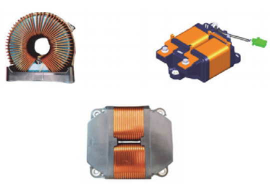
- ***Car-Mounted Inductor.*** Our car-mounted inductor products are applied in pure EVs, hybrid vehicles and hydrogen fuel cell vehicles. These products are used in on-board power electronic systems and are designed to support functions, such as, filtering and energy storage under vehicle operating conditions. We adopt PPS integrated injection-moulding technology in the development and manufacturing of car-mounted inductor products, which is intended to enhance insulation performance, mechanical strength, structural integrity and heat dissipation, while supporting lightweight and compact product designs.

- ***EV Power Supply.*** Our EV power supply products primarily comprise DC/DC converters, which are used to charge 12 V or 24 V batteries that power on-board electronic systems, and on-board chargers ("**OBCs**"), which convert AC input into DC output to meet the charging demands of new energy vehicles. Our EV power supplies are characterized by high efficiency, high reliability, small size and light weight, enabling them to meet the stringent requirements for reliability and energy efficient performance in vehicle operating environments.

- ***Communication Power Supply.*** Our communication power supply products are designed for use in communication network infrastructure and provide power conversion and protection functions to support the continuous operation of telecommunications equipment under various operating conditions.

- ***New Energy Vehicle Charging Piles.*** Our new energy vehicle charging pile covers a comprehensive range of products, including super charging sets, AC charging piles, DC integrated charging piles, DC split chargers, and common DC bus PV-storage-charging integrated systems. This forms a full category of product matrix that caters to various application scenarios, integrating functions, such as, PV power generation, energy storage and charging. By applying power-electronics integration technologies, our new energy vehicle charging piles can achieve efficient charging and energy management in a variety of application scenarios, making them suitable for urban infrastructure, commercial operations, industrial supporting facilities and so forth.

The table below sets out a summary of our other products by product category:

Product Category	Product Graph	Product Features	Application Areas
Car-Mounted Inductor		High reliability, mechanical strength, insulation with good heat dissipation	New energy vehicles
EV Power Supply		High efficiency, high reliability, small size, light weight	New energy vehicles
Communication Power Supply		Reliable conversion, stable operation, supports continuous operation	Communication networks, telecom base stations
New Energy Vehicle Charging Piles		Complete product matrix, broad scenario coverage, and supports various charging and energy management modes	For new energy vehicle charging infrastructure

OUR BUSINESS MODEL

We formulate our business strategies based on our core technical capabilities and market demands, strategically focusing on global industries with high-growth potential. We are dedicated to providing products, such as, transformer equipment, power supplies, and magnetic components, and gradually expand our offerings from core components to integrated system solutions. Our R&D efforts are guided by market needs and industry trends, product solutions and development plans are formulated based on specific application scenarios and technical specifications. Procurement is coordinated by a dedicated team, which is responsible for supplier development and management, as well as the implementation of centralized procurement and cost control. In terms of production, we adopt an order-driven model, organizing production in accordance with customer orders received. In terms of sales, we adopt a hybrid sales model dominated by direct sales and supplemented by distribution, focusing on serving leading customers across various industries. The quality control runs through the entire process of product R&D, production and delivery. Leveraging standardized quality management systems and digital systems, we conduct continuous monitoring of key raw materials, production processes and finished product quality to ensure the consistency and reliability of product performance.

With the foregoing business model, we are able to gain in-depth insights into customer needs and promptly convey market feedback to R&D, production, quality control and other departments. Utilizing digital management systems including ERP, APS, MES and WMS, we integrate the processes of order management, R&D, procurement, production, sales and quality control, thereby building an integrated operating system that enables efficient collaborative operations from order acquisition to product delivery.

RESEARCH AND DEVELOPMENT

We maintain robust research and development capabilities, as we are committed to driving technological innovation in power electronics and new energy solutions and consistently adhering to a comprehensive R&D strategy for our products. We have established a well-scaled, experienced and professional R&D team. As of September 30, 2025, we operated six research and development centers across China primarily located in Ji'an (Jiangxi), Foshan (Guangdong) and Shenzhen (Guangdong), and Huainan (Anhui), which were supported by a research and development team comprising of 695 members, representing approximately 21.0% of our total employees. Many core research and development members are graduates from well-known universities, and some hold senior engineer qualifications. Members of the research and development team at the director level and above have an average of more than 15 years of relevant experience in the power equipment industry, providing robust support for developing our technical know-how and industry insights.

We adhere to a customer demand-driven research and development model, combined with the analysis and judgment of industry trends, focusing on the continuous upgrading of core products. Meanwhile, we actively advance the R&D and application of new technologies, such as, solid-state transformers and Panama power supplies, so as to support product innovation and technological breakthroughs.

In 2023, 2024 and for the nine months ended September 30, 2025, our research and development expense was RMB185.8 million, RMB191.2 million and RMB173.9 million respectively, accounting for 5.1%, 4.2% and 4.6% of our total revenue in the same respective period. The continuous R&D investment has laid a solid foundation for enhancing the competitiveness of core products and expanding the application of new technologies.

Research and development model

We primarily engage in R&D based on market demands and industry trends, as well as iterative updates to our existing technologies. We have built a complete closed-loop R&D process covering basic material research, electromagnetic technology development, and product prototype testing and validation. The R&D process mainly consists of three stages, namely, project initiation, product development, and product validation. During the project initiation, proposals are submitted and reviewed based on our market research and identified demand. During the product development stage, we formulate product solutions and development plans according to specific application scenarios and technical specifications, conduct sample production, testing and relevant validation, and simultaneously advance the R&D of forward-looking technologies, such as, solid-state transformers and Panama power supplies. During the product validation, we complete product finalization and compilation of relevant technical documents through small-batch trial production, feedback and plan refinement, and make full preparations for subsequent mass production.

Our R&D Achievements

Below are key examples that highlight how our technological advancements have led to significant breakthroughs in the energy and communication industry:

1. Box-type integrated transformer (箱變一體機)

Our box-type integrated transformer achieves the high integration of step-up transformer and smart transformer station, which not only possesses the functions of traditional transformers but also incorporates the advantages of step-up transformers, significantly enhancing electrical transmission efficiency. The application of low voltage switches in smart transformer stations further enhances the safety and stability of products, where stability could be maintained under high load operations. As a core product successfully developed in 2024, it has been widely applied in global PV power stations and energy storage projects. Our box-type integrated transformer has won the “Industry Contribution Award” and “Scientific and Technological Achievement Award” of the APVIA Asian Photovoltaic Awards on June 11, 2025.

2. Hydrogen energy transformer (氫能變壓器)

Our hydrogen energy transformers are custom-designed for rectification power supply scenarios in water electrolysis hydrogen production. They aim to cope with green power fluctuations, achieve precise power supply for electrolyzers, and meet long-cycle operation requirements, possessing four core characteristics: high disturbance resistance, high temperature resistance, strong stability, and excellent adaptability. We conduct R&D around six dimensions: electromagnetic, thermal management, insulation, structure, adaptability, and intelligence, and strictly follow the environmental and safety requirements of hydrogen production projects. Specifically: operation noise is 3–5dB lower than national standards; the oil-immersed design features leakage prevention properties; and the overall unit complies with plant safety specifications. Taking our self-developed 11200kVA hydrogen energy four-split transformer as an example, its core features include four independent low-voltage circuits, high-pulse rectification, strong short-circuit resistance, and excellent thermal stability, and it uses eco-friendly FR3 insulating fluid. This product adapts to 48-pulse rectification, offering greater advantages in harmonic suppression and energy efficiency, and has currently completed UL certification.

3. Integrated Energy Storage Converter and Step-Up Units (儲能變流升壓一體機)

We have developed integrated energy storage converter and step-up units for electrochemical energy storage projects. The product adopts a highly integrated design; its core is composed of transformers, high-voltage switchgear, auxiliary power distribution and communication equipment, and is paired with industry-standard power conversion systems (PCS), which reduces on-site installation and commissioning workload and supports the rapid deployment of large-scale energy storage power stations. To support 5MWh DC battery compartments, we have launched a 5MW integrated energy storage converter and step-up unit featuring a compact modular design and enhanced thermal management performance, enabling reliable operation under demanding site conditions. The product is equipped with our self-developed high-efficiency epoxy-encapsulated dry-type transformer, ensuring safe and stable system operation.

4. Overseas Data Center Dry-type Transformers and Low-voltage Switchgear (海外數據中心乾式變壓器和低壓櫃產品)

For this project, we delivered epoxy-encapsulated dry-type transformers with enclosures and low-voltage switchgear in batches. The project involved extensive customization requirements, including specifications that certain core components be sourced from local market brands and procured locally, which increased the complexity of supply chain coordination. Leveraging our experience in the relevant overseas market, the developed products comply with applicable local technology standards and align with local operational practices. The successful delivery of this project represents a significant milestone for us. From a product perspective, it demonstrates our strategic transition from a single-transformer supplier to a comprehensive provider of integrated power equipment solutions. It also marks a notable advancement in our capability to supply integrated power equipment to overseas data center projects.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Procurement

We have established a dedicated procurement team responsible for coordinating the procurement of materials, such as, raw materials, equipment and devices. Its responsibilities include formulating procurement plans, supplier development and management, as well as demand analysis, price comparison, negotiation and procurement cost control. Procurement activities are uniformly managed by the procurement management Center. Through supplier qualification screening, certification procedures and evaluation systems, we select qualified suppliers that meet requirements in terms of price, quality, safety and supply capacity, and establish long-term partnerships with them. Relying on the ERP system, we consolidate procurement plans and optimize procurement and inventory arrangements in conjunction with production requirements, internal requests and inventory levels to support stable and efficient operations.

Inventory and Logistics

Our inventory mainly consists of raw materials, work-in-progress items and finished products. We operate warehouses at domestic and overseas production bases, which are used primarily for storing raw materials. We conduct unified management of inventory through the WMS system to monitor inventory levels in real time and maintain appropriate inventory in response to market demand. In 2023, 2024 and for the nine months ended September 30, 2025, our inventory turnover days were 54.0 days, 59.6 days and 66.8 days, respectively. Raw material procurement and production planning are coordinated based on sales forecasts, actual sales performance and purchase orders available from our system.

In terms of logistics arrangements, our logistics team is in charge of receiving raw materials from our suppliers and arranging warehousing, as well as coordinating with third-party logistics service providers to handle product distribution and related customs clearance matters. Logistics service providers are selected based on criteria, such as, corporate strength, operational capabilities, cooperation records, pricing and scale. We continuously evaluate their performance to ensure the stability and efficiency of distribution services. Under relevant agreements, the responsibility for procuring cargo transportation insurance is placed on logistics service providers, which would be responsible for the loss or damage during the delivery process. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any serious delays or mishandling of goods that have a material adverse impact on business operations.

PRODUCTION

Our production model is primarily order-based, that is, production is organized according to received orders. As customers require products in various specifications and models, we determine production plans based on order specifics. Supported by the APS system, we integrate capacity models with order demand to schedule production down to individual processes and equipment to enhance the accuracy and efficiency of order reviews and delivery commitments. For certain universal products, in addition to order-based production, we also engage in make-to-stock production based on market demand forecasts to enhance capacity utilization and meet delivery requirements of our customers. Specific production activities are separately organized by our various business units, each of which is equipped with a complete production system including production, engineering, quality control, material control, and equipment management. This has enabled us to establish relatively independent and robust manufacturing management processes supporting specialized and high-efficiency operations.

Production Bases

At the operational level, we formulate our production plans by taking into account both current customer orders and broader market conditions. The sales department consolidates delivery requirements and deadlines, which are then integrated with the production capacity of our manufacturing bases and supply chain status to determine the final production schedule. We have established a network of production facilities in China and overseas to manufacture our products. As of September 30, 2025, we have five production bases in China, which are located in Ji'an (Jiangxi), Huainan (Anhui), Shenzhen (Guangdong), Zhongshan (Guangdong) and Foshan (Guangdong). As of the same date, we have four overseas production bases, which are located in the USA, Mexico, Malaysia and Thailand.

The essential information of our nine production bases in China and overseas is set out below:

Location of production bases	Leased area/Building area (m^2) (square meter)	Products
Domestic bases:		
Ji'an (Jiangxi)	356,271.0	New Energy Products, Data Center Products, Industrial Control Products, Power Distribution Products, Lighting Products, etc.
Foshan (Guangdong)	107,808.1	New Energy Products, Lighting Products, etc.
Huainan (Anhui)	66,729.4	New Energy Products
Shenzhen (Guangdong)	9,486.0	Other Products: EV Power Supplies, Communication Power Supplies, Charging Piles
Zhongshan (Guangdong)	16,800.0	New Energy Products
Overseas bases:		
USA	11,406.5	Power Distribution Products
Mexico	66,786.0	New Energy Products
Malaysia	5,579.0	Lighting Products
Thailand	89,595.2	New Energy Products, Data Center Products, Power Distribution Products, etc.

Production Capacity and Utilization

The following table sets out the production capacity, production volume, and utilization rate of our major products during the Track Record Period:

		Year ended December 31		Nine months ended September 30	
Product	**Metric**	**2023**	**2024**	**2024**	**2025**
Transformer Equipment Products	Production Capacity (units'000)	8,206.0	8,559.1	6,064.6	6,712.0
	Production Volume (units'000)	7,470.2	7,532.3	5,370.1	5,942.1
	Utilization Rate (%)	91.0	88.0	88.6	88.5
Lighting Products	Production Capacity (units'000)	60,000.0	85,000.0	56,750.0	66,300.0
	Production Volume (units'000)	55,760.0	84,790.0	55,436.6	63,081.8
	Utilization Rate (%)	92.9	99.8	97.7	95.2

Notes 1: Production capacity is calculated based on the planned capacity of the production lines.

Note 2: The utilization rate is calculated by dividing the actual production volume for the periods indicated by the planned production capacity for the periods indicated.

Production Process

We have formed an integrated production process. Through our relentless efforts in production automation and production process refinement, we have effectively enhanced our product quality and production efficiency.

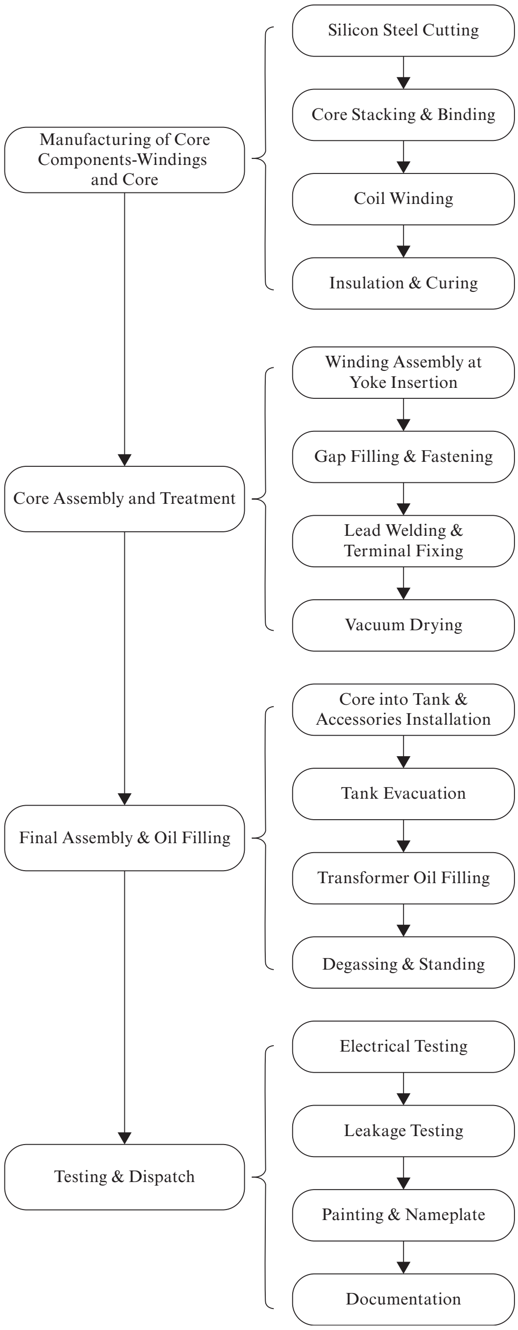
New Energy Transformer. Our production process of new energy transformer primarily includes manufacturing of core components, core assembly and treatment, final assembly and oil filling, testing and dispatch. The details of the production processes of our new energy transformer are set out as follow:

- ***Manufacturing of core components-windings and core.*** Our manufacturing of core components begins with the cutting of silicon steel sheets, followed by core stacking, and core binding and sealing. Subsequently, we proceed with coil winding. Following winding, we conduct insulation treatment and complete the process with drying and curing.

- ***Core assembly and treatment.*** We commence core assembly by assembling windings onto core limbs, and then inserting the upper yoke. Subsequently, we fill any gaps with specified materials and install clamping components to achieve overall fastening. Following this, we weld and fix leads to terminals and inspect core cleanliness along with all fasteners. Finally, we employ drying technology to remove moisture from the materials.

- ***Final assembly and oil filling.*** The final assembly phase involves hoisting the core steadily into the tank, followed by the installation of the tank cover, radiators or cooling tubes. We then evacuate the tank, and fill it with qualified, dry transformer oil controlled at a appropriate temperature. After filling, we continue evacuation for degassing and allow for standing.

- ***Testing and dispatch.*** We perform a series of tests including routine testing, such as, turns ratio testing and electrical testing. Additionally, we conduct leakage checks by applying pressure. Finally, we complete the process with painting, installing nameplates, and organizing technical documentation.



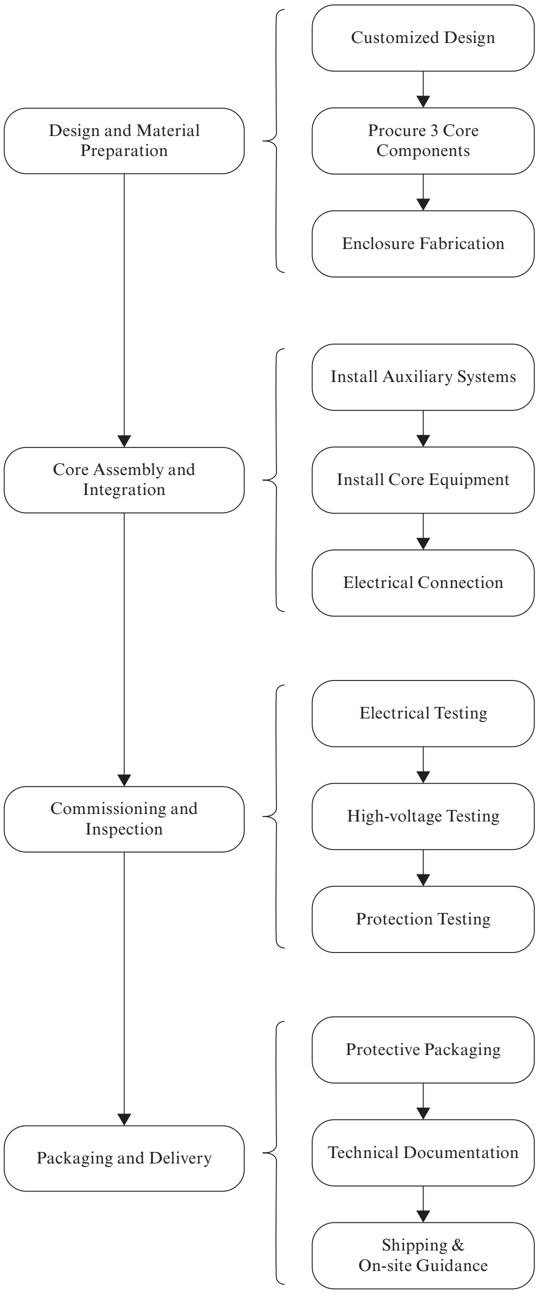
Smart Transformer Station. Our production processes of smart transformer station primarily includes design and material preparation, core assembly and integration, commissioning and inspection, packaging and delivery. The details of the production processes of our smart transformer station are set out as follows:

- ***Design and material preparation.*** Our production begins with customized design, where our engineering team develops electrical schemes and structural layouts based on specific customer requirements and usage environments, such as, industrial parks and solar PV. Following design completion, we generate detailed production drawings and technical documentation. We then procure the core components from qualified suppliers. These components undergo rigorous incoming inspection to verify performance compliance. Concurrently, we fabricate the enclosure through processes, such as, cutting and welding, resulting in a sealed, durable housing suitable for harsh outdoor conditions.

- ***Core assembly and integration.*** During this stage, we commence assembly by positioning the fabricated enclosure on the work fixture. We first install auxiliary systems, including busways and fire protection equipment. We then fix the inspected and approved core components into their designated positions inside the enclosure. Following this, we form a complete power pathway by establishing electrical connections.

- ***Commissioning and inspection.*** This critical phase ensures the product's reliability prior to dispatch. We begin with electrical inspections. We then conduct high-voltage testing to confirm absolute insulation integrity. After the foregoing step, we set up various fault conditions to ensure accurate and rapid protective responses. Finally, we perform a comprehensive pre-dispatch inspection to ensure full compliance with customer specifications.

- ***Packaging and delivery.*** In the final stage, we apply protective packaging to ensure safe long-distance transportation. We then arrange shipment of each unit along with a complete set of technical documentation via specialized transport vehicles or containers to securely deliver the product to the customer's specified site, after which our professional team provides installation guidance and on-site commissioning services.



LED Driver. Our production process of LED driver primarily consists of incoming material inspection, front-end assembly, soldering and rework, semi-finished product testing, finished product assembly and testing, packaging, and warehousing. The details of the production process are set out as follows:

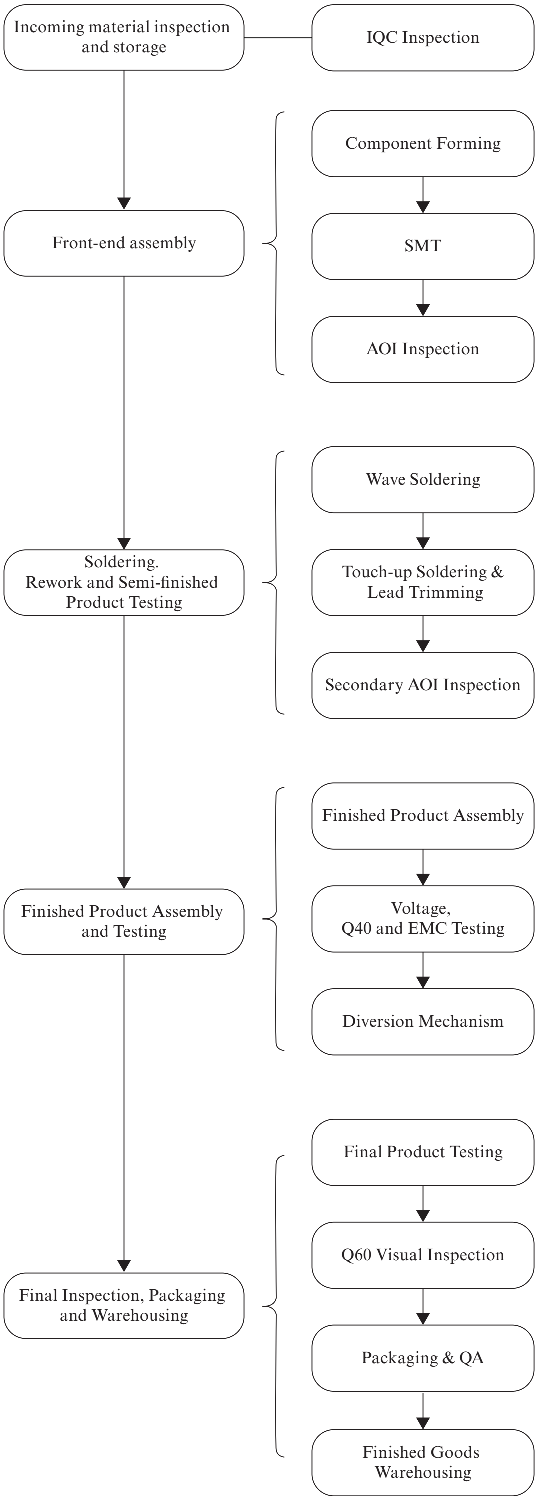
- ***Incoming Material Inspection and Storage.*** Raw materials first undergo IQC (Incoming Quality Control) inspection. Only materials that pass the inspection are transferred to the raw material warehouse for subsequent production.

- ***Front-end Assembly.*** Based on process requirements, components are first formed. We then complete front-end assembly via either manual insertion or automated insertion and surface mounting (SMT). An AOI check is conducted during this stage to verify the quality of component placement and soldering.

- ***Soldering, Rework and Semi-finished Product Testing.*** Products proceed to visual inspection, followed by wave soldering. Where necessary, rework and lead trimming are performed. After these procedures, another AOI inspection and semi-finished product testing are carried out. Products that fail the testing are routed to a repair station for rework.

- ***Finished Product Assembly and Testing.*** Qualified semi-finished products are moved to finished product assembly. Upon completion, they undergo a sequence of tests including withstand voltage testing, Q40 aging testing, and EMC (Electromagnetic Compatibility) testing. Each test point incorporates an OK/NG diversion mechanism to separate qualified and non-qualified units.

- ***Final Inspection, Packaging and Warehousing.*** Products that pass the finished product final testing and Q60 visual inspection proceed to packaging. After passing QA outgoing inspection, the finished products are transferred to the finished goods warehouse. This entire process ensures full-cycle quality control and traceable management.



Production Technology Upgrade Plan

To cater to the surging market demand for next-generation power equipments and reinforce our technological leadership in the industry, we plan to accelerate the R&D and industrialization of solid-state transformers and Panama power systems by building advanced R&D laboratories and dedicated production lines. These strategic initiatives will significantly enhance our core technological barriers, shorten the product development cycle, improve mass production efficiency and product reliability, and enable us to better seize market opportunities in high-growth segments such as new energy and data centers. We intend to fund this R&D and industrialization plan through a combination of the net [REDACTED] from the [REDACTED] and self-generated operating funds. See "Future Plans and Use of [REDACTED]."

SALES AND MARKETING

Sales Model

We consistently adopt a global perspective in our development and resource allocation, adhering to an international and diversified approach. We have established a sales network covering over 60 countries and regions worldwide. Our sales model is predominantly direct sales, serving leading customers across industries. This approach reduces intermediate links, helps us control sales channel risks, allows us to better understand customer needs, and facilitates timely feedback to our R&D and production departments. This, in turn, supports us in adjusting our product structure and continuously launching new products that meet consumer demands.

Given that overseas markets represent a significant portion of our sales, to better develop and serve international customers, we have established subsidiaries in key overseas sales regions, such as, the United States, Japan, and Germany, gradually building a sales network that reaches major countries and regions globally.

International Market Orientation and Global End-Market Exposure

Our products are developed and manufactured based on mainstream international technical standards, which enable us to serve customers across different jurisdictions with diverse regulatory and technical requirements. Many of our core products are designed for global application scenarios and can be configured to meet local grid codes, certification requirements and operating conditions in overseas markets.

Over the years, we have successfully delivered our products to overseas markets in volume, accumulating practical experience in international project execution, product certification, logistics coordination and after-sales support. Our ability to provide consistent product quality, customized technical solutions and reliable delivery allows us to support customers across a wide range of application scenarios, including new energy, data centers and power infrastructure in different markets.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, although a portion of our sales is recorded in the PRC, a significant part of our products is ultimately deployed in overseas end-markets through our customers' downstream projects. Many of our customers are system integrators, equipment manufacturers and project developers that engage in international projects, and our products form part of the supply chains supporting global energy transition and digital infrastructure development.

We generate revenue through sales of products in Chinese Mainland and other countries/regions. The following table sets out a breakdown of our revenue by countries/regions during the Track Record Period:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese Mainland	2,635,030	72.9	3,245,598	70.5	2,273,679	70.5	2,494,132	66.2
Other countries/ regions	981,278	27.1	1,357,096	29.5	950,470	29.5	1,275,300	33.8
Total	3,616,308	100.0	4,602,694	100.0	3,224,149	100.0	3,769,432	100.0

Our Sales Arrangements

We adopt a hybrid sales model combining direct sales and distributorship to market our products. In 2023, 2024 and for the nine months ended September 30, 2025, our revenue from direct sales was RMB3,384.3 million, RMB4,324.7 million, and RMB3,586.7 million, accounting for 93.6%, 94.0% and 95.2% of our total revenue respectively. Our distributorship revenue was RMB232.0 million, RMB278.0 million, and RMB182.7 million, accounting for 6.4%, 6.0% and 4.8% of our total revenue in the same respective periods. The following table sets out a breakdown of our revenue by sales channels for each year/period indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Direct sales	3,384,342	93.6	4,324,721	94.0	3,035,285	94.1	3,586,746	95.2
Distributorship	231,966	6.4	277,973	6.0	188,864	5.9	182,686	4.8
Total	3,616,308	100.0	4,602,694	100.0	3,224,149	100.0	3,769,432	100.0

Our sales force is essential to building, maintaining and promoting our brand image by interacting, introducing and demonstrating the features of our products directly to our customers. As of September 30, 2025, we had assembled a dedicated sales and technology support team of over 900 members with strong expertise in the sales of our products. The technically complex nature of our product requires our sales force to possess specialized expertise. Our sales and technology support team is equipped with knowledge of our products and is primarily responsible for frequently communicating with our customers and understanding their feedback on the quality, improvements and market demand of our products. Our R&D leadership team has rich industry experience, which supports the ongoing development and upgrading of our products and enables the technical capabilities of our sales and technical support teams.

Direct sales

We sell our products to customers via direct sales at their demand. Our direct sales customers primarily include customers from the fields of new energy, data center and lighting, which are scattered across both domestic and overseas markets. We believe that our direct engagement with these customers and our proactive efforts to develop and strengthen relationship with them can enable us to address their demands in a satisfactory and efficient manner, accumulate critical know-hows and enhance our market penetration and positioning in the new energy sectors. Driven by our commitment to product-market-fit, we primarily attract and retain direct sales customers leveraging our ability to offer products that effectively meet their requirements, as well as evolving industry standards and technology advancements. In particular, we have fostered strong and sustainable collaborative relationship with certain direct sales customers by maintaining regular communications with them and providing customized solutions.

Principal terms of sales agreements with direct sales customers

We typically enter into agreements with our direct customers, which are standard terms and conditions provided by our customers. The following paragraphs set forth a summary of the salient terms of our arrangements with direct sales customers.

- **Term and termination.** Customer agreements generally become effective upon execution or as specified in the relevant purchase orders and remain effective for an initial term as agreed, subject to renewal in accordance with the agreed arrangements. Either party may terminate the agreements in accordance with customary termination provisions, including termination for material breach.

- **Product specification.** Products are required to comply with agreed technical specifications, drawings, quality requirements and applicable national, industry and customer-specific standards as set out in the relevant agreements, purchase orders and technical documents. Any material deviation from the agreed specifications is generally regarded as non-conforming.

- **Pricing and payment term.** Product prices are generally determined on a purchase order basis and may be subject to adjustment by mutual agreement under certain circumstances, such as significant changes in raw material costs. Payment terms, including advance payments, progress payments and settlement arrangements, are agreed on a case-by-case basis with customers.

- **Supporting services.** We generally provide supporting services in connection with product delivery, including installation guidance, commissioning support, technical consultation, training and after-sales services, in accordance with the relevant agreements.

- **Product warranty, return and exchange.** Products are generally subject to warranty arrangements as agreed with customers. In the event of defective or non-conforming products, we are generally required to provide remedies such as repair, replacement or refund in accordance with the relevant agreements.

Sales through distributors

For certain products such as LED driver, we operate through a distributor model. Under this arrangement, our distributors are responsible for end-customer acquisition, logistics, and payment collection. This allows us to focus on our core competencies: defining product specifications, providing technical support, and delivering after-sales service — all to ensure optimal product performance and customer satisfaction. In certain authorized cases, our primary distributors are permitted to develop sub-distributors, who operate under the policy guidance and price controls set by the primary distributor, with performance bonds negotiated independently between them. For specific projects pursued by distributors, we may, when necessary, assign product and technical representatives to assist in customer engagement and project implementation. According to Frost & Sullivan, the engagement of distributors for the sales of products is an industry norm in the energy and communication industry. Such distribution model contributes to optimization of our operational efficiency, strengthening of our core advantages, and reduction of inefficient sales and administrative procedures, thereby improving our financial flexibility.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, we were not aware of any sub-distributors of our products.

The following table sets out the key metrics of our distributors for each year/period indicated:

	Year ended December 31,		Nine months ended September
	2023	2024	30, 2025
Number of distributors at the beginning of the year	38	51	40
Number of distributors newly engaged	15	3	0
Number of distributors we terminated cooperation with	2	14	17
Net increase/(decrease) in the number of distributors	13	(11)	(17)
Number of distributors at the end of the year	51	40	23

The material turnover and movement relating to our distributor customers remained stable during the Track Record Period. As we adopts an order-driven production model for its customized products, inventory levels were generally controlled and no abnormal fluctuations were identified.

During the Track Record Period and up to the Latest Practicable Date, we did not experience material breach of distribution agreements that had a significant impact on our business, nor did we have any material disputes with or experience any return or exchange of products from our distributors that had a material adverse effect on our business.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our distributors were independent third parties. Except for the business relationship with us pursuant to the distribution arrangements, there is no other relationship between the distributors and each of our Company, our subsidiaries, our Shareholders who own 5% or more of our total issued Shares, Directors or senior management or any of their respective associates.

Principal terms of distribution agreements

We typically enter into distribution agreements with our distributors. The following paragraphs set out a summary of the salient terms of our arrangements with distributors.

- ***Term and termination.*** Distribution agreements generally have an initial fixed term and may be terminated by either party in accordance with the agreed termination provisions, including termination for material breach by the other party.

- ***Pricing and payment terms.*** Products are generally supplied to distributors at agreed distributor prices. Payment terms and settlement arrangements, including advance payment or credit arrangements, are agreed with distributors on a case-by-case basis.

- ***Sales targets and incentives.*** Distributors are generally required to meet agreed sales targets, which are typically linked to rebate incentives and other commercial arrangements. Subject to our approval, distributors may appoint sub-distributors in designated regions.

- ***Supporting services.*** We generally provide distributors with marketing support, sales materials, technical training, and other support services in connection with product promotion and sales activities.

- ***Return, warranty and remedies.*** Products are generally subject to inspection and warranty arrangements as agreed with distributors. In the event of defective or non-conforming products, we generally provide remedies such as repair, replacement or other agreed solutions in accordance with the relevant agreements.

Distributor management

We engage distributors primarily to efficiently expand market coverage for our standardized product lines and penetrate specific regional markets. We generally enter into distribution agreements with distributors, all of whom are, to the best of our knowledge, independent third parties. We have established a rigorous framework for distributor selection and management. We oversee distributor operations through a combination of distribution agreements, formal authorization mechanisms, and continuous monitoring. Qualified distributors may be issued an official certificate to support the orderly operation and systematic management of our distribution network.

During the distributor selection process, we evaluate candidates primarily based on their industry reputation, established customer relationships, and financial stability, with distinct criteria tailored for domestic and international distributors. At present, these standards are primarily applied to our LED driver products. For the domestic market, we collaborate exclusively with a selected group of distributors with whom we have maintained long-term partnerships. For international markets, we prioritize established partners with operational and financial credentials. Key criteria include: an independent legal entity status with a relevant business scope; stable sales channels and a solid customer base; sound financial health with no recent consecutive losses; and alignment with our brand and sales policies.

To strengthen the systematic management of our distributor network, we have implemented a series of specific measures:

Brand Usage Guidelines: We enforce strict brand usage guidelines that specify the authorized use of our company logo and promotional language in advertising materials. These guidelines prohibit any unauthorized modifications or misleading communications to consumers, protecting our brand integrity and ensuring consistent market messaging across all distribution channels.

Incentive Programs: To enhance distributor loyalty and performance, we have implemented an incentive program that provides additional rebates and priority access to new product agency rights for distributors with consistent sales achievements. This approach aligns distributor incentives with our sales objectives and rewards high-performing partners.

Demand-Driven Distribution Model: To reduce inventory pressure on distributors, we have adopted a small-batch, high-frequency delivery model that shifts away from bulk inventory pushing toward a demand-driven distribution approach based on actual customer orders. This strategy improves cash flow for both parties, reduces obsolescence risk, and enhances supply chain efficiency.

Marketing and Branding

We believe that the competitive advantages of our products, close ties with key players in the energy sectors and mass production experience, combined with our ongoing commitment to product-market-fit enable us to effectively attract customers and enhance our market penetration. By adopting an efficient and targeted go-to-market approach, we continuously identify and address customer needs and pain points. This market feedback serves as a vital reference for new product development, further enhancing customer retention.

From a marketing perspective, our sales and marketing teams engage in regular communication with customers and execute promotional campaigns. Simultaneously, we leverage social media platforms, industry seminars, and exhibitions to showcase product features, share technical and industry insights, and establish and maintain direct connections with end-users. These efforts are designed to bolster brand awareness and enhance our brand image.

Pricing Strategy

The pricing of our products varies based on factors, such as, raw material costs, order volume, market competition, and specific technical specifications requested by customers. Prices are primarily determined through direct negotiations. During the pricing process, we take into account our cost structure, projected profit margins, and the price points of comparable competitor products. Furthermore, we continuously monitor market dynamics, including cost fluctuations, industry price trends, and shifting customer demands, to adjust our pricing strategy in a timely manner, ensuring our prices remain both reasonable and competitive.

QUALITY CONTROL

Product Quality and Standards

We adhere to strict quality management throughout the entire process, including R&D, raw material procurement, production, storage and transportation. Our products comply with relevant domestic and international quality and safety certification requirements, and meet the quality standards adopted by renowned global customers.

At the specific implementation level, to ensure reliability and consistency, we implement modular and automated production lines, optimize manufacturing processes continuously, and conduct strict incoming inspections on key raw materials, such as, silicon steel sheets. We also adopt advanced production and quality control systems to monitor the production process, thereby supporting stable product performance, Through the aforementioned quality control measures, we have established a sound quality assurance system, which supports its long-term cooperation with high-end customers worldwide.

We believe quality is vital to our sustainable business growth and brand image. Our comprehensive quality management approach encompasses the following key areas:

- ***Design Quality Management:*** We ensure compliance of the design process, key design elements, and product quality at the design stage through design quality engineering (DQE) quality planning, design reviews, and input and output reviews conducted during the product development phase.

- ***Supplier Quality Management:*** We implement supplier quality management, including supplier qualification and onboarding, component development, routine performance evaluation, support and guidance, targeted improvement initiatives, and rectification measures or disqualification where necessary. This ensures that all suppliers and materials are lawful, compliant, and meet applicable standards.

- ***In-Process Quality Management:*** We promote employees' quality awareness through the principle of "doing it right the first time," supported by self-inspection and mutual inspection among employees. This is complemented by full-process special inspections, including inspections at key positions and critical-to-quality (CTQ) points, as well as routine patrol inspections to promptly identify and rectify risks related to personnel, machines, materials, methods, and environment during production.

- ***Independent Test Station Management:*** To ensure that product performance consistently meets customer and market demands, our test stations are independently managed, including those certified by the China National Accreditation Service for Conformity Assessment (CNAS), to ensure the reliability of test results.

- ***Quality Management Systems***: Our quality management framework is underpinned by established systems and procedures. We have obtained multiple system certifications, including ISO 9001 (International standard for quality management systems), ISO 14001 (International standard for environmental management systems), ISO 45001 (International standard for occupational health and safety management systems), QC080000 (International standard for hazardous substances process management), and IATF 16949 (Global standard for automotive quality management systems). We establish relevant quality indicators through management reviews, decompose them in accordance with the SMART principle, and conduct regular reviews to ensure continuous monitoring and improvement of quality performance.

- ***After-Sales Quality Management:*** We maintain a customer service department with dedicated after-sales teams in the Americas, Europe, and Japan, providing global coverage. We collect feedback and market information from customers, including end customers, and respond to and resolve issues in a timely manner.

- ***Continuous Improvement:*** We uphold a culture of continuous improvement by identifying and raising issues or risks, proposing improvement suggestions, and promoting continuous quality enhancement through multi-level and multi-scenario meetings, such as, daily quality briefings, weekly quality meetings, monthly quality meetings, and company operational meetings.

- ***Quality Digital Transformation***: We have been establishing full-process quality files and promoting quality digital transformation, aiming to gradually achieve full-process digitization, including quality data collection, system upload, data collation and analysis, and quality early warning systems.

- ***Quality Recognition and Awards:*** In recognition of our quality management capabilities, we obtained authoritative awards in recent years, including the "2023 Foshan Quality Maturity Level 3A Enterprise" and the "2023 Ji'an Municipal Government Quality Award Nomination Award."

Warranty Terms and After-Sales Service

Our warranty term is usually 24–60 months commencing from the date of acceptance upon inspection, subject to customer requirements, and covers product quality-related issues arising under normal use during the warranty period. In case of product failure within the warranty period, our Group will arrange for repair or replacement of products and/or provision of relevant services without extra charge. After the warranty period expires, our Group may provide maintenance and repair services based on separately agreed standards. This warranty does not cover damages caused by improper use, unauthorized modification, neglect of maintenance, natural wear and tear, force majeure, or the use of non-original accessories. Prior to providing warranty services, our Group reserves the right to verify the cause of product failure through reasonable means (such as inspection and testing). If batch defects or systematic failures occur to the same product within twelve (12) consecutive months (affecting 5% or more of the same model products), upon confirmation, our Group will provide a replacement plan at our own expense within eight weeks. For warranty purposes, the Group is also entitled to require the supplier to provide a bank guarantee equivalent to 10% of the order amount to ensure its fulfillment of warranty obligations.

We have put in place internal control systems to monitor and ensure the quality of our products through our quality control team and production team. We regularly perform equipment inspections and maintenance to ensure our production equipment at optimal levels. In addition, we perform careful inspections of our raw materials, which provides further assurance of the quality of our finished goods. However, given the complexity of production processes, supply chain uncertainties, and the continuous evolution of industry technical standards, we cannot guarantee that all products will be completely free from defects or performance deviations under all circumstances. See "Risk Factors — risks relating to our business and industry — Defects or unsatisfactory performance of our products, or failure to maintain effective quality control, could result in returns, recalls, reputational damage, loss of customers and product operations.".

For details of the Group's product return and exchange policies with distributors, please refer to "Principal Terms of Distribution Agreements.

During the Track Record Period and up to the Latest Practicable Date, we had not received any material complaints relating to product quality; we had not experienced any material product returns, refunds or recalls; and we had not been involved in any material incidents or been subject to any material claims, proceedings or liabilities concerning safety issues of our products.

TRANSFER PRICING

Our Company's intra-group transactions during the Track Record Period were conducted under documented transfer pricing policies benchmarked against the OECD Transfer Pricing Guidelines, and the transfer pricing analyses supported that the relevant Group's transfer pricing arrangements complied in all material respects with the OECD Transfer Pricing Guidelines and applicable transfer pricing laws and regulations of the relevant jurisdictions.

Intra-Group Transactions and Transfer Pricing Framework

During the Track Record Period, our Company and our subsidiaries in the PRC and overseas jurisdictions (including the United States, Malaysia and Thailand) engaged in various intra-group transactions, such as, sales of products, provision of procurement support and other services, and intra-group financing. These transactions are regarded as transfer pricing arrangements and are subject to transfer pricing regulations in the relevant jurisdictions in which our Group operates, including the PRC.

Our Group has adopted a group-wide transfer pricing framework covering, among others:

- Design and implementation of transfer pricing policies for key transaction types (including distribution, manufacturing and service arrangements).
- Internal monitoring and control over tax and transfer pricing matters.
- Periodic reviews and updates of transfer pricing arrangements taking into account of changes in business and regulatory requirements.

We engaged independent transfer pricing consultants to conduct transfer pricing analyses and benchmarking for the Track Record Period in 2023, 2024 and for the nine months ended September 30, 2025. The consultants relied on publicly available financial data of independent comparable companies obtained through databases (including TP Catalyst) and industry classifications (including specified SIC codes) to determine market-based arm's length ranges of profitability indicators for the relevant transaction categories and tested entities.

For each tested entity and transaction type, the consultants identified the most appropriate transfer pricing method having regard to the functions performed, assets employed and risks assumed. The main methods used included:

- Transactional net margin method, using appropriate profit level indicators, such as, operating margin, return on sales or return on total costs for distribution/manufacturing type tested parties.

- Benchmarking results and arm's length assessment.

Based on the benchmarking results for 2023, 2024 and for the nine months ended September 30, 2025, the independent transfer pricing consultants concluded that the profitability of the Group's major tested entities (including the PRC and overseas major operating entities) in respect of the controlled transactions under review generally fell within, or in some instances above, the interquartile range of the benchmarking results for the relevant periods.

Where the profitability in certain individual periods was at or near the lower end of the benchmark range or showed fluctuations (for example, due to market or cost changes), the consultants assessed this against multi-year benchmark ranges (e.g. 2021–2023 and 2022–2024 samples) and concluded that there are no material compliance issues with the overall transfer pricing outcomes for the Track Record Period. On this basis, the transfer pricing consultants did not identify any material intra-group pricing outcome for the Track Record Period that was inconsistent with the OECD Transfer Pricing Guidelines.

Transfer Pricing Documentation and Compliance

For 2023, 2024 and for the nine months ended September 30, 2025, our Company has prepared master file and the relevant group entities have prepared local files as required to meet applicable transfer pricing documentation obligations, including those in the PRC. The documentation sets out, among others, the group structure, business description, functional and risk analysis, details of related party transactions, selection and application of transfer pricing methods and the benchmarking analyses and results.

The transfer pricing analyses were prepared by reference to the OECD Transfer Pricing Guidelines including the BEPS Actions) as adopted or reflected in the transfer pricing rules of the relevant jurisdictions.

Our management has been and will continue to be responsible for overseeing and monitoring our Group's transfer pricing arrangements. In particular, our management regularly reviews the reasonableness of pricing policies and the financial outcomes of related party transactions in light of updated benchmarking and business conditions, monitors developments in transfer pricing laws, regulations and practice in the PRC and other relevant jurisdictions and evaluates their potential impact on our Group, and coordinates with independent transfer pricing consultants on periodic benchmarking updates and on the preparation of transfer pricing documentation.

However, we cannot assure that our transfer pricing arrangements will not be subject to review or challenge by tax authorities in the PRC or other jurisdictions in the future. If any tax authority were to successfully assert that our Group's transfer pricing is not in line with the arm-length principle, our Group could be subject to additional taxes, interest and penalties, which could have a material adverse effect on its financial position and results of operations. Please refer to the section headed "Risk Factors — Risk Relating to our Business and Industry — Our financial results may be adversely affected by tax risks relating to our transfer pricing arrangements." in this Document for further details.

CUSTOMERS

Customer Management

We offer our customers comprehensive value-added services encompassing early-stage technical collaboration, reliable product delivery and localized support. For strategic customers, we adopt a customer-driven research and development approach. Our R&D teams maintain close collaboration with customers to identify front-end application requirements and engage in early-stage technical discussions and solution design. To ensure timely delivery and effectively manage demand fluctuations, we implement a production and sales coordination mechanism. Under this process, our sales personnel provide rolling forecasts for the subsequent three months (N + 3) ahead of the twice-a-month coordination meetings, which serve to balance production capacity with material needs. Additionally, to better serve our international customers, we have established local sales and service teams in key markets, including the United States, Japan, and Europe. These teams deliver localized and customized services, enabling prompt responses to customer demands and technical inquiries.

Our Major Customers

During the Track Record Period, we maintained a global customer base with services covering major economies worldwide. In 2023, 2024 and for the nine months ended September 30, 2025, revenue generated from our top five customers for each period during the Track Record Period amounted to approximately RMB2,041.0 million, RMB2,403.2 million and RMB1,684.7 million, representing 56.4%, 52.2%, and 44.7% of our total revenue of such period, respectively. Revenue generated from our largest customer for each period during the Track Record Period amounted to approximately RMB1,554.4 million, RMB1,623.7 million and RMB1,018.9 million, representing 43.0%, 35.3% and 27.0% of our total revenue in the same periods, respectively. Based on the long-term cooperation and mutual trust with our top five customers, we have established a stable settlement model based on credit terms.

The following tables set out the details of the five largest customers for each year/period during the Track Record Period:

For year ended December 31, 2023

Rank	Customer	Background	Sales Amount	Percentage of total revenue	Type of product purchased	Credit term (days)	Year of commencement of business relationship
			(RMB'000)	*(%)*			
1	Customer A	A listed company primarily engaged in the research and development, production, sales, and service of power supply equipment related to new energy, with established operational scale.	1,554,362	43.0	New Energy Transformer	Payments shall be made in accordance with the contractual schedule.	2011
2	Customer B	A company primarily engaged in the research and development, production, and supply of information and communication technology and related equipment, with established operational scale.	184,443	5.1	New Energy Transformer	90	2014
3	Customer C	A company primarily engaged in the sale of lighting electrical appliance components and related products, with established operational scale.	146,675	4.1	LED Driver	45	2007
4	Customer D	An overseas company primarily engaged in commodity procurement, supply chain management, and related logistics services, with established operational scale.	102,619	2.8	LED Driver	Payments shall be made in accordance with the contractual schedule.	2007
5	Customer E	A company primarily engaged in the manufacturing and supply of power electronics and related electronic products, with established operational scale.	52,869	1.5	Data Center Transformer	60	2019
Total			2,040,968	56.4			

For year ended December 31, 2024

Rank	Customer	Background	Sales Amount	Percentage of total revenue	Type of product purchased	Credit term (days)	Year of commencement of business relationship
			(RMB'000)	*(%)*			
1	Customer A	A listed company primarily engaged in the research and development, production, sales, and service of power supply equipment related to new energy, with established operational scale.	1,623,678	35.3	New Energy Transformer	Payments shall be made in accordance with the contractual schedule.	2011
2	Customer B	A company primarily engaged in the research and development, production, and supply of information and communication technology and related equipment, with established operational scale.	354,448	7.7	New Energy Transformer	90	2014
3	Customer C	A company primarily engaged in the sale of lighting electrical appliance components and related products, with established operational scale.	166,603	3.6	LED Driver	45	2007
4	Customer F	A company primarily engaged in the research and development, manufacturing, and supply of equipment and systems related to new energy and industrial automation, with established operational scale.	140,226	3.0	New Energy Transformer	Payments shall be made in accordance with the contractual schedule.	2023
5	Customer D	An overseas company primarily engaged in commodity procurement, supply chain management, and related logistics services, with established operational scale.	118,217	2.6	LED Driver	Payments shall be made in accordance with the contractual schedule.	2007
Total			2,403,172	52.2			

Nine months ended September 30, 2025

Rank	Customer	Background	Sales Amount	Percentage of total revenue	Type of product purchased	Credit term (days)	Year of commencement of business relationship
			(RMB'000)	*(%)*			
1	Customer A	A listed company primarily engaged in the research and development, production, sales, and service of power supply equipment related to new energy, with established operational scale.	1,018,940	27.0	New Energy Transformer	Payments shall be made in accordance with the contractual schedule.	2011
2	Customer B	A company primarily engaged in the research and development, production, and supply of information and communication technology and related equipment, with established operational scale.	289,957	7.7	New Energy Transformer	90	2014
3	Customer F	An overseas company primarily engaged in the research and development, manufacturing, and supply of equipment and systems related to new energy and industrial automation, with established operational scale.	142,810	3.8	New Energy Transformer	Payments shall be made in accordance with the contractual schedule.	2023
4	Customer G	A company primarily engaged in the research and development, production, and supply of equipment and solutions related to new energy and power electronics, with established operational scale.	118,750	3.2	New Energy Transformer	Payments shall be made in accordance with the contractual schedule.	2025
5	Customer C	A company primarily engaged in the sales of lighting electrical appliance components and related products, with established operational scale.	114,260	3.0	LED Driver	45	2007
Total			1,684,718	44.7			

To the best of our knowledge, all of our five largest customers in each year during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of our Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

THIRD-PARTY PAYMENTS

Background

During the Track Record Period, certain of our customers (the "**Relevant Customers**") settled their payments with us through third-party payors (such payors, the "**Third-Party Payors**"; such arrangements, the "**Third-Party Payment Arrangements**").

The Third-Party Payment Arrangements primarily consist of: (a) settlements made by individuals related to the relevant customers (including their actual controllers, legal representatives, directors and employees), affiliated third-party companies controlled by the same actual controller as the relevant customers, and other entities within the same group as the relevant customers; and (b) settlements made by independent third parties of the relevant customers. In 2023 and 2024, and for the nine months ended September 30, 2025, the total amount of Third-Party Payment Arrangements was RMB11.0 million, RMB13.7 million and RMB3.1 million, respectively, accounting for approximately 0.3%, 0.3%, and 0.1% of our total revenue.

The following table sets forth a breakdown of the approximate amount of Third-Party Payment Arrangements and their percentage of total revenue during the Track Record Period:

	Year ended December 31,				**Nine months ended September 30,**	
	2023		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Settlement by individuals (such as actual controllers, legal representatives, directors, and employees of the Relevant Customers), affiliated third-party companies controlled by the same actual controller, and other entities within the same group as the Relevant Customers	1,867.7	0.1	5,938.3	0.1	1,302.1	0.0
Settlement by independent third parties of the Relevant Customers	9,181.3	0.3	7,730.4	0.2	1,874.3	0.1
Total	11,049.1	0.3	13,668.7	0.3	3,176.4	0.1

During the Track Record Period and up to the Latest Practicable Date, we did not proactively initiate or request any Third-Party Payment Arrangements and only accepted third-party payments made by Third-Party Payors at the request of the Relevant Customers. As advised by our PRC Legal Advisor, our acceptance of payments through Third-Party Payment Arrangements is not prohibited under the Civil Code of the People's Republic of China or other relevant laws or regulations in the PRC, nor does it violate any mandatory provisions of the currently effective PRC laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, as confirmed by our Directors, save as disclosed below (1) we had no disputes with any Relevant Customers or Third-Party Payors, nor did we receive any refund requests from them; and (2) we were not subject to any disputes or administrative penalties from relevant government authorities arising from the Third-Party Payment Arrangements.

Reasons for Third-Party Payment Arrangements

These customers span both domestic and international markets. Overseas ones come from countries and regions such as the United States and Malaysia. Regardless of whether they are domestic or overseas customers, our acceptance of third-party payments is primarily arranged in response to the customers' own needs.

The main reasons for these arrangements in our business are as follows:

- For corporate groups controlling multiple subsidiaries, they generally prefer to make payments through other entities or individuals within the same group for the convenience of their own treasury management;
- For some customers who had contract disputes with our Group, after the creditor-debtor relationship was confirmed through judicial proceedings, payments may be made directly to our Group by a court acting as a third party, according to the enforcement arrangements stipulated in the legally effective court judgment documents to settle the transaction amounts pertaining to the dispute;
- For some customers, a third party may be proactively appointed to make payments to our Group on their behalf for the convenience of their own payment operations and to improve settlement efficiency.

Money Laundering Risks Related to Third-Party Payments

Based on the confirmation of the Company's Directors: (i) the third-party payments involve genuine transactions between us and the relevant customers and are supported by commercially reasonable arrangements; (ii) the amounts of the third-party payments we received from the third-party payers correspond to the transaction amounts stated in the relevant sales orders, records, and/or invoices between us and the relevant customers, the third-party payments accepted by us were not intended to circumvent any applicable PRC tax laws or regulations or other applicable PRC laws and regulations, and we have duly paid all taxes payable by us in respect of the amounts received from third-party payers in accordance with applicable PRC tax laws and regulations, and we have not been subject to any enquiries, investigations or administrative penalties by the relevant governmental authorities in relation to PRC tax laws and regulations as a result of our receipt of third-party payments; (iii) we have provided corresponding services to the relevant customers accordingly; (iv) we have no reason to suspect that the funds provided by the third-party payers are proceeds of predicate offences or derived from such offences. Based on the above, and in accordance with the advice of our PRC Legal Advisor, there is a low risk that our acceptance of payments from third-party payers could result in the incurrence of corresponding criminal liabilities for money laundering or bribery.

The Company's Directors believe that the funds for the third-party payments originate from the relevant customers, as the relevant customers notify us when making payments and provide us with (i) a payment advice note specifying the invoice numbers being settled; and (ii) a copy of the bank payment slip as proof of payment. We then cross-check our bank account records to ensure the amount we received correspond to the invoice amount settled by the relevant customer. Furthermore, based on the historical settlement records from long-term relationships with all relevant customers, and the absence of any significant negative news, reports, or rumors discovered concerning all relevant customers, their shareholders, and directors, the Company's Directors believe that all relevant customers are capable of settling their bills with our Group, and that the transactions with the relevant customers were not conducted under unusual or unreasonably complex circumstances. Based on the above, the Company's Directors believe that the funds for the third-party payments originate from the relevant customers.

Internal Control Measures for Third-Party Payment Arrangements

To safeguard the interests of our Group against risks associated with third-party payment arrangements, our Group has implemented the following internal control measures:

(1) The finance department is responsible for maintaining accounts receivable and settlement management ledgers, recording information including customer name, transaction details, payment particulars, payment amount, payment method, and payer's name, to ensure that relevant payments are made directly by the relevant customers;

(2) Our Group has, in principle, ceased accepting third-party payment arrangements and requires that all new orders must be settled directly by customers from their own accounts. In exceptional circumstances where direct payment is objectively not possible, relevant payments may only be accepted solely upon completion of internal compliance review and approval, strictly in accordance with limited written procedures, with complete explanatory documentation and approval records retained.

Considering that revenue generated from our such third-party payment arrangements as a percentage of our total revenue is low, our Directors confirm that the termination of such arrangements will not have a material adverse effect on our business, financial condition, or operating results.

Our Directors are responsible for developing and overseeing the implementation of internal control measures and the effectiveness of the internal control system. In preparation for this offering, we have engaged independent third-party consultants ("**Internal Control Consultants**") to conduct an internal control review ("**Internal Control Review**") on selected areas of our internal control over financial reporting. The scope of the Internal Control Review conducted by the Internal Control Consultants covered, among other things, third-party payment arrangements. Based on the Internal Control Review performed for the [REDACTED], the Internal Control Consultants reviewed the aforementioned internal control measures adopted by us concerning third-party payment arrangements and did not identify any material weaknesses.

SUPPLIERS

Supplier Management

We have established a robust supplier management system that encompasses supplier onboarding, assessment and exit management to ensure that our supply chain meets our operational and strategic requirements in terms of quality, cost, delivery, and services. With respect to supplier onboarding, we have adopted supplier qualification procedures to assess their capabilities, production capacity, quality control systems, pricing and overall service performance.For admitted suppliers, we conduct annual or quarterly performance reviews to ensure their continued compliance with our requirements. For suppliers that fail to meet our standards (in the event of major incidents or breach of contractual obligations), we will activate an exit mechanism and, where necessary, implement transitional management and risk control measures to maintain supply continuity and mitigate potential impacts on our operations.

Major Suppliers

In 2023, 2024 and for the nine months ended September 30, 2025, purchases from our top five suppliers for each period during the Track Record Period amounted to approximately RMB555.2 million, RMB694.3 million and RMB526.4 million, representing 20.1%, 20.5% and 19.9% of our total purchase amount of such period, respectively. The purchase from our largest supplier for each period during the Track Record Period amounted to approximately RMB159.9 million, RMB174.6 million and RMB147.2 million, representing 5.8%, 5.2% and 5.5% of our total purchase amount in the same periods, respectively. We typically settle payments with our top five suppliers by Net 30, Net 90, Net 120, Net 180.

The following tables set out the details of our top five suppliers for each year/period during the Track Record Period:

For year ended December 31, 2023

Rank	Supplier	Background	Purchase Amount *(RMB'000)*	Percentage of total purchase *(%)*	Type of product purchased	Credit period (days)	Year of commencement of business relationship
1	Supplier A	A company primarily engaged in the R&D, and manufacturing of transformer iron cores, with established operational scale.	159,911	5.8	Core Assembly	90/120	2020
2	Supplier B	A company primarily engaged in the manufacturing and sales of electromagnetic wire, with established operational scale.	131,500	4.8	Copper Wire	90	2019
3	Supplier C	A company primarily engaged in power engineering services and renewable energy businesses with established operational scale.	109,541	4.0	Transformer Oil	30	2020
4	Supplier D	A company primarily engaged in the R&D, and production of a full range of metal magnetic powder cores and the provision of supporting soft magnetic materials, with established operational scale.	91,160	3.3	Magnetic Core	90	2020
5	Supplier E	A company principally engaged in the manufacturing and sales of power electronic components and PV equipment, with established operational scale.	63,136	2.3	Inductor	120	2022
Total			555,248	20.1			

For year ended December 31, 2024

Rank	Supplier	Background	Purchase Amount (RMB'000)	Percentage of total purchase (%)	Type of product purchased	Payment terms (days)	Year of commencement of business relationship
1	Supplier A	A company primarily engaged in the R&D, and manufacturing of transformer iron cores, with established operational scale.	174,615	5.2	Core Assembly	90/180	2020
2	Supplier B	A company primarily engaged in the manufacturing and sales of electromagnetic wire, with established operational scale.	156,775	4.6	Copper Wire	90/120	2019
3	Supplier F	A company mainly engaged in the production, sales, warehousing, import and export of grain, oil, feed, and supporting services for agricultural products, with established operational scale.	146,911	4.3	Transformer Oil	30	2023
4	Supplier G	A company primarily focused on the processing of non-ferrous metals, the R&D and import and export of new materials, with established operational scale.	111,018	3.3	Copper Strip, Aluminum Strip	30/60	2022
5	Supplier H	A listed company principally dedicated to the R&D, production of metal powder core magnetic materials, and the provision of supporting magnetic components for power conversion, with significant operational scale.	104,969	3.1	Magnetic Core	90/120	2016
Total			694,289	20.5			

Nine months ended September 30, 2025

Rank	Supplier	Background	Purchase Amount *(RMB'000)*	Percentage of total purchase *(%)*	Type of product purchased	Payment terms (days)	Year of commencement of business relationship
1	Supplier B	A company primarily engaged in the manufacturing and sales of electromagnetic wire, with established operational scale.	147,199	5.5	Copper Wire	120	2019
2	Supplier A	A company primarily engaged in the R&D, and manufacturing of transformer iron cores, with established operational scale.	139,115	5.3	Core Assembly	180	2020
3	Supplier I	A company primarily engaged in the R&D, manufacturing, and sales of electronic specialty materials, components, and PV equipment, with established operational scale.	84,149	3.2	Battery Cell	Prepayment	2025
4	Supplier G	A company primarily engaged in the processing of non-ferrous metals, the R&D and import and export of new materials, with established operational scale.	82,007	3.1	Copper Strip, Aluminum Strip	90	2022
5	Supplier F	A company mainly engaged in the production, sales, warehousing, import and export of grain, oil, feed, and supporting services for agricultural products, with established operational scale.	73,963	2.8	Transformer Oil	30	2023
Total			526,432	19.9			

To the best of our knowledge, all of our five largest suppliers in each year/period during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of our Directors owned more than 5% of our issued share capital) had any interest in any of our top five suppliers in each year/period during the Track Record Period.

We typically enter into agreements with key suppliers. The following is a summary of the salient terms of our arrangements with suppliers.

- ***Product specifications and quality assurance.*** Suppliers are required to provide products in accordance with agreed product specifications, purchase specifications and applicable industry and national standards, and to ensure that the products meet agreed quality requirements.

- ***Pricing mechanisms.*** Product prices are generally determined based on purchase orders or agreed pricing schedules, and may be subject to adjustment based on procurement volume or other agreed commercial arrangements.

- ***Payment and credit terms.*** Payment terms are typically agreed on a purchase order basis and are subject to invoicing and settlement arrangements agreed between the parties.

- ***Logistics and delivery.*** Suppliers are generally responsible for delivering products to designated locations in accordance with agreed delivery arrangements.

- ***Defective products and remedies.*** In the event of defective or non-conforming products, suppliers are generally required to take remedial actions such as replacement, return or compensation in accordance with the relevant agreements.

- ***Termination.*** The supplier agreements generally do not have a fixed term and may be terminated by either party in accordance with the agreed termination provisions.

Our Directors confirm that we had not experienced any material fluctuations in prices set by our suppliers, material breach of contract on the part of our suppliers or material delay in delivery of our orders from our suppliers during the Track Record Period and up to the Latest Practicable Date.

OVERLAPPING CUSTOMER AND SUPPLIER

During the Track Record Period, none of our top five customers overlapped with our top five suppliers.

EMPLOYEES

As of September 30, 2025, we had a total of 3,304 full-time employees, based in China and overseas. The majority of our employees are based at Ji'an (Jiangxi) and Foshan (Guangdong). The table sets out a breakdown of our employees by function as of the Latest Practicable Date.

Function	Number	Percentage of Total Number
		%
Production	1,574	47.6
Sales and marketing	217	6.6
Research and development	695	21.0
Finance	72	2.2
Administration	746	22.6
Total	**3,304**	**100.0**

We believe that attracting, retaining and motivating high-caliber talents is critical to our continued success. We consider our professional and experienced talent pool as one of our core strengths.We recruit talents, with high standards and rigorous procedures and through various methods to select the best-fit personnel for the corresponding positions in response to our business development needs. We offer competitive remuneration package to our employees, which are generally based on their qualifications, industry experience, position and performance. We regularly evaluate the performance of our employees and reward well-performing employees with bonus and promotion. In addition, we provide training programs to our employees, including corporate-wide and department-specific training to improve their professional knowledge and management skills and keep abreast with market developments.

As required under PRC labor laws and regulations, we enter into individual employment contracts with our employees, which cover, among other things, working hours, remuneration, social insurance and employee welfare, as well as labor protection, working conditions and occupational hazard protection. As required under PRC laws and regulations, we participate in and make contributions to social insurance and housing provident funds. During the Track Record Period, we made such contributions for our employees according to applicable PRC laws and regulations.

Currently our employees are represented by labor unions. We believe that we maintain a good working relationship with our employees, and we had not experienced any material labor dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We have arranged insurance coverage for certain aspects of our operations, including export credit insurance, overseas equity investment insurance, work safety liability insurance, group personal accident insurance and employer's liability insurance. We believe that such coverage addresses the principal risks encountered in our ordinary course of business. However, there can be no assurance that our insurance coverage will be sufficient to cover all potential losses. For further details, see the section titled "Risk Factors — Risks relating to Our Financial Position and Need for Additional Capital — We may have limited insurance coverage, which could expose us to additional costs". We will continue to review and assess our risk portfolio and will make necessary and appropriate adjustments to our insurance program based on actual needs and industry practices. According to the Frost & Sullivan Report, during the Track Record Period and up to the Latest Practicable Date, Our insurance coverage is commensurate with industry standards. During the Track Record Period and up to the Latest Practicable Date, we have not made any material insurance claims in relation to our operations.

PROPERTIES

As of the Latest Practicable Date, we owned 84 properties with an aggregate GFA of approximately 610,018.4 sq.m. in China (manufacturing plants, offices, warehouses and staff dormitory in Guangdong/Jiangxi/Anhui), leased 10 properties with an aggregate GFA of approximately 42,000.0 sq.m. in China.

Owned Properties

Land

As of the Latest Practicable Date, we owned land use rights for multiple industrial parcels across China (primarily Guangdong and Jiangxi provinces), with an aggregate site area supporting production facilities exceeding 500,000.0 sq.m. across key production bases including Ji'an facility, and other sites used as factories, warehouses, and R&D centers. As of the Latest Practicable Date, we had obtained land use rights certificates for all owned parcels, compliant with PRC property laws.

Buildings or Units

As of the Latest Practicable Date, our Group owned approximately 84 industrial buildings/units across China, with an aggregate GFA of approximately 610,018.4 sq.m., mainly used as manufacturing plants, office space, warehouses, and testing facilities. As of the Latest Practicable Date, we had obtained building ownership certificates for substantially all owned buildings. For certain properties for which the real estate ownership certificates have not yet been obtained, such non-completion or failure to obtain the house ownership certificates does not affect the actual use of these properties by us, nor does it have a material adverse impact on our continuous business operations or constitute a material obstacle to the offering.

Leased Properties

As of the Latest Practicable Date, we leased approximately 10 properties across China with an aggregate GFA of approximately 42,000.0 sq.m.. The lease terms generally from one to six years, and the properties are mainly used as R&D facilities, production spaces, and office premises. As advised by our PRC Legal Advisor, we have not obtained valid ownership certificate from the relevant lessors for certain leased properties, which will not have a material adverse effect on our business.

Pursuant to the applicable PRC laws and regulations, property lease agreements shall be registered with the relevant local branches of the PRC Ministry of Housing and Urban-Rural Development. As of the Latest Practicable Date, we have completed lease registration for six of the ten properties, except for the remaining four properties for which lease registration has not been completed. We are in the process of completing such registrations where required and practicable.

Property Valuation

As of the Latest Practicable Date, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

COMPETITION

We operate in the highly competitive power electronics and transformer industry, where we face competition from both established global players with strong brand recognition, advanced technologies and extensive international sales networks, as well as regional and domestic competitors that primarily compete through cost efficiency and localized services in certain market segments. To maintain and enhance our competitive position, we continuously strengthen technological barriers by increasing our investment in research and development. For the nine months ended September 30, 2025, our R&D expenditure amounted to RMB173.9 million, with a strategic focus on core products such as new energy, data centers, and other related fields. In addition, we continue to deepen cooperation with key customers, actively expand our overseas market presence and increase sales of our key product categories.

We believe our competitive strengths include (i) a global footprint with localized production, sales and after-sales capabilities, (ii) independent R&D capabilities and solid technical expertise, (iii) a diverse and continuously optimized product portfolio, (iv) a high-quality global customer base and strong brand influence, (v) an efficient digitalized management system, and (vi) an experienced management team with clear strategic vision. Nevertheless, intensified competition arising from rapid technological advancements, pricing pressure and evolving customer demands may affect our market position. We will continue to refine our business strategies and operational capabilities to sustain and enhance our competitiveness. See "Industry Overview" for further details.

INTELLECTUAL PROPERTY RIGHTS

We believe that our intellectual property rights are critical to our continued success. We have taken the following key measures to protect our intellectual property rights, including (i) establishing a set of comprehensive internal policies to implement effective management over our intellectual property rights, (ii) timely registration, filing and application for the ownership of our intellectual properties, and (iii) timely report to the management upon identification of infringement of our intellectual property rights by third parties.

As of September 30, 2025, we had 47 registered trademarks, 542 patents, and 51 copyrights in China.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business. See "Risk Factors — Risks relating to our business and industry — We may fail to identify or avoid infringing third-party intellectual property rights, as determinations of patent infringement require complex legal and factual analyses with uncertain outcomes" for further details.

LICENSES, APPROVALS AND PERMITS

We are required to maintain various licenses, permits and approvals in order to operate our business. We continually monitor our compliance with the requirements related to licenses, permits and approvals in order to ensure that we have all such licenses, permits and approvals which are necessary to operate our business. Our PRC Legal Advisor have advised us that during the Track Record Period and up to the Latest Practicable Date, we had obtained the major business qualifications and licenses necessary for conducting the main business activities from the relevant government authorities in China, and such business qualifications and licenses are legal and valid.

The following table sets out a list of material licenses, permits and approvals currently held by us.

License/permit/ approval	Holder	Granting authority	Grant date	Validity Period
High-tech Enterprise Certificate	Ji'an Eaglerise	Jiangxi Provincial Department of Science & Technology, Jiangxi Provincial Department of Finance, State Taxation Administration Jiangxi Provincial Taxation Bureau	November 22, 2023	three years
	Eaglerise Electronic	Guangdong Provincial Department of Science & Technology, Guangdong Provincial Department of Finance, State Taxation Administration Guangdong Provincial Taxation Bureau	December 11, 2024	three years
	Eaglerise Power	Guangdong Provincial Department of Science & Technology, Guangdong Provincial Department of Finance, State Taxation Administration Guangdong Provincial Taxation Bureau	December 18, 2023	three years
	Dingshuo Tongbang	Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau, State Taxation Administration Shenzhen Taxation Bureau	December 25, 2025	three years
	Eaglerise Intelligent Electric	Guangdong Provincial Department of Science & Technology, Guangdong Provincial Department of Finance, State Taxation Administration Guangdong Provincial Taxation Bureau	December 11, 2024	three years
	Ji'an Magnetic & Electronic Technology	Jiangxi Provincial Department of Science & Technology, Jiangxi Provincial Department of Finance, State Taxation Administration Jiangxi Provincial Taxation Bureau	November 19, 2024	three years

License/permit/approval	Holder	Granting authority	Validity Period
Customs Registration Certificate for Consignor/ Consignee of Import/ Export Goods and Declaration Entity	Eaglerise Electric & Electronic Co., Ltd.	China Customs	Long-term[1]
	Foshan Shunde Eaglerise Power Technology Co., Ltd.	China Customs	Long-term
	Foshan Eaglerise Electronic Co., Ltd.	China Customs	Long-term
	Ji'an Eaglerise Electric Co., Ltd.	China Customs	Long-term
	Ji'an Eaglerise Magnetic & Electronic Technology Co., Ltd.	China Customs	Long-term
	Guangdong Eaglerise Intelligent Electric Co., Ltd.	China Customs	Long-term
	Guangdong Yingbeite Electric Technology Co., Ltd.	China Customs	Long-term
	Jiangxi Eaglerise Digital Energy Technology Co., Ltd.	China Customs	Long-term
	Shenzhen Dingshuo Tongbang Technology Co., Ltd.	China Customs	Long-term
	Shenzhen Eaglerise Energy Storage Technology Co., Ltd.	China Customs	Long-term
	Anhui Nengqi Electric Technology Co., Ltd.	China Customs	Long-term
	Jiangxi Jite Electric Co., Ltd.	China Customs	Long-term
	Jiangxi Jishibang Technology Co., Ltd.	China Customs	Long-term
	Ji'an Naite Electric Equipment Co., Ltd.	China Customs	Long-term
	Ji'an Yiyuan New Materials Co., Ltd.	China Customs	Long-term

License/permit/approval	Holder	Grant date	Expiry date
Pollutant Discharge Permit Registration Receipt for Stationary Pollution Sources	Foshan Shunde Eaglerise Power Technology Co., Ltd.	July 22, 2025	July 21, 2030
	Foshan Eaglerise Electronic Co., Ltd.	July 10, 2025	July 9, 2030
	Ji'an Eaglerise Electric Co., Ltd.	November 1, 2024	October 31, 2029
	Shenzhen Dingshuo Tongbang Technology Co., Ltd.	November 29, 2024	November 28, 2029
	Ji'an Eaglerise Magnetic & Electronic Technology Co., Ltd.	March 15, 2024	March 14, 2029
	Anhui Nengqi Electric Technology Co., Ltd.	April 30, 2024	April 29, 2029
	Jiangxi Yuandian New Materials Co., Ltd.	July 19, 2022	July 18, 2027
	Jiangxi Eaglerise Digital Energy Technology Co., Ltd.	May 12, 2025	May 11, 2030

1 "Long-term" refers to a perpetual validity period for as long as the filing entity remains duly constituted and in operation, provided that no material changes have occurred to its registered information with the customs authority and no violations of customs regulations have resulted in the revocation of such filing.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received a number of awards and recognitions in connection with our business. Some of the significant awards and recognitions we have received are set out below.

Awards and Recognition	Certification Date	Awarding body	Remarks	Type	Recipient Entity
The 2nd Top 100 Patents by Value in Foshan	October 2023	Foshan Intellectual Property Protection Center	Association	Valid	Eaglerise Electric
Guangdong Provincial Manufacturing Single Champion Enterprise (PV Grid-connected Step-up Transformer)	September 2024	Department of Industry and Information Technology of Guangdong Province	Provincial	Valid	Eaglerise Electric
2024 Guangdong Famous and High-quality High-tech Product: AC Electronic Control Device for LED Modules	December 2024	Guangdong High-tech Enterprise Association	Provincial	Valid	Eaglerise Electronics
High-tech Enterprise	December 11, 2024	State Taxation Administration, Guangdong Provincial Tax Service, Department of Finance of Guangdong Province, Department of Science and Technology of Guangdong Province	National	Valid	Eaglerise Electronics
National Intellectual Property Advantage Enterprise	November 2023	National Intellectual Property Administration	National	Valid	Electric Power Technology
Provincial Enterprise Technology Center	May 2024	Department of Industry and Information Technology of Jiangxi Province, Department of Finance of Jiangxi Province, Jiangxi Provincial Tax Service, State Taxation Administration	Provincial	Valid	Ji'an Electric

Awards and Recognition	Certification Date	Awarding body	Remarks	Type	Recipient Entity
National Specialist, Sophisticated, Specialized and Novel Little Giant Enterprise	July 1, 2023	Ministry of Industry and Information Technology of the People's Republic of China	National	Valid	Ji'an Electric
Advanced-level Smart Factory	May 2025	Department of Industry and Information Technology of Jiangxi Province	Provincial	Valid	Ji'an Magnetoelectric
Anhui Innovative Small and Medium-sized Enterprise	July 2025	Bureau of Industry and Information Technology of Huainan City	Provincial	Valid	Anhui Nengqi
Guangdong Provincial Specialist, Sophisticated, Specialized and Novel Small and Medium-sized Enterprise	March 25, 2025	Department of Industry and Information Technology of Guangdong Province	Provincial	Valid	Smart Electric Appliances

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We have been and may from time to time continue to be, a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. As of the Latest Practicable Date, there were no material litigation, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material and adverse effect on our financial condition or results of operations.

Compliance

We are subject to a number of regulatory requirements and guidelines issued by the regulatory authorities in China, the United States and Thailand and such other jurisdictions as mentioned in the "Regulatory Overview" of this Document. During the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, or experience any systemic non-compliance incident which, taken as a whole, in the opinion of our Directors, is likely to have a material adverse effect on our business, results of operations and financial condition. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we complied with the relevant laws and regulations in PRC, US and Thailand and such other jurisdictions as mentioned in the "Regulatory Overview" of this Document in all material respects.

DATA SECURITY AND PRIVACY

In the course of our business, we collect, store and process business data and transaction data. As we only make transactions with enterprises, we do not collect or process personal data. We believe that the confidentiality, integrity and availability of data are vital to our business operations. To mitigate data security risks, we have implemented a comprehensive approach that includes stringent data encryption, secure data storage protocols and strict transmission policies to ensure the confidentiality and integrity of sensitive information.

We have set up a comprehensive internal data protection framework which is designed to manage and control access to confidential information effectively. To this end, we have established clear and detailed protocols that govern the use, storage and sharing of corporate data, ensuring that only employees with the appropriate authorization can access sensitive information on a need-to-know basis. Employees are granted access to data strictly according to their roles and are required to use this data solely for the performance of their job duties. Furthermore, our employees are required to sign confidentiality agreements as part of their employment, which strictly prohibit the unauthorized disclosure of any company-related confidential information. This policy ensures that our employees understand the critical nature of safeguarding company data and are held accountable for maintaining confidentiality.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material unauthorized use of customers' or distributors' personal information.

ESG

Upholding a vision for a sustainable future, we fully integrate ESG principles into our core corporate strategy and decision-making processes. We systematically refine our governance framework and optimize production and operational practices, striving for continuous advancement across the ESG dimensions. We are committed to creating shared value and promoting the synergistic development of economic prosperity, social well-being, and ecological health. By building long-term resilience and delivering enduring returns for our stakeholders, we contribute actively to constructing a greener, smarter, and more sustainable world.

1. GOVERNANCE

1.1 ESG Governance Practices

We have established an ESG strategic positioning of "Green Development Facilitating Energy Structure Transition, and Dual-Carbon Consensus Driving Low-Carbon Product Innovation". We have constructed the "RISE" strategic framework supported by four pillars: Robust Operations, Innovation-driven Development, Social Co-benefits, and Environmental Protection, and undertake to strictly adhere to the ESG information disclosure requirements of the Stock Exchange upon [REDACTED]. Our ESG policy system encompasses risk identification, strategy formulation, and mechanisms for the management and continuous monitoring of ESG-related risks. It explicitly defines methods for setting key performance indicators (KPIs), management requirements for these indicators, and corresponding mitigation measures, thereby systematically elevating the Company's ESG management standards.

We have established a comprehensive ESG governance and management system. As the highest governing body for ESG, the Board of Directors (the "**Board**") has a dedicated ESG Committee to oversee related matters, including (i) managing and making recommendations on the Company's ESG strategy and issues; (ii) reviewing ESG-related disclosure documents; (iii) identifying and evaluating ESG-related risks and opportunities; and (iv) guiding and supervising the implementation of ESG initiatives, while reporting regularly to the Board. Additionally, the ESG Committee sets up an ESG Leadership Group and an ESG Management Department, which are responsible for formulating action goals and plans based on the strategy. An ESG Working Group has been set up under their supervision to execute specific tasks assigned by the decision makers and management. The Board and the ESG Committee hold regular meetings at least once a year to hear ESG progress reports. We also conduct targeted training sessions covering topics such as ESG themes, to continuously enhance the Board's compliance and ESG management capabilities.

1.2 Board Diversity

We attach great importance to Board diversity. In the election of directors, we consider factors including, but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge, length of service, and independence. Currently, our Board consists of seven directors, comprising two executive directors, two non-executive directors and three independent non-executive directors. The professional backgrounds of our Board members span multiple fields, including accounting, economics, law, and technology ensuring the Board possesses diverse perspectives and decision-making capabilities.

1.3 Anti-Corruption and Anti-Bribery

We strictly comply with laws and regulations regarding anti-corruption, including but not limited to the *Anti-Unfair Competition Law of the People's Republic of China* and the *Criminal Law of the People's Republic of China*. We have established internal anti-corruption institutions and management measures, upholding high standards of integrity and maintain a zero-tolerance attitude toward corruption or bribery. We have established a business ethics management system with the Board as the highest governing body. The Audit Committee is responsible for leading, supervising, and coordinating audit and inspection work. The Audit and Supervision Department acts as the dedicated executive body to independently conduct audit supervision, assurance, and evaluation, exercising audit authority, and receiving professional guidance and supervision from internal and external audit departments.

We advocate clear professional ethics to our employees, strictly prohibiting bribery, extortion, fraud, money laundering, and other unethical behaviors, such as delaying payments to suppliers, misappropriating Company assets, or offering/accepting gifts or other improper benefits. We require our employees and suppliers to sign relevant Integrity Undertakings or Agreements, and to abide by codes of conduct regarding anti-corruption and anti-bribery. We provide regular anti-corruption and anti-bribery compliance training for the Board and employees and conduct "Integrity Awareness Month" activities to foster a strong culture of compliance. As of the end of the Reporting Period, the Company was involved in two concluded embezzlement litigation cases; the individuals involved have been held legally accountable. The Company has communicated the verdicts of these cases internally to reinforce integrity awareness among all staff and reiterate our firm stance of zero tolerance toward corruption. We joined the Enterprise Anti-Fraud Alliance in 2022 and were elected as a Council Unit in 2024, actively participating in the construction of corporate anti-fraud mechanisms.

Regarding reporting and complaints, we have established internal reporting channels. We encourage employees and stakeholders to report any suspected bribery or corruption via email, telephone, letter, or courier. We stipulate strict confidentiality for reported matters and complaints to prevent whistleblowers from retaliation or unfair treatment, thereby ensuring their safety, privacy, and rights.

2. ESG MATERIALITY ASSESSMENT

2.1 ESG Material Risk Assessment Mechanism

The effective identification and mitigation of ESG-related risks is critical to our sustainable development strategy. To align our operational practices with long-term value creation and strategic objectives, we systematically identify ESG-related risks that could adversely impact the Company's business, operating results and financial conditions. The process integrates the collection, analysis, prioritization, and synthesis of key concerns raised by our stakeholders, which enables us to evaluate the materiality of individual ESG issues and formulate targeted management strategies for those deemed most significant to the Company. We have developed and implemented the following materiality assessment process:

1. The Company identifies potential material ESG-related risks that may affect our business or related parties, taking into account the Company's business strategy, prevailing international standards, such as the Sustainability Accounting Standards Board ("SASB") Standards and industry practices.

2. Key stakeholders are invited to participate in surveys to assess their understanding of, and concerns about, the Company's material ESG-related risks.

3. The Company analyzes the collected survey responses and prioritize the material ESG-related risks.

2.2 Material ESG Risk Assessment and Management Actions

Based on the Company's business profile and strategic trajectory, we have conducted a targeted identification and materiality evaluation of ESG-related risks through our established risk assessment procedures. The evaluation informs our deployment of targeted mitigation measures across material risk topics, with the objective of systematically reducing potential impacts. Consequently, we have identified, assessed, and prioritized the following material ESG risk topics, along with their potential impacts and corresponding mitigation measures:

Table: Identification and Assessment of Material Risk Topics

Risk Topic	Potential Risk Impact	Mitigation Measures
Environmental Compliance Management	Failure to comply with environmental regulations such as standards for wastewater, exhaust gas, noise emissions, and specifications for hazardous waste disposal, during production and operations may result in administrative penalties or litigation, thereby increasing compliance costs. Furthermore, environmental violations could lead to mandatory production halt for rectification, disrupting operational timelines, and tarnishing corporate reputation, and ultimately eroding competitive standing in the market.	The Company applies a tiered management approach to critical environmental risks to minimize the negative impact of our operations and production on the ecological environment and natural resources.
Emissions and Waste Management	Emissions such as exhaust gases, dust, and solid waste generated during the Company's operations, in the absence of proper treatment or compliant disposal, may lead directly to administrative penalties, fines, or orders for production suspension and rectification from environmental authorities, thereby elevating compliance costs. Persistent or significant incidents of emission exceedances or pollution can severely damage the Company's brand image and reputation, adversely affecting trust from customers, investors, and regulators.	The Company conducts monthly environmental impact assessments of emissions and engages qualified third-party testing agencies to conduct assessments on waste gas, wastewater, and noise emissions.

Risk Topic	Potential Risk Impact	Mitigation Measures
Climate Change Response	Climate change may exacerbate extreme weather events such as heavy rainfall, extreme heat, impacting supply chain stability and the safety of production facilities. Furthermore, as China advances toward its "Dual-Carbon"targets of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, should the Company fail to drive its green transition through measures such as reducing energy consumption and developing low-carbon products, it may be exposed to policy compliance risks, escalating carbon-related costs, and competitive disadvantage amid the industry's accelerating shift toward decarbonization.	The Company has incorporated climate-related risks and opportunities into our overall governance framework. This integration drives key initiatives and emission reduction projects across all product lines. By prioritizing energy efficiency enhancements and accelerating the transition to cleaner energy sources, these efforts form the strategic cornerstone for achieving our climate change and carbon reduction objectives.
Energy Management	If the Company fails to manage the energy consumption involved in its operation such as electricity for air conditioning and lighting, it risks aggravating climate change impacts such as the greenhouse effect and extreme weather patterns. Moreover, rising energy prices driven by the energy transition trend may elevate the Company's operating costs.	The Company lowers energy consumption across all its regions and production sites through measures such as implementing energy-saving retrofits, enhancing building energy efficiency and promoting the adoption of clean energy sources.
Water Resource Management	Ineffective water stewardship by the Company would drive up direct costs for water use and wastewater treatment expenses, while also exposing it to fines and production restrictions due to non-compliance. Amid mounting water stress and tightening environmental oversight, such inefficiencies in water use and discharge would also undermine the Company's green credentials, thereby diminishing the Company's competitive edge in markets where sustainability performance is increasingly critical.	The Company regularly analyzes water usage data across all processes to identify points of waste, promotes the "multiple use of water" initiative, and fosters a culture of water conservation awareness across the organization. Besides, it has defined clear assessment criteria and inspection schedules for water-saving, incorporating corresponding targets into departmental KPIs.

Risk Topic	Potential Risk Impact	Mitigation Measures
Labor Rights	Failure to establish legally compliant labor systems that protect employees' fundamental rights, including fair compensation and benefits, reasonable working hours and leave, and occupational health and safety, would expose the Company directly to immediate penalties from labor authorities, arbitration proceedings, or litigation, thereby escalating administrative and legal expenditures. Furthermore, discontent regarding remuneration or workplace conditions could precipitate the departure of critical talent, destabilizing production continuity and impeding the retention of vital technical knowledge.	The Company explicitly prohibits the employment of child labor and any form of forced labor. The Company also provides employees with a competitive compensation and benefits package alongside a performance-based incentive system. Meanwhile, the Company has set up a Love Fund Committee to provide financial support to employees and their families in times of need.
Employee Development and Training	The lack of a robust employee training and career development system can precipitate talent shortages in critical technical roles and create significant skill gaps, thereby impairing production efficiency and stifling innovative capacity. Moreover, constrained pathways for career progression could diminish employee motivation, elevate attrition rates, and ultimately compromise the Company's sustainable competitive advantage.	The Company has implemented dual career development pathways across both management and professional track, fostering continuous learning and growth among employees. It also offers various specialized training programs designed to enhance employees' personal capabilities and professional skills, thereby advancing their career development.
Employee Health and Safety	Absence of a secure working environment and inadequate cultivation of safety and occupational health awareness among employees could result in workplace incidents, talent loss, and elevated operating costs for the Company.	The Company has developed a comprehensive framework of incentives and disciplinary measures for workplace safety, which includes routine monitoring the development of emergency response protocols, and the formation of specialized emergency teams. Besides, the Company engages third-party professional agencies at regular intervals to conduct assessments of occupational health hazards.

Risk Topic	Potential Risk Impact	Mitigation Measures
Product Quality and Safety	Insufficient quality reviews and risk assessments during critical phases such as product development, incoming material inspection, and final product testing may compromise product quality. This, in turn, could lead to diminished customer satisfaction, product recalls, reduced revenue, and increased production costs.	The Company has set up a Quality Incident Emergency Response Team, which conducts regular investigations into product quality incidents and engages third-party agencies for periodic supervision and audits to continuously improve product quality management. Should any customer complaints regarding product quality be received, the Company will formulate a product recall plan to diligently uphold customer rights.
Intellectual Property Protection	A deficient awareness of protecting the Company's own and third-party intellectual property could precipitate the loss of intangible assets or initiate intellectual property litigation, thereby elevating the Company's operating costs.	The Company has established an intellectual property risk prevention and control mechanism, standardized the patent application process, and provides regular specialized training on intellectual property for all employees.
Data Security and Customer Privacy Protection	Should the Company fail to maintain robust controls in data security and personal privacy protection, critical business secrets, including business operations and customer information could be exposed to leakage risks. Such breaches would adversely impact corporate operations and reputation, potentially reduce revenue and drive up product and operating costs.	The Company has deployed comprehensive data backup and recovery mechanism along with a multi-layered firewall infrastructure, and engages third-party agencies every six months to conduct security vulnerability scans on its internal network.
Customer Relationship Management (CRM)	Should the Company be incapable of effectively capturing and responding to customer needs and feedback through diverse channels, or exhibit declining market sensitivity during product design and procurement, its business performance may suffer, potentially resulting in diminished revenue.	The Company has implemented a standardized framework for managing product after-sales services. The Company maintains proactive communication with customers, promptly develops and executes response plans, and provides timely updates on progress and outcomes.

Risk Topic	Potential Risk Impact	Mitigation Measures
Sustainable Supply Chain	If the Company lacks the capacity to effectively evaluate and oversee the sustainability performance of its upstream suppliers, issues such as environmental violations, safety incidents, or labor rights infringements at the supplier level could propagate through the supply chain. This could subsequently lead to production disruptions, product quality compromises, regulatory penalties, and impairment of the Company's brand reputation.	The Company integrates ESG performance metrics into its supplier management system, and conducts regular sustainability audits of suppliers, with the objective of identifying and imposing measures such as suspension, phase-out, and blacklisting for non-compliant suppliers.
Corporate Governance	Should the Company fail to implement a robust corporate compliance management system, it will be unable to effectively prevent or oversee misconduct in its operations. This deficiency could expose the Company to significant business and ESG risks, undermine its operational continuity, and lead to reduced revenue alongside higher operating costs.	The Company has established a management structure comprising an Audit Committee, Strategy Committee, Nomination Committee, Remuneration and Appraisal Committee, ESG Committee, along with well-defined operating procedures. These committees hold at least one regular meeting annually and conduct periodic systematic training on compliance and ESG. Additionally, the current board members of the Company possess diverse professional expertise across multiple fields, ensuring that decision-making benefits from comprehensive professionalism and a multi-faceted perspective.
Business Ethics	When the Company engages in business ethics violations, such as commercial bribery, unfair competition, fraud, or intellectual property infringement during commercial activities, it would be exposed to immediate litigation, severe regulatory penalties, and substantial compensation payments, which severely damage its reputation and brand value. Moreover, as such scandals undermine trust with customers, partners, and investors, they can lead to the termination of business collaborations and a loss of market share.	The Company has developed a business ethics governance framework overseen by the Board of Directors, strictly prohibiting bribery, extortion, fraud, money laundering, and other unethical conduct. Regular anti-corruption and anti-bribery compliance training is provided to the board and all employees to cultivate a robust culture of integrity and compliance.

3. ESG RISK MANAGEMENT

We have established a systematic risk management, compliance and internal control framework where the Board's Audit Committee takes overall charge of the risk management, and the Audit and Supervision Department sets up dedicated positions, ensuring a clear division of responsibilities and standardized operations for managing the Company's operational and ESG risks. The Audit and Supervision Director coordinates the development and improvement of the internal control system, develops key business risk profiles, and monitors the implementation across units. The Audit and Internal Control Manager is tasked with systematically managing operational uncertainties through end-to-end risk monitoring, assessment, and mitigation. The Supervision Manager oversees and inspects business activities to assess and mitigate risks, ensuring timely issue identification and resolution.

In accordance with the COSO Enterprise Risk Management Framework, we have conducted a specialised audit and identified 11 primary risk categories, including internal control environment risks, economic environment risks, and policy environment risks. Based on the assessment results, we have begun building a supply chain risk management system that encompasses risk identification, measurement, and evaluation, supported by early-warning and emergency response mechanisms. This initiative systematically bolsters the supply chain's resilience and risk responsiveness, driving forward the Company's supply risk management program and enhancing its overall risk preparedness. As of the end of the Reporting Period, no material non-compliant incidents related to product quality, environmental pollution, or occupational health and safety have occurred at the Company.

4. ENVIRONMENT

4.1 Environmental Compliance Management

In our daily operations, we strictly comply with environmental laws and regulations, including the *Environmental Protection Law of the People's Republic of China* and the *Environmental Impact Assessment Law of the People's Republic of China*. We have established internal management systems and protocols, which together constitute a comprehensive mechanism for identifying and assessing environmental aspects. Key identified environmental aspects (such as electricity consumption, raw material consumption, waste gas emissions, and wastewater discharge) along with their corresponding management plans and objectives, are assigned to designated responsible units and individuals with clear deadlines for completion. For each environmental objective, we conduct at least one annual progress assessment to ensure the implementation of environmental management tasks. As of the end of the Reporting Period, no environmental violations, major leakage incidents, or material penalties related to environmental protection have occurred in the Company.

4.2 Emissions and Waste Management

We strictly comply with relevant laws, regulations, and standards, including the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Standard for Pollution Control on the Storage and Landfill Site of General Industrial Solid Waste*, and the *Standard for Pollution Control on Hazardous Waste Storage*. We have established internal rules and regulations regarding emissions and waste, ensuring that our production emissions and the treatment of waste gas and solid waste are in strict compliance with all applicable national and local regulations and policies, thereby minimizing the ecological impact of emissions and waste from our operations.

We have established a comprehensive environmental control mechanism for waste gas and waste management. The Company's EHS team carries out inspections in accordance with the annual environmental monitoring plan and engages qualified third-party agencies to conduct testing of waste gas and noise emissions. We identify all waste gas emission points, rigorously monitor and manage these emissions, and ensure the proper functioning of our waste gas collection and treatment systems. We identified and analyzed operational emissions and pollutants involved in the Company's operations, set internal emission standards with a corresponding evaluation mechanism, and developed implementation safeguards to ensure long-term emission management. During the Reporting Period, the Company's EHS team conducted monthly inspections of the environmental impact of emissions aligned with the annual environmental monitoring plan. These inspections covered plant-boundary and in-plant waste gas, boundary noise, kitchen fumes, wastewater, drinking water, and other aspects. All inspection results complied with applicable standards.

Table: Emission Generation Volume

Indicator	Unit	First Three Quarters of 2025	2024	2023
Nitrogen Oxides (NOx)	Kg	16.2	20.7	22.7
Sulfur Oxides (SOx)	Kg	0.8	0.9	0.8
Particulate Matter (PM)	Kg	1.2	1.5	1.7

Internally, the Company has defined its waste management target as the "Compliance Rate for Treatment of Hazardous and Non-Hazardous Waste". We implement clear classification and management for both general and hazardous waste, with defined requirements for categorization, treatment, and transfer. We are committed to the proper management of all hazardous waste to prevent any form of environmental pollution.

We promote recycling by channeling recyclable solid waste to a dedicated warehouse for valuable resources. Once accumulated to a certain volume, the materials are sold for recycling, thereby advancing resource recovery and minimizing resource waste. Hazardous waste is segregated and collected by category. The indiscriminate disposal or discarding of hazardous materials, such as waste organic solvents, activated carbon, batteries, organic resins, and their containers and packaging, is strictly prohibited. For waste requiring specialized treatment, we engage qualified third-party contractors for environmentally sound disposal.

Table: Waste Generation Volume

Indicator	**Unit**	**First Three Quarters of 2025**	**2024**	**2023**
Hazardous Waste Generation Volume	Tonnes	114.6	109.4	93.9
Non-Hazardous Waste Generation Volume	Tonnes	2,247.0	2,739.8	1,640.0

4.3 Addressing Climate Change

We are committed to integrating climate-related risks and opportunities into our overall corporate governance framework, ensuring that climate considerations are fully embedded within our strategy, operations and risk management. We have structured our climate risk and opportunity action plan along a phased timeline: in the near term, we manage climate risks through four fundamental procedures — identification, analysis, response and monitoring — whilst conducting assessments of financially material opportunities; over the medium to long term, we plan to continuously update and review our climate risk management processes, undertaking climate scenario analysis and risk assessments.

At present, through detailed analysis of operational impacts, we have developed a comprehensive understanding of the business risks posed by climate change. In response to global climate governance requirements, we have established a climate risk identification, assessment and management system, and continue to implement responsive measures.

Table: Climate Change Risk Mitigation Measures

Risk Category	Risk Description	Potential Impact	Mitigation Measures
Physical risk			
Heavy rainfall, typhoons and other extreme weather events	Extreme weather events triggered by climate change, including typhoons, torrential rainfall, heatwaves and cold snaps.	Our principal production facilities are susceptible to heavy rainfall and flooding during the summer typhoon season, potentially resulting in factory inundation, equipment damage and power outages, thereby causing temporary production shutdowns that affect product delivery schedules and our ability to fulfil contractual obligations to customers. Concurrently, extreme weather events may disrupt supply chains, particularly the transportation and warehousing of critical raw materials, increasing logistics delays and procurement costs, which in turn affects production continuity and cost control.	• We have established an emergency management system and formed an emergency leadership team, with clearly defined emergency response measures for extreme conditions (including heavy rainfall and severe typhoon weather), and developed corresponding emergency response plans; • We have instituted regular drill exercises and early warning mechanisms, maintaining liaison with emergency response authorities; leveraging meteorological department forecasts and real-time monitoring, we issue timely alerts to all departments whilst reinforcing facilities in parallel, thereby reducing operational risks.
Transition risk			
Policy and regulatory impacts	Regulatory authorities are continuously strengthening corporate disclosure requirements, particularly with the implementation of the "Dual-Carbon" policy and related regulations, significantly raising disclosure standards concerning clean energy usage, carbon emissions data, ESG performance and environmental management.	As the "Dual-Carbon" policy advances, regulatory requirements for corporate disclosure are becoming increasingly stringent, particularly regarding carbon emissions, ESG performance and environmental management. The Company must continuously enhance its data collection and disclosure mechanisms to meet policy compliance requirements. Should the Company or its suppliers engage in non-compliant environmental practices, it may face administrative penalties or environmental pollution liability, thereby affecting corporate reputation and operational stability.	• At the [REDACTED] stage, we will disclose ESG information that meets the Stock Exchange's standards, demonstrating the Board's substantive engagement with ESG matters, proactively identifying ESG risks and quantifying environmental data, thereby establishing a solid foundation for continuous enhancement of ESG compliance.

Risk Category	Risk Description	Potential Impact	Mitigation Measures
	Relevant policies and regulations are imposing increasingly stringent environmental requirements on enterprises and their products. For instance, if the Company or its suppliers discharge hazardous waste, environmental pollution issues may arise due to violations of environmental protection regulations.	Environmental violations by the Company or its suppliers may trigger administrative sanctions, including fines or suspension for rectification, thereby disrupting normal business operations, leading to increased operating costs or reduced revenues.	• We have established an internal environmental management framework comprising various measures and procedures, designed to govern the Company's environmental conducts and require suppliers to strictly observe relevant environmental policies and regulations, ensuring compliant operation of all activities.
Technology risk	Product or technology R&D may lag behind sustainable transformation trends.	As the customer demand for low-carbon and environmentally friendly products increases, the Company's existing products and technologies must continuously evolve to adapt to sustainable transformation trends. Should R&D progress fall behind, product competitiveness may deteriorate, affecting market share and customer retention.	• During the product design and development phase, we conduct eco-design, optimizing product architecture and functionality to reduce environmental risks following product end-of-life; • We consider lifecycle environmental impacts, adopting environmentally sound materials and processes to reduce energy consumption and pollutant emissions during product use; • We strengthen communication with customers to understand their requirements for product environmental performance, adjusting product design and manufacturing processes in a timely manner to meet market environmental standards.

Risk Category	Risk Description	Potential Impact	Mitigation Measures
Market risk	Growing public environmental consciousness is driving customer preference towards low-carbon products and companies with sustainable operations, with shifting consumption patterns presenting potential market risks for enterprises.	Customers increasingly prioritize environmental performance and carbon footprint when selecting suppliers. Should the Company fail to adapt its product portfolio and service delivery model in a timely manner, it may face customer attrition risk, affecting revenues.	• We have established a supplier assessment framework, prioritizing suppliers with strong environmental credentials to ensure that procured raw materials meet environmental standards; • We enter into environmental agreements with suppliers, clearly defining mutual environmental responsibilities concerning raw material quality, packaging and transportation, and requiring suppliers to provide environmental disclosures and quality certification documentation for their products; • We optimize raw material inventory management to minimize excess stock accumulation and wastage, reducing inventory obsolescence.
Reputational risk	Stakeholders are paying increasing attention to climate change and ESG-related disclosures.	Stakeholders are placing growing emphasis on corporate performance in climate change response and ESG matters. Should the Company perform poorly in areas such as environmental protection and carbon emissions management, it may trigger adverse publicity, damaging its capital market standing and access to financing.	• We proactively identify physical and transition risks arising from climate change, establishing a tiered risk management framework to minimize reputational damage; • We regularly identify and update material risk issues, maintaining ongoing dialogue mechanisms with key stakeholders including investors and customers, ensuring that feedback is promptly incorporated into our decision-making processes.

Greenhouse Gas Emissions

Eaglerise launched its carbon peaking and carbon neutrality planning, integrating climate risks and opportunities into its action plan. This initiative drives low-carbon development and climate opportunity assessments, outlining key measures and emission reduction projects for the four major business units — energy products, lighting products, incubated products, and others — as well as for individual product lines. By focusing on energy efficiency improvements and energy transition, we are laying the groundwork for our climate change and carbon reduction strategy. The table below outlines our key carbon reduction actions.

Key Carbon Reduction Initiatives

Method	**Measures**	
Energy efficiency improvements	Winding machines	Use variable frequency drive (VFD) technology to adjust motor speed automatically based on workload, reducing energy waste
	Injection molding machines	Replace traditional motors with servo motors for higher energy efficiency Adopt high-efficiency cooling systems and optimize molding processes to minimize energy use
	Liquid-cooled & air-cooled extrusion stations	Optimize cooling systems by using higher-efficiency pumps and fans or variable frequency technology to regulate cooling system operations and reduce energy consumption
	Central air conditioning optimization	Deploy indoor humidity monitoring devices, integrate with an energy-saving air conditioning control system, and optimize the energy-saving control operation of the cooling station system in real time based on demand
Energy transition	Distributed photovoltaics (PV)	Install distributed solar power generation systems across major production sites to increase the share of solar energy in meeting facility electricity demand
Carbon offsetting	Green electricity procurement	Gradually increase procurement of green electricity
	Replacement of gasoline & diesel	Replace retired fuel-powered vehicles with new energy vehicles and purchase new energy vehicles
Carbon offsetting	Purchase carbon offsetting projects	

We have incorporated carbon reduction and energy efficiency enhancement into our long-term development plan. We are committed to systematically reducing our reliance on fossil fuel and mitigating our climate impact through using clean energy, optimizing production processes, upgrading equipment efficiency and other measures, in a bid to **advance toward our ultimate goal of carbon neutrality**. We aim to achieve peak carbon emissions by 2030 and carbon neutrality by 2050.

Table: Greenhouse Gas Emissions

Indicator	Unit	First Three Quarters of 2025	2024	2023
CO_2 Emissions (Scope 1)	tCO_2e	4,278.7	3,150.3	2,023.4
CO_2 Emissions (Scope 2)	tCO_2e	17,535.1	17,994.9	15,837.5
CO_2 Emissions (Scope 3-Category 6: Business Travel)(1)	tCO_2e	932.5	633.5	259.2
Total CO_2 Emissions (Scope 1, Scope 2 and Scope 3)	tCO_2e	22,746.3	21,778.7	18,120.1

Note:

(1) Carbon emissions from the supply chain, product use and other sources are not included in the scope, as the emissions accounting system does not cover the entire value chain. Scope 3 emissions disclosed in this report are limited to greenhouse gas emissions from business travel, in particular emissions from aircraft, high-speed trains, and taxis. Going forward, we will enhance our business travel management system by stages. We will develop a comprehensive Scope 3 emissions accounting system and establish standardized metrics control procedures, with the ultimate goal of achieving transparent carbon footprint disclosure across the entire value chain and enhancing our low-carbon management performance.

4.4 Energy Management

In our daily operations, we strictly adhere to the *Law on Energy Conservation of the People's Republic of China* and related laws and regulations. We have established an internal energy management system, upholding the principle of "legal compliance, energy conservation, company-wide engagement, and continuous improvement", we standardize energy use and management and actively promote energy conservation and emission reduction. We are committed to reducing the energy consumption per product unit by 1% annually. We have effectively lowered energy consumption across all operational and production sites through targeted initiatives, such as switching to high efficiency lighting, implementing energy-efficient upgrades to central air-conditioning systems, phasing out motors with high energy consumption, and enhancing real-time monitoring and optimization of energy use in production processes.

In terms of energy efficiency in buildings, the Company has adopted green building materials such as energy-efficient windows and doors and insulation materials in some of its plants, which has enhanced the thermal performance of building envelopes while meeting production needs, significantly reducing internal energy consumption. We have maximized natural light and ventilation in the design of the plants. Multi-story plants are equipped with extensive glazing and optimized airflow systems. Production areas make the best use of natural light, with critical production processes featuring the integration of natural and artificial lighting, while office spaces rely mainly on natural illumination to minimize energy use. An intelligent zonal lighting system further improves efficiency through automated lighting control, such as activating part of lighting fixtures in production areas where necessary, providing targeted illumination in key areas, and using motion-activated lights in public spaces.

At the same time, we vigorously advocate the use of clean energy, gradually intensify investment in PV equipment, and increase the proportion of clean energy in production. These efforts are aimed at reducing carbon emissions. We have replaced traditional electrical lighting with solar-powered solutions to transition to a green power supply. We have independently developed charging piles to provide efficient and convenient charging services for employees with new energy vehicles, thereby further enhancing the utilization of clean energy.

Table: Primary Energy Usage

Indicator	**Unit**	**First Three Quarters of 2025**	**2024**	**2023**
Gasoline	Kg	16,653.1	21,316.7	23,390.8
Diesel	Kg	25,790.3	24,353.3	19,678.8
Natural gas	cubic meter	816,848.0	995,899.0	673,970.0
Acetylene	Kg	11,249.3	12,829.0	7,985.6
Purchased Electricity	kWh	32,678,089.5	36,676,977.0	27,609,074.0
On-site PV Self-Consumption	kWh	5,798,350.0	7,099,705.2	3,260,483.0

4.5 Water Resource Management

We strictly adhere to laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Water Law of the People's Republic of China*, and the *Regulations on Water Resources Management in Guangdong Province*. We have clearly defined governance standards regarding water usage and are committed to reducing water consumption and improving water efficiency. We have established a water conservation management framework led by the Administrative Department, with coordinated efforts from multiple departments including Equipment Department, Logistics Department, Finance Department, and the Trade Union. Responsibilities are clearly assigned, and water conservation results are incorporated into departmental KPIs. We reinforce implementation effectiveness through reward and penalty mechanisms to ensure the effective implementation of these regulations. We have set water conservation goals: by 2035, through the rollout of water-saving equipment and optimization of water usage processes, we aim to reduce per capita daily water consumption to industry-leading levels and achieve a 8%-10% reduction in per capita domestic water consumption, and establishing a long-term, four-pronged water conservation mechanism encompassing "measurement, management, technology, and awareness".

Guided by the sustainable development philosophy of "Prioritizing Water Conservation and Promoting Recycling", we have established a water use monitoring mechanism to regularly analyze water consumption data across various stages and reduce water waste during operations. We conduct regular inspections and calibrations of water meters, with dedicated personnel responsible for routine inspections and maintenance to prevent pipeline leaks. We have comprehensively promoted water-saving appliances in key water-consuming areas such as canteens and restrooms, achieving full coverage of water-saving appliances in public buildings. In the canteen, we implement a food cleaning process of "sorting before washing and soaking before rinsing", along with a dish cleaning standard of "scraping, washing, and rinsing in sequence", to reduce fresh water usage. We have also established water conservation supervision posts to prevent continuous water flow and limit the use of high-pressure water guns, opting instead to mop the floors. We continuously enhance employee awareness of water conservation through the posting of water-saving slogans, monthly publicity campaigns, and quarterly thematic training sessions. Additionally, the Company optimizes water use processes by promoting "water reuse" (e.g., using washing water for toilet flushing), replacing flood irrigation with drip/micro-sprinkler irrigation, and establishing a monthly water use analysis mechanism to dynamically track water consumption data across various functional areas. In production processes, the Company has introduced a comprehensive circulating water treatment and reuse system to achieve efficient recycling of water resources and significantly enhance water use efficiency.

Table: Water Resource Usage

Indicator	Unit	First Three Quarters of 2025	2024	2023
Water Consumption	Tonnes	419,823.2	436,219.0	291,949.8

5. SOCIAL MATTERS

5.1 Labor Rights

We strictly comply with the requirements of relevant laws and regulations, such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. We have implemented various internal measures to safeguard the rights and interests of our employees. We firmly prohibit the employment of child labor and any form of forced labor. Should any violations be identified, we will seek legal advice and take immediate corrective actions.

In terms of compensation and benefits, we strive to provide our employees with a competitive compensation and benefits system. This system covers fixed compensation such as basic salary; variable compensation such as piece-rate wages, performance-based pay, and year-end bonuses; subsidies such as telephone expense allowances; as well as comprehensive employee security and welfare benefits. Meanwhile, we have developed a reasonable performance incentive system to achieve medium- and long-term incentives, adhering to the principle of aligning rewards with value contribution, and sharing the fruits of the Company's growth with employees. We have set up a Love Fund Committee to provide financial assistance to employees and their families in times of difficulties, thereby enhancing employees' sense of belonging and cohesion.

Table: Number of Employees

Indicator		**Unit**	**First Three Quarters of 2025**
Total Number of Employees		person	3,304
Employees by Gender	Male	person	1,953
	Female	person	1,351

5.2 Employee Development & Training

We uphold the principles of fairness and impartiality for promotions, and have established dual career development paths for both management and professional roles to encourage continuous learning and growth. Based on job requirements and characteristics, we set differentiated qualification standards for different types of positions. By aligning employees' personalities, capabilities and strengths with job requirements, we provide opportunities for internal transfers and promotions. In parallel, we offer various specialized training programs, including orientation for new hires, on-the-job training, and leadership development courses, to help employees enhance their personal capabilities and professional skills, driving their career advancement and achieving shared success and development for both individuals and the Company.

5.3 Employee Health & Safety

In strict compliance with laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Law on the Prevention and Control of Occupational Diseases of the People's Republic of China*, we have established multiple internal work safety management systems and formed a Work Safety Committee as the supreme authority for managing and overseeing the Company's work safety, so as to comprehensively promote work safety and occupational health initiatives.

We have established a sound reward and disciplinary mechanism for work safety to motivate all employees in fulfilling their work safety responsibilities. In the event of a work safety incident, we will strictly follow the work safety accident management procedures to conduct level-by-level reporting, investigation and handling, accountability determination and case closure, among other steps, so as to ensure compliance with relevant regulations.

We have explicitly stipulated that the Safety Committee Office shall organize and conduct daily monitoring of occupational disease hazard factors in the workplace, formulate emergency rescue plans, and set up emergency rescue teams to ensure rapid response and handling in the event of an accident. We periodically engage third-party professional institutions to perform occupational hazard assessments, evaluate potential health and safety risks, and provide improvement recommendations. Furthermore, we provide training and awareness programs on occupational health and safety-related laws, regulations and professional knowledge for all production staff to strengthen their health and safety awareness.

Workplace accident

In April 2024, we recorded a fatal workplace incident. We were held liable for a penalty of approximately RMB510,000 in December 2024, which had been fully settled (the "Incident"). Save as the aforementioned accident, we were not involved in any other safety accident during the Track Record Period.

Following the Incident, we have implemented comprehensive safety enhancements across all our facilities. These measures include (i) enhancement of safety equipment, (ii) strengthened employees' safety training programs, (iii) perform maintenance check on facilities and equipment, (iv) evaluate the effectiveness of employees' safety measures and (v) install of employees' safety protection device.

In light of the above and based on the certificate issued by the Emergency Management Office of Beijiao Town, Shunde District, Foshan City (佛山市順德區北滘鎮應急管理辦公室) regarding the Indicent, our PRC Legal Advisor is of the view that the Incident did not cause serious damage to the public interest or significant social impact and therefore it did not constitute a major violation that seriously harms the public interest. Our PRC Legal Advisor is also of the view that the administrative penalty did not fall under the category of a major administrative penalty decision.

During the Track Record Period and up to the Latest Practicable Date, save as the incident mentioned above, we did not receive any penalty or notice from relevant authorities to further enhance our workplace safety measures. Accordingly, our Directors are of the view that our internal control measures are sufficient to prevent recurrence of similar incident.

5.4 Product Quality & Safety

In strict compliance with laws and regulations such as the *Product Quality Law of the People's Republic of China*, the Company has established internal product quality management systems to provide a comprehensive framework governing all stages of the product lifecycle, including planning, production, quality inspection and transportation processes.

We have established an emergency response leading group for quality incidents to ensure strict procedures for detecting, communicating, evaluating, and handling quality incidents. We regularly investigate quality incidents and provide reports based on the findings to prevent similar incidents in the future. We maintain an emergency response mechanism to ensure swift action in case of major quality events. We actively conduct internal cross-reviews of product quality and engage third-party institutions for regular supervisory audits to continuously improve quality management.

We have established a comprehensive product traceability system. Upon receiving a customer complaint about product quality, we bring together teams from R&D, quality control, manufacturing, and sales for evaluation. This process helps us determine the affected batches and scope, and develop a recall plan, so as to safeguard customer rights and interests.

5.5 Intellectual Property Protection

We strictly comply with relevant laws and regulations such as the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*. We have established an intellectual property risk prevention and control mechanism, and use risk patent early warning + FTO due diligence to conduct comprehensive screenings and timely handling of risk patents. We have standardized the patent application process to facilitate rapid commercialization of high-value patents. Additionally, we provide specialized IP training for all employees to raise their awareness of IP protection.

5.6 Data Security and Customer Privacy Protection

We strictly comply with relevant laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. We have enhanced controls across information assets, the physical environment, office endpoints, and personnel management to safeguard the Company's data and information security. We have implemented data backup and recovery mechanism and deployed firewalls at network egress points, servers, and production networks to protect our information from cyberattacks. Information security management is integrated into daily operations. We engage third-party institutions to conduct security vulnerability scanning on our internal network every six months, perform vulnerability analysis based on the scanning results and formulate corresponding preventive measures, so as to ensure that the Company's information security system is robust and secure against potential threats.

We have formulated a privacy policy and adopted multiple measures to protect customer privacy. We assign unique customer codes to ensure that customer names are not disclosed. Furthermore, we regularly provide training on data protection and privacy protection for all employees and carry out internal publicity activities, to enhance their awareness and sense of responsibility regarding the importance of information security and customer privacy protection.

5.7 Customer Relationship Management

We have always adhered to a customer-centric approach and are committed to fully addressing their needs. We have implemented a series of internal policies and procedures governing customer service and relationship management, adhering to standardised management of after-sales support, thereby effectively enhancing the efficiency of customer relationship management. We have built a CRM digital marketing management system to uniformly receive and handle customer complaints. We actively communicate with customers, analyze the root causes of complaints, promptly develop and implement response plans, and provide timely feedback on progress and results to customers.

We focus on customer satisfaction and conduct annual customer satisfaction surveys to gather feedback through online questionnaires and in-person interviews. The survey results will be analyzed and summarized. Based on evaluation of customer satisfaction, we develop improvement measures in terms of product quality, delivery timelines, price, service, and environmental protection to ensure timely and effective responses to customer demands. For all customer complaints received, we have conducted special investigations and follow-up on the progress, with all complaints being properly resolved.

5.8 Sustainable Supply Chain

In compliance with laws and regulations such as the *Bidding Law of the People's Republic of China* and the *Regulations on the Implementation of the Bidding Law of the People's Republic of China*, we have established internal supply chain management measures and procedures, thereby providing an institutional framework for the standardised governance of the Company's supply chain operations.

We have imposed strict requirements on the full lifecycle management of suppliers, covering their development, assessment, and elimination, and incorporated performance in environmental protection and social responsibility into the supplier management system. During the supplier development phase, we strictly control the supplier admission criteria, requiring them to provide basic qualification documents such as business licenses, production permits, and quality management system certifications. During the supplier assessment phase, we incorporate sustainability-related standards such as environmental protection into the evaluation. Their performance is monitored through monthly or semi-annual assessment focusing on supply quality, delivery timeliness, and cost. Based on the assessment results, suppliers are classified into four tiers, with corresponding management measures applied to each tier. We disqualify, eliminate, or blacklist non-compliant suppliers to optimize our supplier base.

We place a strong emphasis on suppliers' performance in ESG aspects, conducting regular sustainability audits on suppliers and issuing audit reports. Suppliers are categorized into five performance levels — Excellent, Very Good, Good, Needs Improvement, and Red Zone — based on audit scores, the number of identified non-conformities, and the risk severity of these non-conformities. This facilitates differentiated auditing and management approaches. Furthermore, we organize regular coaching and training sessions for suppliers, designed to address quality issues precisely and enhance both their product quality and professional capabilities.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

We have designated responsible personnel in our Company to monitor the ongoing compliance by our Company with the relevant PRC laws and regulations that govern our business operations and oversee the implementation of necessary measures. We have adopted internal rules and policies governing various aspects of our business operations and management, such as Articles of Association, Rules of Procedure for General Meetings of Shareholders, Rules of Procedure for Meetings of the Board of Directors, Information Disclosure Management System, Connected Transaction Decision-Making System.

We have engaged an independent internal control consultant to review our risk management and perform an initial review in selected areas of our internal controls, including, among others, financial reporting and disclosure controls, sales, accounts receivable and collection, procurement, accounts payable and payment, cash and treasury management, assets management, research and development, information technology general controls and compliance management. Our internal control consultant put forward recommendations based on such review. We have implemented rectification and improvement measures, as the case may be, in response to their findings and recommendations. The internal control consultant performed follow-up procedures on our remedial measures in December 2025 and did not identify any material deficiency in our internal control system. Having considered the report prepared by our internal control consultant, our Directors confirmed that all of the major recommendations provided by the internal control consultant have been followed and corrective actions were taken accordingly to address our internal control deficiencies and weaknesses. Our Directors are of the view that our enhanced internal control measures are adequate and effective to ensure compliance with relevant laws and regulations going forward.

Risk Management

We are exposed to various risks in the ordinary course of our business operations. Key operational risks faced by us include, among others, our ability to respond to technological changes, competition in the relevant industries, our ability to retain and grow our customer base and usage, our ability to enhance or upgrade our products and introduce new ones, our ability to maintain and expand our sales and distribution network and our ability to successfully expand to and develop market recognition in various industry sectors. See "Risk Factors — Risks relating to our business and industry" for disclosures on various risks we face. In addition, we also face certain market risks, such as credit risk, liquidity risk and interest rate risk related to our financials. See "Financial Information — Financial Risks Disclosure" for details. We have implemented policies and procedures for risk management in each aspect of our operations, including administration of daily operations, data security, financial reporting procedures, employee conduct and legal compliance. Our Board oversees and manages the overall risks associated with our operations. We have established an Audit Committee to review and supervise the financial reporting process and internal control system of our Group. See "Corporate Information" for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our Audit Committee.

DIRECTORS

Our Board of Directors consists of seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The term of office of our Directors is three years, subject to re-election.

The following table sets forth certain information regarding our Directors:

Name	Age	Position(s)	Date of joining our Group	Date of Appointment as a Director	Roles and responsibilities	Relationship with other Directors and senior management
Executive Directors						
Mr. Xiao Juncheng (肖俊承先生)	60	Executive Director, Chairman of the Board	October 1999	October 1999	Responsible for overall strategic planning of the Company	None
Mr. Zhao Nannan (趙楠楠先生)	44	Executive Director, General manager	April 2007	November 2025	Responsible for overall development strategy, business plans and operations of the Company	None
Non-executive Directors						
Mr. Guo Zhenyan (郭振巖先生)	62	Non-executive Director	November 2025	November 2025	Providing professional opinions and judgment to the Board	None
Mr. Long Jiangang (龍建剛先生)	62	Non-executive Director	November 2025	November 2025	Providing professional opinions and judgment to the Board	None
Independent non-executive Directors						
Mr. Yan Guoxiang (鄢國祥先生)	60	Independent non-executive Director	November 2025	November 2025	Providing independent opinions and judgment to the Board	None
Ms. Fu Jie (傅捷女士)	48	Independent non-executive Director	November 2025	November 2025	Providing independent opinions and judgment to the Board	None
Mr. Tang Duyuan (唐都遠先生)	48	Independent non-executive Director	November 2025	November 2025	Providing independent opinions and judgment to the Board	None

BOARD OF DIRECTORS

Executive Directors

Mr. Xiao Juncheng (肖俊承先生), aged 60, is an executive Director and the chairman of the Board of the Company. He is primarily responsible for overall strategic planning of our Company.

Mr. Xiao founded the Company in October 1999 and has since been involved in its management and operations. He has held core management positions at the Company, including executive director, chairman, and general manager.

Mr. Xiao graduated from the Department of Electrical Power Engineering at Huazhong University of Science and Technology* (華中科技大學, formerly known as 華中理工大學) with a major in Electrical Machines in July 1988, and obtained an EMBA degree from The Hong Kong University of Science and Technology* (香港科技大學) in November 2007.

As set forth below, Mr. Xiao was a director, supervisor and/or manager of the following companies which were established in the PRC and which business license was revoked. Set forth below are the relevant details:

Name of company	Place of establishment	Nature of business	Means of dissolution	Date of dissolution
Shanghai Sunrise Electric Co., Ltd. (上海日昇電業有限公司)	PRC	Manufacture of power generators	Revoked	October 25, 2011
Foshan Sunrise Electric & Electronic Co., Ltd (佛山市日昇電業製造有限公司)	PRC	Manufacture of specialized instruments and environmental monitoring equipment	Cancelled	Date of dissolution cannot be ascertained
Shenzhen Eaglerise Muci Technology Co., Ltd. (深圳市伊戈爾沐磁科技有限公司)	PRC	Manufacture of power resistors	Resolution on dissolution	March 23, 2022
Shenzhen Sunrise Electric Co., Ltd. (深圳日昇電業有限公司)	PRC	Manufacturing of electronic devices	Cancelled	July 10, 2006

Mr. Xiao has confirmed that each of the above companies was solvent at the time of its dissolution and there was no wrongful act on his part leading to such dissolution. He is not aware of any actual or potential claim which has been or will be made against him as a result of such dissolution, and that his involvement in each of the above companies was part and parcel of his services as a director, supervisor, manager and/or branch in-charge of the above companies and no misconduct or misfeasance was involved in the dissolution of each of the above companies.

Mr. Zhao Nannan (趙楠楠先生), aged 44, is an executive Director and the general manager of the Company. He is primarily responsible for the overall development strategy, business plans and operations of our Company.

Mr. Zhao joined the Company in 2007 and has held various management positions, including sales director, deputy general manager of sales, general manager of the human resources center, general manager of the marketing center, and deputy general manager of the Company.

Mr. Zhao obtained a Bachelor's degree in Electronic Information Engineering from Hubei University of Automotive Technology* (湖北汽車工業學院) in June 2007 and an MBA from Jilin University* (吉林大學) in June 2019.

Non-executive Directors

Mr. Guo Zhenyan (郭振巖先生), aged 62, is a non-executive Director of the Company.

Mr. Guo Zhenyan has been served as a Director of Beijing Electrical Engineering and Economic Research Institute of the Machinery Industry* (機械工業北京電工技術經濟研究所) since January 2012. He has served as an executive Director of Beijing Borui High-tech Electrical Technology Development Co., Ltd.* (北京博鋭高新電氣科技發展有限公司) since June 2020, and as an executive Director of Jingdian Borui Testing Technology (Beijing) Co., Ltd.* (京電博鋭檢測技術(北京)有限公司) since January 2022. He has served as an independent Director of Hunan Guangxin Technology Co., Ltd.* (湖南廣信科技股份有限公司) (stock code: 920037.BJ) since December 2023.

Mr. Guo Zhenyan served as department head, supervisor, and Director of the Shenyang Transformer Research Institute* (瀋陽變壓器研究所(院)) from July 1986 to December 2011. He also served as an independent Director of Chongqing Wangbian Electric (Group) Corp., Ltd.* (重慶望變電氣(集團)股份有限公司) from September 2017 to November 2023.

Mr. Guo Zhenyan obtained a Bachelor's degree in Electrical Insulation Technology from Harbin Institute of Electrical Technology (now Harbin University of Science and Technology)* (哈爾濱電工學院，現哈爾濱理工大學) in July 1986, and obtained a Doctor of Philosophy degree in Electrical Machines and Appliances from Shenyang University of Technology* (瀋陽工業大學) in 2005. Mr. Guo holds the professional title of Senior Engineer.

Mr. Long Jiangang (龍建剛先生), aged 62, is a non-executive Director of the Company.

Mr. Long has served as chief researcher of Foshan Shangdao Research Institute (Limited Partnership)* (佛山商道研究院(有限合夥)) since February 2017 and as an independent non-executive Director of Keda Industrial Group Co., Ltd.* (科達製造股份有限公司) (stock code: 600499.SH) since August 2021. He has served as an expert member of the Foshan Municipal Decision-making Consultation Committee* (佛山市決策諮詢委員會專家委員) since July 2025.

Mr. Long obtained a Bachelor's degree in Chinese Language and Literature from Guizhou Minzu College* (貴州民族學院) in July 1985.

As set forth below, Mr. Long was a director, supervisor and/or manager of the following companies which were established in the PRC and which business license was revoked. Set forth below are the relevant details:

Name of company	Place of establishment	Nature of business	Means of dissolution	Date of dissolution
Beijing Yingpeng Technology Co., Ltd. (北京英朋科技有限公司)	PRC	Technology promotion services	Resolution on dissolution	November 11, 2020
Foshan Zhilang Management Consulting Co., Ltd. (佛山市智朗管理諮詢有限公司)	PRC	Management services	Cancelled	April 4, 2014
Shenzhen Kunyue Cultural Communication Co., Ltd. (深圳市昆岳文化傳媒有限公司)	PRC	General	Cancelled	June 13, 2025
Foshan Zhengqianfang Investment Advisory Co., Ltd. (佛山市正前方投資顧問有限公司)	PRC	Consultancy and investigation services	Cancelled	September 27, 2020

Name of company	Place of establishment	Nature of business	Means of dissolution	Date of dissolution
Yichuanghui (Tianjin) Enterprise Management Center (Limited Partnership) (意創匯（天津）企業管理中心（有限合夥）)	PRC	Management services	Resolution on dissolution	January 21, 2022
Jiacheng Century (Tianjin) Enterprise Management Center (Limited Partnership) (嘉城世紀(天津)企業管理中心(有限合夥))	PRC	Management services	Resolution on dissolution	December 12, 2024

Mr. Long has confirmed that each of the above companies was solvent at the time of its dissolution and there was no wrongful act on his part leading to such dissolution. He is not aware of any actual or potential claim which has been or will be made against him as a result of such dissolution, and that his involvement in each of the above companies was part and parcel of his services as a director, supervisor, manager and/or branch in-charge of the above companies and no misconduct or misfeasance was involved in the dissolution of each of the above companies.

Independent non-executive Directors

Mr. Yan Guoxiang (鄢國祥先生), aged 60, is an independent non-executive Director of the Company.

Mr. Yan has served as an independent non-executive Director of China Biotech Services Holdings Limited (stock code: 8037.HK)* (中國生物科技服務控股有限公司) since August 2017, and as executive Director of Shenzhen Shichen Consulting Services Co., Ltd.* (深圳市士辰諮詢服務有限責任公司) since May 2018, and as an independent non-executive Director of Guangdong Huicheng Vacuum Technology Co., Ltd.* (廣東匯成真空科技股份有限公司) (stock code: 301392.SZ) since September 2025.

Mr. Yan served as a department manager of Tianjian Certified Public Accountants* (天健會計師事務所) from September 2007 to June 2010, as assistant to the general manager and manager of the finance department of Chongyi Zhangyuan Tungsten Industry Co., Ltd.* (崇義章源鎢業股份有限公司) (stock code: 002378.SZ) from July 2010 to January 2012, as a partner of Dahua Certified Public Accountants* (大華會計師事務所) from March 2012 to December 2014, as general manager of Shenzhen Junxing Information Technology Co., Ltd.* (深圳市君行信息科技有限公司) from August 2016 to August 2019, and as an independent non-executive Director of Shenzhen Tianwei Video Co., Ltd.* (深圳市天威視訊股份有限公司) (stock code: 002238.SZ) from August 2018 to July 2024.

Mr. Yan obtained a Bachelor's degree in Accounting from Southwest University* (西南大學) in July 2005. Mr. Yan obtained his certified public accountant qualification in April 1998. He is a non-practising member of the Chinese Institute of Certified Public Accountants (CICPA). He has also obtained professional qualifications as a Certified Asset Valuer, awarded by the China Appraisal Society* (中國資產評估協會) in August 1997.

Ms. Fu Jie (傅捷女士), aged 48, is an independent non-executive Director of the Company.

Ms. Fu has served as chief financial officer of China Kangda Food Co., Ltd.* (stock code: 00834.HK) (中國康大食品有限公司) since December 2025.

Ms. Fu served as an auditor, senior auditor, manager and senior manager at Ernst & Young Hua Ming LLP* (安永華明會計師事務所) from August 2004 to March 2016. She served as chief financial officer of China U-Ton Holdings Limited* (中國優通控股有限公司) from April 2016 to July 2019. She served as an Independent non-executive Director of Dynagreen Environmental Protection Group Co., Ltd.* (綠色動力環保集團股份有限公司) (stock code: 601330.SH, stock code: 01330.HK) from February 2018 to April 2024, and served as chief financial officer of China Kangda Food Co., Ltd. (stock code: 00834.HK) (中國康大食品有限公司) from September 2019 to June 2024. She served as investment director of Excel Power Ventures Capital Limited* (佳力創投有限公司) from July 2024 to December 2025.

Ms. Fu obtained a Bachelor's degree in Economics in Finance major from Central University of Finance and Economics* (中央財經大學) in July 2000. Ms. Fu obtained her certified public accountant qualification in January 2006. She is a non-practising member of the Chinese Institute of Certified Public Accountants (CICPA). She is also a member of the Association of Chartered Certified Accountants (ACCA) and a member of the Hong Kong Institute of Certified Public Accountants (HKICPA).

Mr. Tang Duyuan (唐都遠先生), aged 48, is an independent non-executive Director of our Company.

Mr. Tang has served as an independent non-executive Director of Shenzhen Guangdatong Innovative Materials Co., Ltd.* (深圳光大同創新材料股份有限公司) (stock code: 301387.SZ) since October 2020, and as a practising lawyer at Grandall Law Firm (Shenzhen)* (國浩律師(深圳)事務所) since June 2022.

Mr. Tang served as a practising lawyer at Grandall Law Firm (Shenzhen)* (國浩律師(深圳)事務所) from August 2009 to February 2019, at Guangdong Sundial Law Firm* (廣東信達律師事務所) from February 2019 to January 2020, and at JunZeJun Law Offices (Shenzhen)* (北京市君澤君(深圳)律師事務所) from February 2020 to February 2022.

Mr. Tang obtained a Bachelor's degree in Law from Southwest University of Political Science and Law* (西南政法大學) in July 2000. Mr. Tang obtained a practising lawyer's certificate issued by the Department of Justice of Guangdong Province (廣東省司法廳) in September 2005.

SENIOR MANAGEMENT

The following table sets out certain information about members of our senior management team:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a member of senior management	Roles and responsibilities	Relationship with other Directors and senior management
Mr. Zhao Nannan (趙楠楠先生)	44	Executive Director, General Manager	April 2007	December 2019	Responsible for the Company's overall strategic planning and operational development strategy, business plans, and overall operation	None
Mr. Wu Yuhui (吳豫輝先生)	40	Deputy General Manager	March 2010	November 2025	Responsible for R&D planning of product department and resource integration of product management center of the Company	None

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a member of senior management	Roles and responsibilities	Relationship with other Directors and senior management
Mr. Liu Jingyuan (柳景元先生)	45	Deputy General Manager	August 2019	December 2022	Responsible for the Company's supply chain management, and procurement	None
Mr. Guo Shiguang (郭石光先生)	40	Deputy General Manager	March 2011	November 2025	Responsible for overseas marketing and management of the Company	None
Mr. Chen Liang (陳亮先生)	38	Deputy General Manager	March 2010	November 2025	Responsible for the Company's domestic marketing and management	None
Mr. Huang Huijie (黃慧傑先生)	40	Deputy General Manager	May 2022	December 2022	Responsible for the Company's strategies, operations and management	None
Ms. Chen Lijun (陳麗君女士)	40	Financial Controller	July 2008	December 2019	Responsible for the Company's financial management	None
Mr. Liang Lunshang (梁倫商先生)	43	Secretary of the Board	April 2024	July 2024	Responsible for the relevant affairs of the Company's Board, capital markets and corporate governance	None

Mr. Zhao Nannan (趙楠楠先生), is an executive director and the general manager of the Company. For the biographical details of Mr. Zhao, see "— Directors — Executive Directors".

Mr. Wu Yuhui (吳豫輝先生), aged 40, is a deputy general manager of the Company.

Mr. Wu joined the Company in 2010, and has held various positions within the Company, including engineer, manager of the research department, sales director, and general manager of the energy business unit.

Mr. Wu obtained a Bachelor's degree in Electrical Engineering and Automation from Xuchang University* (許昌學院) in June 2010. He holds the professional title of Senior Engineer.

Mr. Liu Jingyuan (柳景元先生), aged 45, is a deputy general manager of the Company.

Mr. Liu joined the Company in 2019,and held various positions within the Company, including general manager of the supply chain management center and general manager of the LED driver business unit.

Prior to that, he was a planning specialist in the sales support department of Kelon International Marketing Co., Ltd.* (科龍國際營銷總公司) from July 2003 to April 2005. He was a planning supervisor in the sales support department of Hisense International Marketing Co., Ltd.*(海信國際營銷總公司) from May 2005 to June 2008. He was a procurement supervisor in the procuremen department of Hisense International Marketing Co., Ltd.* (海信國際營銷總公司) from July 2008 to June 2010. He was a procurement supervisor in the procurement department of Hisense Ronshen (Guangdong) Refrigerator Co., Ltd.* (海信容聲(廣東)冰箱有限公司) from July 2010 to December 2011. He was an assistant to the head of the procurement department of Hisense Ronshen (Yangzhou) Refrigerator Co., Ltd.* (海信容聲(揚州)冰箱有限公司) from January 2012 to March 2013. He was a deputy head of the materials department of Hisense (Shandong) Refrigerator Co., Ltd.* (海信(山東)冰箱有限公司) from April 2013 to February 2015. He was Head of the materials department of Hisense Ronshen (Guangdong) Refrigerator Co., Ltd.* (海信容聲(廣東)冰箱有限公司) from February 2015 to January 2018. He was a deputy general manager of Hisense Ronshen (Guangdong) Refrigerator Co., Ltd.* (海信容聲(廣東)冰箱有限公司) from January 2018 to November 2018.

Mr. Liu obtained a Bachelor's degree in Metallurgical Engineering from Central South University* (中南大學) in June 2003. He holds the professional title of Intermediate Engineer.

Mr. Guo Shiguang (郭石光先生), aged 40, is a deputy general manager of the Company.

Mr. Guo Shiguang joined the Company in 2011 and has held various positions within the company, including sales director, deputy general manager of energy business unit, and general manager of energy distribution business unit.

Mr. Guo Shiguang obtained a Bachelor's degree in Marketing from Guilin University of Electronic Technology* (桂林電子科技大學) in June 2011.

Mr. Chen Liang (陳亮先生), aged 38, is a deputy general manager of the Company.

Mr. Chen joined the Company in 2010 and has held various positions within the Company, including equipment engineer, R&D engineer, sales manager, sales director, and general manager of the domestic marketing center.

Mr. Chen obtained a Bachelor's degree in Automation from Wuhan University of Science and Technology* (武漢科技大學) in June 2010.

Mr. Huang Huijie (黃慧傑先生), aged 40, is a deputy general manager of the Company.

Mr. Huang joined the Company in 2022. He has served as the general manager of the strategic operations center.

Prior to that, Mr. Huang served as human resources officer, supervisor and section head of the human resources department of Hisense Ronshen (Guangdong) Refrigerator Co., Ltd.* (海信容聲(廣東)冰箱有限公司) from August 2007 to March 2014; the deputy head and the head of the comprehensive management department of Hisense Ronshen (Guangdong) Refrigerator Co., Ltd.* (海信容聲(廣東)冰箱有限公司) from March 2014 to July 2018; director of the shunde shared service center of Hisense Home Appliances Group Co., Ltd.* (海信家電集團股份有限公司) from July 2018 to September 2020; and deputy head and head of the comprehensive management department of Hisense Ronshen (Guangdong) Refrigerator Co., Ltd.* (海信容聲(廣東)冰箱有限公司) from October 2020 to April 2022.

Mr. Huang completed an undergraduate programme in Human Resource Management from South China Normal University* (華南師範大學) in December 2012.

Ms. Chen Lijun (陳麗君女士), aged 40, is the financial controller of the Company.

Ms. Chen joined the Company in 2008 and has held various positions within the Company, including assistant to the general manager, securities affairs representative, secretary of the board, and deputy general manager.

Ms. Chen obtained a Bachelor's degree in Electrical Engineering and Automation from Three Gorges University College of Science & Technology* (三峽大學科技學院) in June 2008. Ms. Chen holds the professional title of Intermediate Accountant and possesses the Qualification Certificate for secretary of the board.

Mr. Liang Lunshang (梁倫商先生), aged 43, is the secretary of the board and one of the joint company secretaries of the Company.

Mr. Liang joined the company in 2024, and has served as securities department general manager.

Prior to that, from August 2014 to January 2019, Mr. Liang served as deputy general manager of the securities department of Europol Intelligent Network Co., Ltd.* (歐浦智網股份有限公司). From September 2019 to March 2024, he served as investor relations manager and securities affairs representative of the securities department of Bear Electric Appliance Co., Ltd.* (小熊電器股份有限公司).

Mr. Liang obtained a Bachelor's degree in Transportation from Shanghai Maritime University* (上海海事大學) in July 2005. Mr. Liang holds the Qualification Certificate for secretary of the board.

INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

Except as disclosed above, each of our Directors and members of senior management had not been a director of any public company whose securities were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

Save as disclosed herein, to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there are no other matters with respect to the appointment of our Directors that need to be brought to the attention of the Shareholders, nor is there any information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(a) to (v) of the Listing Rules.

JOINT COMPANY SECRETARY

Mr. Liang is one of the joint company secretaries of the Company. For the biographical details of Mr. Liang, see "— Senior Managements".

Ms. Sham, is one of the joint company secretaries of the Company. Ms. Sham is a Senior Manager in the Company Secretarial Services Department of Tricor Services Limited (a member of Vistra Group).

With over 25 years of experience in the field of company secretarial services, Ms. Sham currently holds multiple positions as Company Secretary/Joint Company Secretary for a number of companies listed on The Stock Exchange of Hong Kong Limited, including Hilong Holding Limited (stock code: 01623.HK), Honma Golf Limited (stock code: 06858.HK), WuXi Biologics (Cayman) Inc. (stock code: 02269.HK), BrainAurora Medical Technology Limited (stock code: 06681.HK), Guming Holdings Limited (stock code: 01364.HK) and MetaLight Inc. (stock code: 02605.HK).

Ms. Sham obtained a Bachelor of Business Administration degree from Lingnan College (now known as Lingnan University) in 1997. She is a Chartered Secretary, Chartered Governance Professional, and a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, respectively.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with relevant PRC laws, regulations and the corporate governance practice in the Listing Rules, our Company has formed five Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee and the ESG Committee.

Audit Committee

We have established the Audit Committee in compliance with the Corporate Governance Code. The primary responsibilities of the Audit Committee are to review the Company's financial information and its disclosure, supervise and evaluate the work of internal and external auditors and the internal control system, and provide advice to the Board of Directors. The Audit Committee consists of three independent non-executive Directors, namely Mr. Yan, Ms. Fu, Mr. Tang. Mr. Yan, being the chairperson of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee in compliance with the Corporate Governance Code. The primary responsibilities of the Remuneration and Appraisal Committee are to formulate assessment criteria and conduct appraisals for Directors and senior management, as well as to establish and review the remuneration policies and schemes for Directors and senior management. The Remuneration and Appraisal Committee consists of three independent non-executive Directors, namely Ms. Fu, Mr. Yan, Mr. Tang. Ms. Fu serves as the chairperson of the Remuneration and Appraisal Committee.

Nomination Committee

We have established a Nomination Committee in compliance with the Corporate Governance Code. The Nomination Committee's primary duties are to assess the candidates for directors and senior management, to review matters such as the selection criteria and procedures, and to make recommendations to the Board. The Nomination Committee consists of three independent non-executive Directors, namely Mr. Tang, Mr. Yan, Ms. Fu. Mr. Tang serves as the chairperson of the Nomination Committee.

Strategy Committee

We have established a Strategy Committee in compliance with relevant provisions of the Corporate Governance Code. The primary duty of the Strategy Committee is to make recommendations to the Board regarding business objectives, overall strategic development plans, and specific strategic development initiatives. The primary responsibility of the Strategy Committee is to provide recommendations to the Board regarding business objectives, overall strategic development plans, and specific development plans. The Strategy Committee consists of three Directors, namely Mr. Xiao, Mr. Zhao, Mr. Yan. Mr. Xiao serves as the chairperson of Strategy Committee.

ESG Committee

We have established an ESG Committee in compliance with relevant provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the ESG Committee are to formulate the Company's ESG vision, objectives and strategies, and to assess and oversee the implementation of relevant policies and measures. The ESG Committee consists of three Directors, namely Mr. Xiao, Mr. Zhao, Ms. Fu. Mr. Xiao serves as the chairperson of ESG Committee.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive remuneration in the form of salaries, allowances and equity incentive, performance related bonuses and pension scheme contributions. Our independent non-executive Directors receive remuneration with reference to their respective positions and duties, including their roles as members or the chairpersons of Board committees.

For the years ended December 31, 2023 and 2024, and the nine months ended September 30, 2025, the aggregate amount of remuneration paid or payable to our Directors amounted to approximately RMB2,189,221, RMB2,333,071 and RMB1,157,463, respectively. Under the arrangement currently in force, we estimate the total remuneration before taxation, including any potential discretionary bonuses, to be paid to our Directors for the financial year ended December 31, 2025 to be approximately RMB1.8 million.

There was one Directors among the five highest paid individuals for the year ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively. For the same periods, the total emoluments payable to the remaining individuals among the five highest paid individuals amounted to RMB8.204 million, RMB10.244 million and RMB5.054 million.

During the Track Record Period, no remuneration was paid to our Directors or any of the five highest paid individuals as an inducement to join, or upon joining, our Group. During the Track Record Period, no compensation was paid to, or receivable by, any of our Directors, former directors or the five highest paid individuals for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the Track Record Period. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the [REDACTED], receive recommendations from our remuneration and appraisal committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management and the performance of our Group.

CORPORATE GOVERNANCE

We is committed to achieving high standards of corporate governance which are essential to our development and serve to protect the interests of our shareholders. To accomplish this, our Company intends to comply with the corporate governance requirements under the Corporate Governance Code and the Corporate Governance Report set out in Appendix C1 to the Listing Rules after the [REDACTED].

BOARD DIVERSITY POLICY

Pursuant to our Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors when selecting the candidates for our Board, including, but not limited to, gender, skills, age, professional experience, knowledge, cultural background, educational background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our board currently consists of one female Directors and six male Directors. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, finance and accounting and corporate governance in addition to industry experience relevant to our Group's operations and business. They obtained degrees in various majors including engineering, journalism, finance, law, accounting, business administration and management. This diverse academic background allows the Board to approach challenges and opportunities from multiple angles, fostering innovative solutions and comprehensive strategies. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our Board Diversity Policy.

Our Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the [REDACTED], our Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and, when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval. We will also disclose in our annual reports the implementation of the Board Diversity Policy.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 23, 2026 and (ii) understands the requirements under the Listing Rules that are applicable to him or her as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he/she had no past or present financial or other interests in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date and (iii) that there were no other factors that may affect his/her independence at the time of his/her appointment.

COMPLIANCE ADVISOR

We have appointed Guotai Junan Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances, including:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction is contemplated, including share issues and share repurchases;

(c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate or other information in this Document; and

(d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment of our Compliance Advisor will commence on the [REDACTED] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

OVERVIEW

(i) As of Latest Practicable Date, Mr. Xiao, our founder and chairman of the Board, directly held 11,599,268 A Shares, representing approximately 2.8% of the voting power at the general meeting of our Company (excluding the 3,079,900 A Shares held by our Company as treasury Shares as of the Latest Practicable Date); and (ii) MegaMax directly held in 122,836,704 A Shares, representing approximately 29.2% of the voting power at the general meeting of our Company (excluding the 3,079,900 A Shares held by our Company as treasury Shares as of the Latest Practicable Date), respectively.

As MegaMax was 100% controlled by Mr. Xiao. As of the Latest Practicable Date, Mr. Xiao and MegaMax were entitled to exercise in aggregate of approximately 32.0% of the voting power at the general meeting of our Company (excluding the 3,079,900 A Shares held by our Company as treasury Shares as of the Latest Practicable Date). Accordingly, Mr. Xiao and MegaMax constituted a group of single largest shareholders.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), Mr. Xiao and MegaMax will be entitled to exercise approximately [REDACTED] of the voting power at the general meetings of our Company (excluding 3,079,900 A Shares held by our Company as treasury Shares). Accordingly, Mr. Xiao and MegaMax will constitute a group of single largest shareholder.

Share Pledges By Mr. Xiao

As of Latest Practicable Date, (i) Mr. Xiao, our founder and chairman of the Board, directly held [11,599,268] A Shares, representing approximately 2.8% of the voting power at the general meeting of our Company (excluding the 3,079,900 A Shares held by our Company as treasury Shares as of the Latest Practicable Date); and (ii) MegaMax, which is 100% owned by Mr. Xiao, directly held 122,836,704 A Shares, representing approximately 29.2% of the voting power at the general meeting of our Company (excluding the 3,079,900 A Shares held by our Company as treasury Shares as of the Latest Practicable Date), respectively. In order to obtain financing for his personal needs, Mr. Xiao has from time to time pledged the A Shares he owned directly or indirectly to certain PRC financial institutions as collateral. As of the Latest Practicable Date, Mr. Xiao has pledged 54,123,449 A Shares, representing 12.9% of the voting power of our Company (excluding the 3,079,900 A Shares held by our Company as treasury Shares as of the Latest Practicable Date) as security in favor of certain PRC financial institutions regulated by the NAFR and/or the CSRC.

The loan and credit facilities of Mr. Xiao secured by share pledges in respect of the A Shares he holds might be subject to margin call, close-out or loan-to-value ratio requirements that would be triggered by a material variation in value of our A Shares. Nevertheless, Mr. Xiao can opt to repay a portion of the relevant outstanding loans and/or provide additional margin funds in the event such margin call or loan-to-value ratio requirement is triggered to avoid having to pledge additional Shares in respect of such loan or credit facilities. Mr. Xiao will only pledge additional Shares to the extent permissible under the Hong Kong Listing Rules and further announcement(s) will be made by the Company as and when appropriate and required under the Hong Kong Listing Rules.

To the best knowledge of our Directors, there has not been any adverse credit records against Mr. Xiao in respect of any breach of repayment obligations under its indebtedness.

COMPETITION

Our Single Largest Shareholders Group confirm that, as of the Latest Practicable Date, none of our Single Largest Shareholders and their respective close associates had any interest in any business, apart from the business of our Company, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10(1) of the Listing Rules.

INDEPENDENCE FROM OUR LARGEST SHAREHOLDERS GROUP

Our Directors consider that we are capable of carrying on our business independently of our Single Largest Shareholders Group and their respective close associates upon [REDACTED], based on the following factors:

Management Independence

Our management and operational decisions are made collectively by our Board of Directors and our senior management, with our Board having an overall supervision of our management. Upon [REDACTED], our Board will comprise seven Directors, including two executive Director, two non-executive Directors and three independent non-executive Directors.

Other than Mr. Xiao, our chairman of the Board and an executive Director, none of the Directors or members of the senior management of our Company holds any directorships and/or other senior management roles in the Single Largest Shareholders group or any companies owned or controlled by our Single Largest Shareholders and their respective close associates.

Our Directors consider that our Board and senior management will function independently of our Single Largest Shareholders group for the following reasons:

- each of our Directors is aware of his/her fiduciary duties as a Director which requires, among other things, that he/she acts for the benefit and in the best interests of our Company and our Shareholders as a whole and does not allow any conflict between his/her duties as a director and his/her personal interest.

- our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interest of our Group. For details of the industry experience of our senior management team, please refer to the section headed "Directors and Senior Management";

- our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. Our independent non-executive Directors are not associated with our Single Largest Shareholders Group or their respective close associates, which ensures that decisions of our Board are made only after due consideration of independent and impartial opinions;

- our independent non-executive Directors individually and collectively possess the requisite knowledge, experience and competence to provide a balance of potentially interested Directors with a view to promote the interests of our Company and our Shareholders as a whole;

- our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions; and

- in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Single Largest Shareholders Group or its associates, the interested Director(s), if any, shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum, in accordance with the Articles of Association and the Listing Rules.

Operation Independence

Our Company holds all the relevant material intellectual property rights, licenses, qualifications and permits required for conducting our Company's business. Our Company has sufficient capital, facilities and employees to operate our business independently from our Single Largest Shareholders Group and its close associates in areas such as business development, staffing, sales, and marketing. We have our own accounting and financial departments, human resources and administration departments, and procurement, production and sales departments, and we expect to continue operating these departments separately and independently from our Single Largest Shareholders Group and its close associates.

We have independent access to our customers and suppliers. We have set up an independent management team to handle our daily business operations. We have established a set of internal control procedures and adopted corporate governance practices to facilitate the effective operation of our business. As of the Latest Practicable Date, none of our Single Largest Shareholders Group or their close associates had any interest in any of our top five customers or suppliers.

Based on the above, our directors are of the view that we can operate independently of our Single Largest Shareholders Group and their close associates after [REDACTED].

Financial Independence

Our Company has an independent financial, internal control, and accounting systems. We make financial decisions and determine our use of funds according to our own business needs. We have opened accounts with banks independently and do not share any bank accounts with our Single Largest Shareholders Group or their respective close associates pursuant to applicable laws and regulations. We have established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems. We do not expect to rely on our Single Largest Shareholders Group or their respective close associates for financing after the [REDACTED] as we expect that our working capital will be funded by our daily operations as well as the [REDACTED] from the [REDACTED].

As of the Latest Practicable Date, there were no subsisting loans, guarantees or pledges provided by our Single Largest Shareholders Group or their respective close associates to our Group.

Based on the above, our directors believe that we can obtain external financing on market terms without reliance on the creditworthiness of our Single Largest Shareholders Group and there is no financial dependence on our Single Largest Shareholders Group and their close associates.

Based on the above, our directors believe that our Company will be able to maintain financial independence from our Single Largest Shareholders Group and their respective close associates after the [REDACTED].

CORPORATE GOVERNANCE MEASURES

Our directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We have put in place sufficient corporate governance measures to maintain good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Shareholders Group and their respective close associates:

a) our Company has established internal control mechanism to identify connected transactions. Upon [REDACTED], if our Group enters into connected transactions with our Single Largest Shareholders Group or their respective close associates, our Company will comply with the applicable requirements under the Listing Rules;

b) where a Shareholders' meeting is to be held to consider proposed transactions in which our Single Largest Shareholders Group or their respective close associates have any material interests, our Single Largest Shareholders Group and their respective close associates (as applicable) will not vote on the relevant resolutions;

c) our Board has a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. Our independent non-executive Directors represent more than one third of our Board, which ensures that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge, experience, and competence to perform their duties. They will review whether there is any conflict of interests between our Group and our Single Largest Shareholders Group or their respective close associates and provide impartial and professional advice to protect the interests of our minority Shareholders;

d) where the advice from an independent professional, such as a financial or legal advisor, is reasonably requested by our Directors (including independent non-executive Directors), the appointment of such independent professional will be made at our Company's expenses; and

e) we have appointed Guotai Junan Capital Limited as our compliance advisor who will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to Directors' duties and corporate governance matters.

Based on the above, our directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Company and our Single Largest Shareholders Group, and to protect our minority Shareholders' interests after the [REDACTED].

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

BEFORE THE COMPLETION OF [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company consisted of 423,206,124 A Shares (including 3,079,900 A Shares as Treasury Shares) with a nominal value of RMB1.00 each, all of which are listed on the Main Board Shenzhen Stock Exchange.

UPON COMPLETION OF THE [REDACTED]

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), the issued share capital of our Company will be as follows:

	Number of Shares	**Approximately percentage of issued share capital** *(%)*
A Shares in issue	423,206,124[(1)]	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

Note:

(1) Including 3,079,900 A Shares which are held by our Company as Treasury Shares as of the Latest Practicable Date.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is exercised in full and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), the issued share capital of our Company will be as follows:

	Number of Shares	**Approximately percentage of issued share capital** *(%)*
A Shares in issue	423,206,124(1)	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

Note:

(1) Including 3,079,900 A Shares which are held by our Company as Treasury Shares as of the Latest Practicable Date.

OUR SHARES

Upon the completion of the [REDACTED], our Shares will consist of A Shares and H Shares. The A Shares and H Shares are all ordinary Shares in the share capital of our Company. Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between Chinese Mainland and Hong Kong. Our A Shares can be subscribed for and traded by Chinese Mainland investors, qualified foreign institutional investors or qualified foreign strategic investors and our A Shares must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. Our H Shares can be subscribed for or traded by Hong Kong and other overseas investors and qualified domestic institutional investors. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by Chinese Mainland investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the [REDACTED]. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (H股公司境內未上市股份申請「全流通」業務指引) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for [REDACTED] on the Stock Exchange.

RANKING

Our A Shares and our H Shares are regarded as one class of Shares under our Articles of Association and shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends could also be distributed in the form of Shares. Holders of our H Shares will receive scrip dividends in the form of H Shares, and holders of our A Shares will receive scrip dividends in the form of A Shares.

APPROVAL FROM A SHAREHOLDERS REGARDING THE [REDACTED]

We obtained our A Shareholders' approval to issue H Shares and seek the [REDACTED] of H Shares on the Stock Exchange at the general meeting of our Company held on December 18, 2025. Such approval is subject to the following conditions:

(i) **Size of the [REDACTED].** In accordance with the relevant requirements of the Listing Rules and other applicable regulatory requirements, the proposed number of H Shares to be offered shall not exceed [REDACTED] of the total issued share capital enlarged by the H Shares to be issued pursuant to the [REDACTED] (before the exercise of the [REDACTED]), and the number of H Shares to be issued pursuant to the exercise of the [REDACTED] shall not exceed [REDACTED] of the total number of H Shares to be offered initially under the [REDACTED].

(ii) **Method of [REDACTED].** The method of [REDACTED] shall be by way of an [REDACTED] to institutional investors and a [REDACTED] for subscription in Hong Kong.

(iii) **[REDACTED].** The H Shares shall be issued to [REDACTED] in Hong Kong under the [REDACTED] and international investors, and qualified domestic institutional investors in Chinese Mainland and other investors who are in compliance with the relevant regulatory requirements to invest abroad in the [REDACTED].

(iv) **[REDACTED] basis.** The [REDACTED] of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders and international [REDACTED] as a whole, acceptance of investors and the risks related to the [REDACTED], according to international practice, through the demands for orders and book building process, subject to the domestic and overseas capital market conditions, by our Board (as authorized by the Shareholders' meeting) and/or designated persons authorized by our Board together with the [REDACTED].

(v) **Validity period.** The issue of H Shares and [REDACTED] of H Shares on the Stock Exchange shall be completed within 24 months after the date of the Shareholders' meeting.

There is no other approved [REDACTED] for the Shares except for the [REDACTED].

GENERAL MEETINGS

For details of circumstance under which our general meetings are required, see "Appendix III — Summary of Articles of Association — General Provisions for Shareholders' General Meetings" to this Document.

SHARE SCHEMES

For details of our share schemes, see "Appendix IV — Statutory and General Information — Employee Incentive Plans" in Appendix IV to this Document.

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), the following persons will have an interest or short position in Shares and/or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company.

Name of Shareholder	Nature of interest(1)	Number and class of Shares or underlying Shares held	Shareholding percentage as of the Latest Practicable Date(2)	Shareholding percentage upon completion of the [REDACTED](3)
Mr. Xiao	Beneficial owner	11,599,268 A Shares	2.74%	[REDACTED]%
	Interest in controlled corporation(4)	122,836,704 A Shares	29.03%	[REDACTED]%
MegaMax	Beneficial owner	122,836,704 A Shares	29.03%	[REDACTED]%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 423,206,124 Shares in issue (including 3,079,900 A Shares as treasury Shares) as of the Latest Practicable Date.

(3) The calculation is based on the total number of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]).

(4) As of the Latest Practicable Date, MegaMax was 100% held by Mr. Xiao. By virtue of the SFO, Mr. Xiao is deemed to be interested in the Shares held by MegaMax. For details, see "History and Corporate Structure — Corporate Structure" and "Substantial Shareholders" in this Document.

Save as disclosed herein above, our Directors are not aware of any person who will have an interest or a short position in the shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and notes included in "Accountant's Report" as set out in Appendix I to this Document. The financial information as set out in the Accountant's Report incorporates the financial statements of our Company during the Track Record Period. You should read the whole Accountant's Report as set out in Appendix I to this Document and not rely merely on the information presented in this section. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. You should not place undue reliance on any such statements. Our actual future results and timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors," "Forward-Looking Statements" and elsewhere in this Document.

OVERVIEW

We are a global supplier of power equipment and solutions. Leveraging proprietary core technologies and dedicated R&D capabilities, we provide a diversified product portfolio across multiple application fields, including new energy, data centers, power distribution, industrial control, and lighting. We specialize in transformer equipment, power supplies, and magnetic component products. In addition, we deliver integrated solutions tailored to specific application scenarios, committed to customers worldwide in achieving reliable and efficient operations.

Since our inception, we entered the global market through consumer electronics as our initial product line. We have consistently remained attuned to market demand, and subsequently expanded into the new energy sector and established a position in the new energy transformer equipment industry. Through our commitment to product quality, our business has continuously expanded, enabling us to build a base of high-quality global customers and achieve scaled production capabilities. By strategically replicating our product advantages across more high-growth industries, we further extended our business into the data center sector. Along the industry value chain, we have further expanded our product portfolio from supplying core components to selling complete machines, resulting in a product portfolio comprising various product categories and covering multiple sectors. Leveraging years of accumulated industry experience, we have developed the capability to provide customers with one-stop customized solutions.

During the Track Record Period, our business continued to grow steadily. In 2023, 2024 and the nine months ended September 30, 2025, our revenue was RMB3,616.3 million, RMB4,602.7 million and RMB3,769.4 million, respectively. Our profit for the year/period was RMB216.8 million, RMB300.2 million and RMB188.1 million in the same periods, respectively. Over the same periods, our gross profit margin was 21.7%, 20.1% and 17.8%, respectively, reflecting changes in our product mix and market conditions.

BASIS OF PREPARATION

For the purpose of preparing and presenting the historical financial information for the Track Record Period, we have consistently applied accounting policies that conform with IFRS Accounting Standards effective for our accounting period beginning on January 1, 2025 throughout the Track Record Period.

The preparation of the historical financial information in conformity with IFRS Accounting Standards requires the use of certain accounting estimates and management's judgment in applying our accounting policies. Although these estimates and judgments are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the historical financial information, are disclosed in Note 4 to the Accountants' Report included in Appendix I to this Document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations are affected by general factors that influence our industry, including, among others, overall macroeconomic and geopolitical conditions in China and globally, the development and competitive landscape of our industry, global trade tensions, as well as the applicable regulatory environment and policies. In addition to these general factors, we believe our results of operations are more directly affected by the following specific factors:

Our Product

Our long-term success depends on our ability to introduce a comprehensive range of products that meet the evolving demands of our customers globally. We are committed to providing integrated products that serve diverse markets and application scenarios. See "Business — Our Products." During the Track Record Period, our gross profit margin varied among different business segments, and our results of operations were therefore significantly affected by our product mix.

We will continue to enrich our product portfolio by leveraging our proprietary core technologies and R&D capabilities. We believe that continued diversification of our product portfolio will not only strengthen our market position, but also create new revenue and profit streams and further support our long-term growth.

Our R&D Efforts

Our ability to sustain our technological edge and continuously enhance our product offerings is crucial to maintaining our market position and supporting our long-term growth. We have devoted considerable resources to research and development. In 2023 and 2024, and the nine months ended September 30, 2024 and 2025, our total R&D expenses amounted to RMB185.8 million, RMB191.2 million, RMB145.7 million and RMB173.9 million, respectively. We have been focused on building a comprehensive R&D system, with technology and product innovation serving as the primary drivers of our business development.

We have assembled a sizable, experienced, and seasoned professional R&D team. The core members possess profound professional backgrounds and years of R&D practical experience in the power electronics, electromagnetic technology, and related application fields. This high-caliber team serves as driving force for our continuous technological breakthroughs and product innovation.

We have translated our R&D efforts into a range of core technologies and commercialized products. See "Business — Research and Development — Our R&D Achievements." We intend to continue strengthening our R&D capabilities to support our future business development.

Our Global Footprint

We have established a global footprint and localized service capabilities in overseas markets, enabling us to provide end-to-end localized services throughout the entire lifecycle, from pre-sales consultation and product manufacturing to after-sales support. In 2023 and 2024, and the nine months ended September 30, 2024 and 2025, the revenue generated from countries and regions outside Chinese Mainland accounted for 27.1%, 29.5%, 29.5% and 33.8% of our total revenue, respectively. Our overseas presence forms an international operating platform that supports our global business. We intend to continue optimizing and expanding our global network, which is expected to help diversify our market exposure and enhance our resilience to regional market fluctuations.

Our Cost Control and Operational Efficiency Improvement

Our ability to effectively control costs and expenses is critical to our results of operations. In 2023 and 2024, and for the nine months ended September 30, 2024 and 2025, our cost of sales as a percentage of revenue were 78.3%, 79.9%, 78.5% and 82.2%, respectively.

During the Track Record Period, materials costs have been the largest component of our cost of sales. In 2023 and 2024, and the nine months ended September 30, 2024 and 2025, our cost of materials amounted to RMB2,504.8 million, RMB3,173.9 million, RMB2,170.2 million and RMB2,574.2 million, respectively, accounting for 88.4%, 86.3%, 85.8% and 83.1% of our total cost of sales, respectively. As a result, changes in the prices of our major materials may have a direct impact on our cost of sales and, in turn, our financial performance. The prices of our major materials may fluctuate with market conditions. To mitigate the impact of such price fluctuations, we procure major materials through standardized and stringent supplier selection and management procedures. See "Business — Procurement and Supply Chain Management, and Suppliers" for more details.

Our operating expenses primarily consist of cost of sales, research and development expenses, selling expenses and general and administrative expenses. Our ability to manage operating expenses efficiently also affects our profitability. As our business grows, we believe we may benefit from economies of scale, which could improve our operational efficiency and profitability over time.

MATERIAL ACCOUNTING POLICY AND SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

We set out below those material accounting policies that we believe are of critical importance to our financial reporting and that involve significant judgments, estimates and assumptions in the preparation of our Historical Financial Information. These accounting policies and related estimates and judgments are important for understanding our financial condition and results of operations and have been consistently applied during the Track Record Period. Our material accounting policies and the key areas that involve significant management judgment, estimates and assumptions are described in greater detail in Notes 3.2 and 4 to the Accountants' Report included in Appendix I to this Document.

Revenue Recognition

Revenue mainly arises from sales of new energy products, lighting products, power distribution products, industrial control products and data center products and others.

To determine whether to recognize revenue, we follow a five-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue when or as performance obligations are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized either at a point in time, when we satisfy performance obligations by transferring the promised goods to our customers.

Revenue from sale of goods

Revenue from sale of goods between us and our customers generally only includes a performance obligation for the transfer of goods, which is recognized when the performance obligation has been satisfied at a point in time.

Revenue for domestic sale of goods is recognized when the products have been delivered to the customer as stipulated in the contract, and the customer has accepted the goods; it is probable that related economic benefits will flow to us; the significant risks and rewards of ownership of the goods have been transferred; and ownership of the goods has been transferred.

Revenue for overseas sale of goods is recognized when customs declaration procedures for the products have been completed as stipulated in the contract and the customs declaration forms have been obtained; it is probable that related economic benefits will flow to us; the significant risks and rewards of ownership of the goods have been transferred; and ownership of the goods has been transferred.

Impairment of Non-Financial Assets

The following assets are subject to impairment testing:

- Intangible assets;
- Property, plant and equipment;
- Goodwill;
- Right-of-use assets; and
- The Company's investments in subsidiaries, associates and joint venture.

Assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a cash generating unit ("**CGU**")). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Impairment losses recognised for CGU, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

Property, Plant and Equipment

Property, plant and equipment (other than construction in progress as described below) are initially recognised at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by our management, including costs of testing whether the related assets are functioning properly). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with our accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values using the straight-line basis over their estimated useful lives as follow:

Properties and buildings	5–40 years
Machinery	3–10 years
Transportation equipment	3–5 years
Electronic equipment and other equipment	3–10 years
Leasehold improvements	3–5 years

The land purchased by us overseas with permanent property rights is recognized as freehold land and is not depreciated.

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each year/period for the Track Record Period.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Key Sources of Estimation Uncertainty and Significant Judgments

In applying our accounting policies, our management is required to make judgments, estimates and assumptions concerning the future. These involve significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Key areas where significant judgment and estimation uncertainty exist include:

Impairment of financial assets and contract assets

The loss allowances for financial assets and contract assets are based on assumptions about risk of default and expected loss rates. We use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on our past history, existing market conditions, as well as forward-looking estimates at the end of each year/period for the Track Record Period. Details of the key assumptions and inputs used are disclosed in the tables in Note 45 to the Accountants' Report included in Appendix I to this Document.

Inventory provision

We measure the inventory at the lower of cost and net realizable value, and make inventory provision for the obsolete inventory, slow-moving inventory and the inventory of which the cost is higher than their net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of us has made the best estimate about the inventory impairment loss predicted to occur and provided allowance for impairment, the impairment assessment may still be significantly changed due to the change of market situation.

Fair value measurement of financial assets at level 3 fair value hierarchy

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. We use its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets at level 3 fair value hierarchy are disclosed in the tables in Note 44 to the Accountants' Report included in Appendix I to this Document.

Income taxes and deferred income taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgements are required from us in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

We recognize deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilised. The recognition of deferred income tax assets mainly involves management's judgements and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

Recognition of share-based compensation expenses

Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the significant input of expected life of the share incentive granted, expected volatility, and risk-free rate and making assumptions about them.

For the measurement of the fair value of share-based payment transactions with employees at the grant date, we use a Black-Scholes option pricing model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 36 to the Accountants' Report included in Appendix I to this Document.

Impairment of property, plant and equipment, intangible assets with finite useful lives and right-of-use assets

Property, plant and equipment, intangible assets with finite useful lives and right-of-use assets are stated at costs less accumulated depreciation or amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying amount of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets out a summary of our consolidated statements of profit or loss and other comprehensive income for each year/period indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Revenue	3,616,308	4,602,694	3,224,149	3,769,432
Cost of sales	(2,833,087)	(3,677,647)	(2,530,001)	(3,099,289)
Gross profit	**783,221**	**925,047**	**694,148**	**670,143**
Other income	46,953	63,040	45,702	65,350
Other (losses)/gains, net	(14,352)	25,120	(10,551)	(2,861)
Impairment losses reversed/ (recognised) on financial assets and contract assets, net	(12,834)	(17,200)	(5,987)	741
Research and development expenses	(185,800)	(191,177)	(145,673)	(173,893)
General and administrative expenses	(225,034)	(306,205)	(212,002)	(225,331)
Selling expenses	(88,491)	(109,553)	(76,395)	(102,332)
Finance costs	(23,788)	(43,239)	(31,900)	(37,673)
Share of result of an associate	(53,784)	457	(3,526)	(3,334)
Profit before income tax	**226,091**	**346,290**	**253,816**	**190,810**
Income tax expense	(9,248)	(46,128)	(35,783)	(2,719)
Profit for the year/period	**216,843**	**300,162**	**218,033**	**188,091**

Revenue

In 2023, 2024 and the nine months ended September 30, 2025, our revenue was RMB3,616.3 million, RMB4,602.7 million, RMB3,224.1 million and RMB3,769.4 million, respectively.

Revenue by Product Types

During the Track Record Period, a majority of our revenue came from (i) transformer equipment products, including (a) new energy products, which amounted to RMB1,953.2 million, RMB2,636.3 million, RMB1,767.0 million and RMB2,207.6 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 54.0%, 57.3%, 54.8% and 58.6% of our total revenue in the same respective periods; (b) data center products, which amounted to RMB49.7 million, RMB149.3 million, RMB106.0 million and RMB99.3 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 1.4%, 3.2%, 3.3% and 2.6% of our total revenue in the same respective periods; (c) power distribution products, which amounted to RMB374.1 million, RMB372.0 million, RMB305.3 million and RMB312.6 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 10.3%, 8.1%, 9.5% and 8.3% of our total revenue in the same respective periods; (d) industrial control products, which amounted to RMB249.6 million, RMB232.6 million, RMB172.7 million and RMB162.0 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 6.9%, 5.1%, 5.4% and 4.3% of our total revenue in the same respective periods; (ii) lighting products, which amounted to RMB811.7 million, RMB978.3 million, RMB709.9 million and RMB660.5 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 22.4%, 21.3%, 22.0% and 17.5% of our total revenue in the same respective periods; and (iii) other products, which amounted to RMB178.0 million, RMB234.1 million, RMB163.3 million and RMB327.3 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 5.0%, 5.0%, 5.0% and 8.7% of our total revenue in the same respective periods.

The following table sets out a breakdown of our revenue by product types for each year/period indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000* (unaudited)	*%*
Transformer Equipment Products	**2,626,562**	**72.6**	**3,390,204**	**73.7**	**2,350,954**	**73.0**	**2,781,578**	**73.8**
— New energy products	1,953,199	54.0	2,636,273	57.3	1,767,010	54.8	2,207,647	58.6
— Data center products	49,678	1.4	149,294	3.2	105,969	3.3	99,344	2.6
— Power distribution products	374,069	10.3	372,004	8.1	305,256	9.5	312,572	8.3
— Industrial control products	249,616	6.9	232,633	5.1	172,719	5.4	162,015	4.3
Lighting Products	**811,713**	**22.4**	**978,349**	**21.3**	**709,937**	**22.0**	**660,535**	**17.5**
Other Products	**178,033**	**5.0**	**234,141**	**5.0**	**163,258**	**5.0**	**327,319**	**8.7**
Total	**3,616,308**	**100.0**	**4,602,694**	**100.0**	**3,224,149**	**100.0**	**3,769,432**	**100.0**

Revenue by Geographical Region

During the Track Record Period, we generated revenue primarily from Chinese Mainland and other countries/regions. Revenue from other countries/regions amounted to RMB981.3 million, RMB1,357.1 million, RMB950.5 million and RMB1,275.3 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, accounting for 27.1%, 29.5%, 29.5% and 33.8% of our total revenue in the same respective periods.

The following table sets out a breakdown of our revenue by geographical region for each year/period indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000* (unaudited)	%	*RMB'000* (unaudited)	%
Revenue from external customers								
— Chinese Mainland	2,635,030	72.9	3,245,598	70.5	2,273,679	70.5	2,494,132	66.2
— Other countries/regions	981,278	27.1	1,357,096	29.5	950,470	29.5	1,275,300	33.8
	3,616,308	**100.0**	**4,602,694**	**100.0**	**3,224,149**	**100.0**	**3,769,432**	**100.0**

Cost of Sales

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our cost of sales was RMB2,833.1 million, RMB3,677.6 million, RMB2,530.0 million and RMB3,099.3 million, respectively.

Our cost of sales primarily consisted of (i) materials costs; (ii) employee benefit expenses; and (iii) depreciation and amortization.

The following table sets out a breakdown of our cost of sales for each year/period indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000* (unaudited)	%	*RMB'000* (unaudited)	%
Cost of sales								
Materials costs	2,504,826	88.4	3,173,913	86.3	2,170,152	85.8	2,574,228	83.1
Employee benefit expenses	178,830	6.3	254,497	6.9	174,895	6.9	269,240	8.7
Depreciation and amortization	66,826	2.4	85,884	2.3	73,224	2.9	92,071	3.0
Transportation costs	37,227	1.3	115,034	3.1	68,523	2.7	107,306	3.5
Provision for impairment of inventories	16,646	0.6	15,630	0.4	18,259	0.7	24,066	0.8
Water and electricity charges	18,095	0.6	25,965	0.7	18,777	0.7	23,470	0.8
Other expenses	10,637	0.4	6,724	0.3	6,171	0.3	8,908	0.1
	2,833,087	**100.0**	**3,677,647**	**100.0**	**2,530,001**	**100.0**	**3,099,289**	**100.0**

Our materials costs were primarily used in the production of our transformer equipments and lighting products, and represented the largest component of our total cost of sales during the Track Record Period. The movements in our materials costs during the Track Record Period were broadly in line with the changes in sales of the relevant product categories, reflecting that material usage is closely correlated with our production and sales volumes.

Cost of Sales by Product Types

The following table sets out a breakdown of our cost of sales by product types for each year/period indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000* (unaudited)	*%*
Transformer Equipment Products	**2,083,390**	**73.6**	**2,708,475**	**73.6**	**1,869,048**	**73.9**	**2,297,307**	**74.2**
— New energy products	1,576,125	55.6	2,143,641	58.3	1,409,060	55.7	1,876,657	60.6
— Data center products	38,737	1.4	129,891	3.5	95,214	3.8	73,974	2.4
— Power distribution products	276,532	9.8	256,821	7.0	230,634	9.1	226,493	7.3
— Industrial control products	191,996	6.8	178,122	4.8	134,140	5.3	120,183	3.9
Lighting Products	**599,432**	**21.2**	**783,906**	**21.3**	**528,835**	**20.9**	**528,393**	**17.0**
Other Products	**150,265**	**5.2**	**185,266**	**5.1**	**132,118**	**5.2**	**273,589**	**8.8**
Total	**2,833,087**	**100.0**	**3,677,647**	**100.0**	**2,530,001**	**100.0**	**3,099,289**	**100.0**

Gross Profit and Gross Profit Margin

We recorded gross profit of RMB783.2 million, RMB925.0 million, RMB694.1 million and RMB670.1 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Our gross profit margin was 21.7%, 20.1%, 21.5% and 17.8% in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Gross Profit and Gross Profit Margin by Product Types

The following table sets out a breakdown of gross profit and gross profit margin by product types for each year/period indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Gross profit	Gross Profit Margin	Gross profit	Gross Profit Margin	Gross profit	Gross Profit Margin	Gross profit	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000* (unaudited)	*%*
Transformer Equipment Products	**543,172**	**20.7**	**681,729**	**20.1**	**481,906**	**20.5**	**484,271**	**17.4**
— New energy products	377,074	19.3	492,632	18.7	357,950	20.3	330,990	15.0
— Data center products	10,941	22.0	19,403	13.0	10,755	10.1	25,370	25.5
— Power distribution products	97,537	26.1	115,183	31.0	74,622	24.4	86,079	27.5
— Industrial control products	57,620	23.1	54,511	23.4	38,579	22.3	41,832	25.8
Lighting Products	**212,281**	**26.2**	**194,443**	**19.9**	**181,102**	**25.5**	**132,142**	**20.0**
Other Products	**27,768**	**15.6**	**48,875**	**20.9**	**31,140**	**19.1**	**53,731**	**16.4**
Total	**783,221**	**21.7**	**925,047**	**20.1**	**694,148**	**21.5**	**670,143**	**17.8**

Other Income

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our other income was RMB47.0 million, RMB63.0 million, RMB45.7 million and RMB65.4 million, respectively. Our other income consisted of (i) amortization of deferred government grants; (ii) other government grants; (iii) bank interest income; and (iv) others.

The following table sets out a breakdown of our other income for each year/period indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Amortization of deferred government grants	2,984	6,302	4,070	7,089
Value added tax ("**VAT**") and other tax credits concessions	6,908	17,271	6,388	19,462
Other government grants	16,032	7,537	4,773	15,443
Bank interest income	10,344	14,546	11,488	12,096
Time deposits interest income	7,883	14,293	13,880	1,524
Others	2,802	3,091	5,103	9,736
	46,953	**63,040**	**45,702**	**65,350**

Impairment Losses Reversed/(Recognised) on Financial Assets and Contract Assets, Net

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our net impairment losses recognized on financial assets and contract assets was RMB12.8 million, RMB17.2 million, RMB6.0 million and turned into a net reversal of impairment losses of RMB0.7 million, respectively. Our net impairment losses recognized on financial assets and contract assets were primarily related to impairment provisions on trade receivables, contract assets and other receivables.

Other (Losses)/Gains, Net

Our net other (losses)/gains primarily consisted of (i) fair value gains on financial assets at FVTPL; (ii) fair value losses on financial liabilities at FVTPL; (iii) (losses)/gains on disposal of property, plant and equipment; (iv) net foreign exchange gains/(losses); and (v) penalty income.

The following table sets out a breakdown of our net other (losses)/gains, net for the years/periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Fair value gains on financial assets at FVTPL	1,285	1,698	1,698	—
Fair value losses on financial liabilities at FVTPL	(16,760)	(125)	—	—
(Losses)/gains on disposals of property, plant and equipment	(2,884)	13,691	(1,681)	(879)
Net foreign exchange gains/(losses)	1,948	7,670	(11,310)	(5,578)
Penalty income	1,735	1,105	973	1,396
Dividend income from financial assets at FVTOCI	—	780	—	1,921
Others	324	301	(231)	279
	(14,352)	**25,120**	**(10,551)**	**(2,861)**

Research and Development Expenses

Our research and development expenses primarily consists of: (i) employee benefit expenses; (ii) materials costs; and (iii) research and developments testing costs.

The following table sets out a breakdown of our research and development expenses by nature for each year/period indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)		(unaudited)	
Research and Development Expenses								
Employee benefit expenses	64,028	34.5	67,664	35.4	41,639	28.6	78,907	45.4
Materials costs	104,467	56.2	83,057	43.4	79,541	54.6	58,131	33.4
Research and developments testing costs	9,213	5.0	19,558	10.2	9,159	6.3	18,283	10.5
Depreciation and amortisation	5,448	2.9	11,257	5.9	8,596	5.9	12,602	7.2
Office and travel expenses	762	0.4	2,382	1.2	870	0.6	796	0.5
Other expenses	1,882	1.0	7,259	3.9	5,868	4.0	5,174	3.0
	185,800	**100.0**	**191,177**	**100.0**	**145,673**	**100.0**	**173,893**	**100.0**

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our research and development expenses were RMB185.8 million, RMB191.2 million, RMB145.7 million and RMB173.9 million, respectively.

General and Administrative Expenses

Our general and administrative expenses primarily consisted of (i) employee benefit expenses; (ii) depreciation and amortisation; (iii) professional and consulting fee; (iv) office and travel expenses; (v) water and electricity charges; and (vi) business tax and surcharges. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our general and administrative expenses were RMB225.0 million, RMB306.2 million, RMB212.0 million and RMB225.3 million, respectively.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000* (unaudited)	*%*
General and Administrative Expenses								
Employee benefit expenses	124,939	55.5	153,395	50.1	108,622	51.2	104,420	46.3
Depreciation and amortisation	16,944	7.5	23,188	7.6	15,782	7.4	29,674	13.2
Professional and consulting fee	21,769	9.7	33,281	10.9	30,900	14.6	21,065	9.3
Office and travel expenses	17,377	7.7	22,659	7.4	16,908	8.0	19,046	8.5
Water and electricity charges	13,916	6.2	20,221	6.6	11,499	5.4	18,494	8.2
Business tax and surcharges	17,780	7.9	24,233	7.9	15,541	7.3	16,832	7.5
Bank charges	1,439	0.6	3,365	1.1	3,005	1.4	2,241	1.0
Other expenses	10,870	4.9	25,863	8.4	9,745	4.7	13,559	6.0
	225,034	**100.0**	**306,205**	**100.0**	**212,002**	**100.0**	**225,331**	**100.0**

Selling Expenses

Our selling expenses primarily consisted of (i) employee benefit expenses; (ii) office and travel expenses; and (iii) other expenses. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our selling expenses were RMB88.5 million, RMB109.6 million, RMB76.4 million and RMB102.3 million, respectively.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000* (unaudited)	*%*
Selling expenses								
Employee benefit expenses	50,875	57.5	67,107	61.3	43,982	57.6	58,237	56.9
Office and travel expenses	11,589	13.1	13,852	12.6	14,711	19.3	17,275	16.9
Insurance expenses	2,906	3.3	5,581	5.1	3,918	5.1	5,632	5.5
Sale commission	4,268	4.8	3,106	2.8	2,004	2.6	5,548	5.4
Depreciation and amortization	1,549	1.8	1,847	1.7	1,403	1.8	1,993	1.9
Business entertainment expenses	4,688	5.3	4,270	3.9	1,978	2.6	2,872	2.8
Water and electricity charges	1,624	1.8	2,141	2.0	1,328	1.7	2,095	2.0
Advertising expenses	1,013	1.1	1,456	1.3	4,525	5.9	328	0.3
Others	9,979	11.3	10,193	9.3	2,546	3.4	8,352	8.3
	88,491	**100.0**	**109,553**	**100.0**	**76,395**	**100.0**	**102,332**	**100.0**

Finance costs

Our finance costs primarily consisted of (i) interest expense on bank borrowings; and (ii) interest expense on lease liabilities. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our finance costs were RMB23.8 million, RMB43.2 million, RMB31.9 million and RMB37.7 million, respectively.

The following table sets out a breakdown of our finance costs for each year/period indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Interest expense on bank borrowings	23,025	40,695	30,080	34,771
Interest expense on lease liabilities	763	2,544	1,820	1,023
Interest expense on redemption liabilities	—	—	—	1,879
	23,788	**43,239**	**31,900**	**37,673**

Share of Result of an Associate

In 2023, we recorded share of losses of an associate, net of RMB53.8 million. In 2024, we recorded share of profits of an associate, net of RMB0.5 million. For the nine months ended September 30, 2024 and 2025, we recorded share of losses of an associate, net of RMB3.5 million and RMB3.3 million.

Income Tax Expense

Our income tax expense primarily consisted of (i) current income tax; and (ii) deferred income tax. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our income tax expense was RMB9.2 million, RMB46.1 million, RMB35.8 million and RMB2.7 million, respectively.

The following table sets out a breakdown of income tax expense for each year/period indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Current income tax	27,696	46,411	43,466	20,909
Deferred income tax	(18,448)	(283)	(7,683)	(18,190)
Income tax expense	**9,248**	**46,128**	**35,783**	**2,719**

Profit for the Year/Period

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our profit for the year/period was RMB216.8 million, RMB300.2 million, RMB218.0 million and RMB188.1 million, respectively.

PERIOD-TO-PERIOD COMPARISONS OF RESULTS OF OPERATIONS

For the Nine Months Ended September 30, 2025 Compared to the Nine Months Ended September 30, 2024

Revenue

Our revenue increased by 16.9% from RMB3,224.1 million for the nine months ended September 30, 2024 to RMB3,769.4 million for the nine months ended September 30, 2025 primarily due to the growth in our new energy business.

Our revenue generated from transformer equipment products increased by 18.3% from RMB2,351.0 million for the nine months ended September 30, 2024 to RMB2,781.6 million for the nine months ended September 30, 2025, mainly attributable to: (i) our revenue generated from new energy products increased by 24.9% from RMB1,767.0 million for the nine months ended September 30, 2024 to RMB2,207.6 million for the nine months ended September 30, 2025, primarily due to (a) our smart transformer station was newly launched with gradual large-scale delivery; and (b) improvements in production planning and supply chain management, which enhanced our delivery capability, allowing us to fulfill a larger number of customer orders on schedule; (ii) our revenue generated from data center products decreased by 6.3% from RMB106.0 million for the nine months ended September 30, 2024 to RMB99.3 million for the nine months ended September 30, 2025, primarily due to the phasing of project deliveries; (iii) our revenue generated from power distribution products remained stable at RMB305.3 million for the nine months ended September 30, 2024 and RMB312.6 million for the nine months ended September 30, 2025; and (iv) our revenue generated from industrial control products decreased by 6.2% from RMB172.7 million for the nine months ended September 30, 2024 to RMB162.0 million for the nine months ended September 30, 2025, primarily due to changes in market demand.

Our revenue generated from lighting products decreased by 7.0% from RMB709.9 million for the nine months ended September 30, 2024 to RMB660.5 million for the nine months ended September 30, 2025, primarily due to our optimization of product mix, resulting in reduced delivery of certain products with lower profitability.

Our revenue generated from other products increased by 100.5% from RMB163.3 million for the nine months ended September 30, 2024 to RMB327.3 million for the nine months ended September 30, 2025, primarily due to the scaling-up of certain other products, including communication power supplies and on-board chargers, which drove an increase in sales volume.

Cost of Sales

Our cost of sales increased by 22.5% from RMB2,530.0 million for the nine months ended September 30, 2024 to RMB3,099.3 million for the nine months ended September 30, 2025, primarily due to the increase in revenue from our new energy products and other products, which led to a corresponding increase in the costs associated with these product lines.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 3.5% from RMB694.1 million for the nine months ended September 30, 2024 to RMB670.1 million for the nine months ended September 30, 2025. Our gross profit margin decreased from 21.5% in the nine months ended September 30, 2024 to 17.8% in the nine months ended September 30, 2025.

Our gross profit from transformer equipment products remained stable at RMB481.9 million for the nine months ended September 30, 2024 and RMB484.3 million for the nine months ended September 30, 2025. Our gross profit margin decreased from 20.5% for the nine months ended September 30, 2024 to 17.4% for the nine months ended September 30, 2025, mainly attributable to: (i) our gross profit from new energy products decreased by 7.5% from RMB358.0 million for the nine months ended September 30, 2024 to RMB331.0 million for the nine months ended September 30, 2025; our gross profit margin from new energy products decreased from 20.3% for the nine months ended September 30, 2024 to 15.0% for the nine months ended September 30, 2025, primarily due to intensified market competition, which resulted in a decrease in the selling prices of some products; (ii) our gross profit from data center products increased by 135.9% from RMB10.8 million for the nine months ended September 30, 2024 to RMB25.4 million for the nine months ended September 30, 2025; our gross profit margin from data center products increased from 10.1% for the nine months ended September 30, 2024 to 25.5% for the nine months ended September 30, 2025, primarily due to an improved customer mix following the successful development of our data center products; (iii) our gross profit from power distribution products increased by 15.4% from RMB74.6 million for the nine months ended September 30, 2024 to RMB86.1 million for the nine months ended September 30, 2025; our gross profit margin from power distribution products increased from 24.4% for the nine months ended September 30, 2024 to 27.5% for the nine months ended September 30, 2025, primarily due to improvements in the order mix; and (iv) our gross profit from industrial control products increased by 8.4% from RMB38.6 million for the nine months ended September 30, 2024 to RMB41.8 million for the nine months ended September 30, 2025; our gross profit margin from industrial control products increased from 22.3% for the nine months ended September 30, 2024 to 25.8% for the nine months ended September 30, 2025, primarily due to a more favorable cost structure, as the proportions of raw material costs, labor costs and transportation expenses relative to revenue decreased during the period.

Our gross profit from lighting products decreased by 27.0% from RMB181.1 million for the nine months ended September 30, 2024 to RMB132.1 million for the nine months ended September 30, 2025. Our gross profit margin from lighting products decreased from

25.5% for the nine months ended September 30, 2024 to 20.0% for the nine months ended September 30, 2025, primarily due to the effects of market competition and adjustments to the product mix.

Our gross profit from other products increased by 72.5% from RMB31.1 million for the nine months ended September 30, 2024 to RMB53.7 million for the nine months ended September 30, 2025. Our gross profit margin from other products decreased from 19.1% for the nine months ended September 30, 2024 to 16.4% for the nine months ended September 30, 2025, primarily due to an increase in orders for low-margin products in the domestic market.

Other Income

Our other income increased by 43.0% from RMB45.7 million for the nine months ended September 30, 2024 to RMB65.4 million for the nine months ended September 30, 2025, primarily due to (i) an increase in deferred government grants related to capital expenditures for our business expansion, (ii) an increase in government grants received for our operations in Chinese Mainland, (iii) an increase in value added tax and other tax credits concessions; and (iv) an increase in miscellaneous non-operating income, such as compensation income and miscellaneous receipts.

Impairment Losses Reversed/(Recognised) on Financial Assets and Contract Assets, Net

Our net impairment losses on financial assets and contract assets decreased by 112.4% from RMB6.0 million for the nine months ended September 30, 2024 to RMB0.7 million for the nine months ended September 30, 2025, primarily due to an improvement in the overall credit quality of our trade receivables and a reduction in balances subject to higher expected credit loss rates, resulting in lower impairment provisions recognized during the period.

Other (Losses)/Gains, Net

We incurred other gains, net of RMB10.6 million for the nine months ended September 30, 2024 and other losses, net of RMB2.9 million for the nine months ended September 30, 2025, primarily due to increased foreign exchange losses resulting from exchange rate fluctuations and lower wealth management income during the period.

Research and Development Expenses

Our research and development expenses increased by 19.4% from RMB145.7 million for the nine months ended September 30, 2024 to RMB173.9 million for the nine months ended September 30, 2025, primarily due to the expansion of our R&D team with higher average compensation expenses, as well as the timing and progress of certain R&D projects that resulted in a higher portion of related expenditures during the period.

General and Administrative Expenses

Our general and administrative expenses increased by 6.3% from RMB212.0 million for the nine months ended September 30, 2024 to RMB225.3 million for the nine months ended September 30, 2025, primarily due to an increase in depreciation and amortization expenses resulting from the expansion of our operations.

Selling Expenses

Our selling expenses increased by 34.0% from RMB76.4 million for the nine months ended September 30, 2024 to RMB102.3 million for the nine months ended September 30, 2025, primarily due to the expansion of our sales scale, leading to corresponding increases in employee-related costs, travel expenses and service-related expenditures.

Finance Costs

Our finance costs increased by 18.1% from RMB31.9 million for the nine months ended September 30, 2024 to RMB37.7 million for the nine months ended September 30, 2025, primarily due to increased interest expenses arising from increased bank borrowings to support our working capital needs.

Share of Result of an Associate

The share of losses of an associate, net decreased by 5.4% from RMB3.5 million for the nine months ended September 30, 2024 to RMB3.3 million for the nine months ended September 30, 2025, primarily due to a slight improvement in the operating results of Anhewei during the period.

Income Tax Expense

Our income tax expense decreased by 92.4% from RMB35.8 million for the nine months ended September 30, 2024 to RMB2.7 million for the nine months ended September 30, 2025, primarily due to a decrease in profit before tax for the period.

Profit for the Year/Period

As a result of the foregoing, our profit for the year/period decreased by 13.7% from RMB218.0 million for the nine months ended September 30, 2024 to RMB188.1 million for the nine months ended September 30, 2025.

For the Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023

Revenue

Our revenue increased by 27.3% from RMB3,616.3 million in 2023 to RMB4,602.7 million in 2024, primarily due to an increase in sales of new energy products, lighting products and other products, reflecting higher volume of purchase orders received from customers in the new energy sector, a recovery in demand for lighting products and increased shipments from certain emerging product lines.

Our revenue generated from transformer equipment products increased by 29.1% from RMB2,626.6 million in 2023 to RMB3,390.2 million in 2024, mainly attributable to: (i) our revenue generated from new energy products increased by 35.0% from RMB1,953.2 million in 2023 to RMB2,636.3 million in 2024, primarily due to growing demand in the new energy sector, strong market demand driven by overseas grid upgrades, and initial contributions from overseas production capacity; (ii) our revenue generated from data center products increased by 200.5% from RMB49.7 million in 2023 to RMB149.3 million in 2024, primarily due to an increase in domestic data center construction, which led to higher sales volume; (iii) our revenue generated from power distribution products remained stable at RMB374.1 million in 2023 and RMB372.0 million in 2024; and (iv) our revenue generated from industrial control products decreased by 6.8% from RMB249.6 million in 2023 to RMB232.6 million in 2024, primarily due to changes in market demand.

Our revenue generated from lighting products increased by 20.5% from RMB811.7 million in 2023 to RMB978.3 million in 2024, primarily due to (i) our proactive expansion into overseas markets, which resulted in an increase in overseas customer orders; and (ii) stable volume of purchase orders received from domestic customers.

Our revenue generated from other products increased by 31.5% from RMB178.0 million in 2023 to RMB234.1 million in 2024, primarily due to an increase in sales volume of car mounted inductor products.

Cost of Sales

Our cost of sales increased by 29.8% from RMB2,833.1 million in 2023 to RMB3,677.6 million in 2024, primarily due to the increase in revenue from our new energy products and lighting products, which led to a corresponding increase in the costs associated with these product lines.

Gross Profit and Gross Profit Margin

Our gross profit increased by 18.1% from RMB783.2 million in 2023 to RMB925.0 million in 2024. Our gross profit margin decreased slightly from 21.7% in 2023 to 20.1% in 2024.

Our gross profit from transformer equipment products increased by 25.5% from RMB543.2 million in 2023 to RMB681.7 million in 2024. Our gross profit margin decreased from 20.7% in 2023 to 20.1% in 2024, mainly attributable to: (i) our gross profit generated from new energy products increased by 30.6% from RMB377.1 million in 2023 to RMB492.6 million in 2024; our gross profit margin from new energy products remained stable at 19.3% in 2023 and 18.7% in 2024; (ii) our gross profit generated from data center products increased by 77.3% from RMB10.9 million in 2023 to RMB19.4 million in 2024; our gross profit margin from data center products decreased from 22.0% in 2023 to 13.0% in 2024, primarily due to the rapid growth in data center construction, which led the company to proactively adjust pricing in order to capture market share; (iii) our gross profit generated from power distribution products increased by 18.1% from RMB97.5 million in 2023 to RMB115.2 million in 2024; our gross profit margin from power distribution products increased from 26.1% in 2023 to 31.0% in 2024, primarily due to a more favorable cost structure, as the proportions of raw material costs relative to revenue decreased during the period; and (iv) our gross profit generated from industrial control products decreased by 5.4% from RMB57.6 million in 2023 to RMB54.5 million in 2024; our gross profit margin from industrial control products remained stable, at 23.1% in 2023 and 23.4% in 2024.

Our gross profit generated from lighting products decreased by 8.4% from RMB212.3 million in 2023 to RMB194.4 million in 2024. Our gross profit margin from lighting products decreased from 26.2% in 2023 to 19.9% in 2024, primarily due to intensified competition in the lighting industry, which led to increased pricing pressure and a lower average selling price of our lighting products during the year.

Our gross profit generated from other products increased by 76.0% from RMB27.8 million in 2023 to RMB48.9 million in 2024. Our gross profit margin from other products increased from 15.6% in 2023 to 20.9% in 2024, primarily due to an increase in overseas sales revenue from car mounted inductor products.

Other Income

Our other income increased by 34.3% from RMB47.0 million in 2023 to RMB63.0 million in 2024, primarily due to (i) an increase in deferred government grants related to our capital expenditures, and (ii) an increase in interest income generated from US dollar deposits and cash balances.

Impairment Losses Reversed/(Recognised) on Financial Assets and Contract Assets, Net

Our net impairment losses on financial assets and contract assets increased by 34.0% from RMB12.8 million in 2023 to RMB17.2 million in 2024, primarily due to an increase in the balance of accounts receivable, leading to a rise in the impairment amount.

Other (Losses)/Gains, Net

We incurred other losses, net of RMB14.4 million in 2023 and other gains, net of RMB25.1 million in 2024, primarily due to the performance compensation paid in 2023 in respect of our subsidiary, Shenzhen Dingshuo Tongbang Technology Co., Ltd.* (深圳市鼎碩同邦科技有限公司), while in 2024 there was an increase in wealth management income and gains from the disposal of assets.

Research and Development Expenses

Our research and development expenses remained stable at RMB185.8 million in 2023 and RMB191.2 million in 2024.

General and Administrative Expenses

Our general and administrative expenses increased by 36.1% from RMB225.0 million in 2023 to RMB306.2 million in 2024, primarily due to the expansion of operations, which resulted in an increase in administrative personnel and professional and consulting services.

Selling Expenses

Our selling expenses increased by 23.8% from RMB88.5 million in 2023 to RMB109.6 million in 2024, primarily due to the expansion of the sales operations, leading to an increase in sales personnel compensation.

Finance costs

Our finance costs increased by 81.8% from RMB23.8 million in 2023 to RMB43.2 million in 2024, primarily due to an increase in interest expenses as a result of higher average borrowings during the period.

Share of Result of an Associate

We incurred share of losses of an associate, net of RMB53.8 million in 2023 and recorded a share of profits of an associate, net of RMB0.5 million in 2024, primarily due to an improvement in the operating results of Anhewei.

Income Tax Expenses

Our income tax expense increased by 398.8% from RMB9.2 million in 2023 to RMB46.1 million in 2024, primarily due to an increase in profit before tax in 2024.

Profit for the Year/Period

As a result of the foregoing, our profit for the year/period increased by 38.4% from RMB216.8 million in 2023 to RMB300.2 million in 2024.

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets out the selected information from our combined statements of financial position:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	1,223,625	2,774,152	3,353,645
Right-of-use assets	84,137	141,798	161,130
Intangible assets	43,445	55,750	65,814
Investment in an associate	18,772	19,229	15,895
Goodwill	37,249	37,249	48,386
Time deposits	49,636	—	—
Financial assets at fair value through other comprehensive income	1,000	1,264	21,056
Other financial assets	30,000	23,139	20,320
Prepayments, other receivables and other assets	104,154	91,695	149,690
Deferred income tax assets	48,652	45,192	62,867
	1,640,670	**3,189,468**	**3,898,803**
Current assets			
Inventories	483,834	733,986	798,880
Trade and notes receivables	1,338,054	2,093,280	1,654,706
Contract assets	154,393	214,106	240,523
Prepayments, other receivables and other assets	98,616	282,069	318,984
Prepaid income tax	1,364	1,066	7,412
Financial assets at fair value through profit or loss	531,285	—	—
Financial assets at fair value through other comprehensive income	309,416	55,109	276,986
Restricted bank deposits	34,272	194,090	176,706
Time deposits	74,590	97,589	73,182
Cash and cash equivalents	634,440	551,848	977,332
	3,660,264	**4,223,143**	**4,524,711**

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Current liabilities			
Financial liabilities at fair value through profit or loss	16,760	—	—
Trade and notes payables	1,232,091	1,112,180	1,341,937
Contract liabilities	22,105	29,858	79,244
Other payables and accruals	292,910	565,965	284,281
Bank borrowings	252,129	1,188,058	1,494,662
Liabilities under supplier finance arrangement	72,887	599,640	582,223
Lease liabilities	8,120	25,652	31,189
Income tax payable	23,119	12,351	27,005
	1,920,121	3,533,704	3,840,541
Net current assets	**1,740,143**	**689,439**	**684,170**
Total assets less current liabilities	**3,380,813**	**3,878,907**	**4,582,973**
Non-current liabilities			
Other payables and accruals	53,910	110,978	140,490
Borrowings	196,026	470,600	571,226
Lease liabilities	6,970	50,991	47,244
Deferred income tax liabilities	14,148	10,405	9,890
	271,054	**642,974**	**768,850**
Net assets	**3,109,759**	**3,235,933**	**3,814,123**
EQUITY			
Share capital	391,320	392,205	423,103
Treasury shares	(33,772)	(109,060)	(75,797)
Reserves	2,738,347	2,925,946	3,433,010
Equity attributable to owners of the Company	**3,095,895**	**3,209,091**	**3,780,316**
Non-controlling interests	13,864	26,842	33,807
Total equity	**3,109,759**	**3,235,933**	**3,814,123**

Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment consisted of (i) properties and buildings; (ii) machinery; (iii) transportation equipment; (iv) electronic equipment and other equipment; (v) building, machinery and leasehold improvements; (vi) construction in progress; and (vii) freehold lands. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	Year ended December 31,		Nine months ended September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Properties and buildings	540,070	768,002	1,313,794
Machinery	323,249	527,666	752,470
Transportation equipment	5,913	11,090	12,522
Electronic equipment and other equipment	36,884	56,208	73,430
Leasehold improvements	4,140	7,831	5,466
Construction in progress	313,369	1,377,222	1,097,790
Freehold lands	—	26,133	98,173
Total	1,223,625	2,774,152	3,353,645

Our property, plant and equipment were RMB1,223.6 million, RMB2,774.2 million and RMB3,353.6 million as of December 31, 2023, 2024 and September 30, 2025. The increase was primarily due to the continued expansion of our production facilities, including the addition of new plants in Anhui, Jiangxi, Thailand, the United States and Mexico.

Right-of-use Assets

During the Track Record Period, our right-of-use assets were primarily related to buildings and land use rights. Our right-of-use assets increased from RMB84.1 million as at December 31, 2023 to RMB141.8 million as of December 31, 2024, and further to RMB161.1 million as of September 30, 2025, primarily due to the leasing of new overseas production facilities in the United States, Thailand and Malaysia.

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Buildings	13,973	73,213	74,505
Land use rights	70,164	68,585	86,625
Total	84,137	141,798	161,130

Intangible Assets

During the Track Record Period, our intangible assets consisted of proprietary technology and software. Our intangible assets increased from RMB43.4 million as of December 31, 2023 to RMB55.8 million as of December 31, 2024, and further to RMB65.8 million as of September 30, 2025, primarily due to our increased investments in digitization and intelligent system upgrades, which led to higher capitalized software costs.

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Patent rights	4,959	3,792	4,153
Software	38,486	51,958	61,661
Total	43,445	55,750	65,814

Investments in an Associate

During the Track Record Period, our investments in an associate consisted of unlisted investments. Our investments in an associate remained stable at RMB18.8 million as of December 31, 2023 and RMB19.2 million as of December 31, 2024. As of September 30, 2025, our investments in an associate decreased to RMB15.9 million, mainly due to operating losses incurred by Anhewei.

Goodwill

Our goodwill remained stable at RMB37.2 million as of December 31, 2023 and December 31, 2024. Our goodwill increased from RMB37.2 million as of December 31, 2024 to RMB48.4 million as of September 30, 2025, primarily due to the goodwill recognized in connection with our acquisition of a non-wholly-owned subsidiary, which resulted in goodwill of approximately RMB11.1 million.

Financial Assets at Fair Value through Other Comprehensive Income and Other Financial Assets

During the Track Record Period, our current financial assets at FVTOCI primarily represented notes receivables measured at FVTOCI. Our non-current financial assets at FVTOCI primarily represented equity investments at fair value.

The following table sets out a breakdown of our financial assets at FVTOCI as of the dates indicated:

	As at December 31,		**As at September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Current:			
— Notes receivables measured at FVTOCI	309,416	55,109	276,986
Non-current:			
— Unlisted equity investments at FVTOCI	1,000	1,264	21,056
— Other financial assets	30,000	23,139	20,320

Our current financial assets at FVTOCI decreased from RMB309.4 million as of December 31, 2023 to RMB55.1 million as of December 31, 2024, and then increased to RMB277.0 million as of September 30, 2025, mainly due to differences in the credit quality and transferability of notes received from customers during the relevant periods, which resulted in certain notes being presented within trade and notes receivables in 2024, while others were presented as financial assets measured at FVTOCI as of September 30, 2025.

Our non-current unlisted equity investments at FVTOCI and other financial assets decreased from RMB31.0 million as of December 31, 2023 to RMB24.4 million as of December 31, 2024, mainly due to partial exits from our equity investments in unlisted companies, resulting in dividend distributions and the recovery of a portion of the investment principal. Our non-current unlisted equity investments at FVTOCI and other financial assets increased to RMB41.4 million as of September 30, 2025, primarily due to the addition of equity investments in unlisted companies.

Inventories

During the Track Record Period, our inventories consisted of (i) raw materials, (ii) work in progress, (iii) merchandise inventory; and (iv) goods in transit.

The following table sets out a breakdown of our inventories as of the dates indicated:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Raw materials	121,616	181,780	239,478
Work in progress	57,682	99,937	151,607
Finished goods	143,503	333,340	251,481
Goods in transit	181,813	142,134	188,919
	504,614	757,191	831,485
Less: provision for impairment	(20,780)	(23,205)	(32,605)
	483,834	733,986	798,880

Our inventories increased from RMB483.8 million as of December 31, 2023 to RMB734.0 million as of December 31, 2024, and further to RMB798.9 million as of September 30, 2025, primarily due to the expansion of production scale and an increase in sales orders.

The following table sets out an aging analysis of our inventories as of the dates indicated:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Within 1 year	491,508	744,161	820,951
Over 1 year but within 2 years	6,503	9,055	9,214
Over 2 years	6,603	3,975	1,320
	504,614	757,191	831,485

The following table sets out our inventories turnover days for the Track Record Period:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
Inventories turnover days[(1)]	54.0	59.6	66.8

Note:

(1) Inventories turnover days for each periods equals the average of the beginning and ending balance of inventory for that period divided by the corresponding cost of sales for the relevant period, multiplied by the number of days during such periods, which is 360 days for each year or 270 days for the nine months period.

Our inventories turnover days increased from 54.0 days in 2023 to 59.6 days in 2024, and further to 66.8 days in the nine months ended September 30, 2025, primarily due to we stocked more finished goods in anticipation of the scaling up of our sales.

As of November 30, 2025, RMB819.8 million, or 98.6% of our inventories as of September 30, 2025 had been used, consumed or sold.

Trade and Notes Receivables

The following table sets out a breakdown of our trade and notes receivables as of the dates indicated:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Trade receivables	1,237,862	1,843,433	1,663,102
Notes receivables	127,998	291,923	29,662
	1,365,860	2,135,356	1,692,764
Less: ECL allowance	(27,806)	(42,076)	(38,058)
Trade and notes receivables, net	1,338,054	2,093,280	1,654,706

During the Track Record Period, our trade receivables increased from RMB1,237.9 million as of December 31, 2023 to RMB1,843.4 million as of December 31, 2024, and then decreased to RMB1,663.1 million as at September 30, 2025, primarily due to higher sales in the fourth quarter of 2024 and the credit terms we offered to certain customers, with most of the outstanding balances subsequently collected during 2025.

During the Track Record Period, our notes receivables increased from RMB128.0 million as of December 31, 2023 to RMB291.9 million as of December 31, 2024, and then decreased to RMB29.7 million as of September 30, 2025, mainly due to (i) the increase in revenue leading to a higher balance of notes receivable; and (ii) differences in the credit quality and transferability of notes received from customers during the relevant periods, which resulted in certain notes being presented within trade and notes receivables in 2024, while others were presented as financial assets measured at FVTOCI as of September 30, 2025.

The following table sets out an aging analysis of our trade receivables based on recognition date as of the dates indicated:

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within 6 months	1,198,152	1,768,723	1,565,674
Over 6 months to 1 year	27,674	65,495	88,191
Over 1 year but within 2 years	11,971	3,941	7,613
Over 2 years but within 3 years	—	5,272	1,624
Over 3 years	65	2	—
	1,237,862	**1,843,433**	**1,663,102**

The credit term granted to customers is generally within 180 days.

The following table sets out our trade and notes receivables turnover days for the Track Record Period:

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
Trade and notes receivables turnover days(1)	124.6	134.2	134.2

Note:

(1) Trade and notes receivables turnover days for each periods equals the average of the beginning and ending balance of trade and notes receivables for that period divided by the corresponding total revenue for the relevant period, multiplied by the number of days during such periods, which is 360 days for each year or 270 days for the nine months period.

Our trade and notes receivables turnover days were 124.6 days, 134.2 days and 134.2 days in 2023, 2024 and the nine months ended September 30, 2025, respectively. Our trade and notes receivables turnover days were relatively lower in 2023 compared with subsequent periods, primarily due to higher revenue growth during the year, which resulted in a lower average receivables balance relative to revenue.

As of November 30, 2025, RMB1,461.6 million, or 86.3% of trade and notes receivables as of September 30, 2025 had been settled.

Restricted Bank Deposits

During the Track Record Period, our restricted bank deposits consisted of (i) pledged bank deposits for bank acceptance notes and letters of guarantee; and (ii) bank deposits frozen due to litigation.

The following table sets out a breakdown of our restricted bank deposits as of the dates indicated:

	As at December 31		As at September 30
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Pledged bank deposits for bank acceptance notes and letters of guarantee	28,378	193,316	176,706
Bank deposits frozen due to litigation	5,894	774	—
	34,272	194,090	176,706

Our restricted bank deposits increased from RMB34.3 million as at December 31, 2023 to RMB194.1 million as at December 31, 2024, and then decreased to RMB176.7 million as at September 30, 2025, mainly due to the placement of and subsequent release of margin deposits for bank acceptance bills.

Trade and Notes Payables

The following table sets out a breakdown of our trade and notes payables as of the dates indicated:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Trade payables	1,032,181	1,072,257	964,164
Notes payables	199,910	39,923	377,773
	1,232,091	1,112,180	1,341,937

Our trade payables decreased from RMB1,032.2 million as of December 31, 2023 to RMB1,072.3 million as of December 31, 2024, and further to RMB964.2 million as of September 30, 2025, mainly due to an adjustment in the settlement method with suppliers during the Track Record Period.

Our notes payables decreased from RMB199.9 million as at December 31, 2023 to RMB39.9 million as at December 31, 2024, mainly due to a decrease in the use of notes payables for supplier settlements during the period, and then increased to RMB377.8 million as at September 30, 2025, primarily attributable to an increase in the use of notes payables for settling payments to our suppliers.

The following table sets out an aging analysis of our trade payables based on recognition date as of the dates indicated:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within 1 year	1,027,911	1,061,684	961,567
Over 1 year but within 2 years	1,564	6,923	1,437
Over 2 year but within 3 years	2,008	1,535	310
Over 3 years	698	2,115	850
	1,032,181	**1,072,257**	**964,164**

The credit term granted by suppliers is generally within 180 days.

The following table sets out our trade and notes payables turnover days for the Track Record Period:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
Trade and notes payables turnover days(1)	126.0	114.7	106.7

Note:

(1) Trade and notes payables turnover days for each periods equals the average of the beginning and ending balance of trade and notes payables for that period divided by the corresponding cost of sales for the relevant period, multiplied by the number of days during such periods, which is 360 days for each year or 270 days for the nine months period.

Our trade and notes payables turnover days were 126.0 days, 114.7 days and 106.7 days in 2023, 2024 and the nine months ended September 30, 2025, respectively. Our trade and notes payables turnover days decreased in the nine months ended September 30, 2025, primarily due to changes in our cost of sales and trade and notes payables in line with our business growth.

As of November 30, 2025, RMB418.5 million, or 31.2% of trade and notes payables as of September 30, 2025 had been settled.

Contract Liabilities

During the Track Record Period, our contract liabilities consisted of advance payments from customers.

The following table sets out a breakdown of our contract liabilities as of the dates indicated:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Advance payments from customers	22,105	29,858	79,244

Our contract liabilities increased from RMB22.1 million as at December 31, 2023 to RMB29.9 million as at December 31, 2024, and further to RMB79.2 million as at September 30, 2025, mainly due to an increase in advance payments from customers during the period.

As of November 30, 2025, all contract liabilities as of September 30, 2025 had been fully recognized as revenue.

Prepayments, Other Receivables and Other Assets

During the Track Record Period, our non-current prepayments, other receivables and other assets mainly comprised (i) prepayments for construction/equipment; (ii) prepayments for land use right; and (iii) others. Our current prepayments, other receivables and other assets mainly comprised (i) other receivables, including deposits and guarantees, export tax rebate receivable, government tax refunds receivable and others; (ii) prepayments for materials and service; and (iii) VAT recoverable.

The following table sets out the breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current			
Prepayments for acquisition of property, plant and equipment	89,124	82,284	149,690
Prepayments for acquisition of land use right	3,601	9,411	—
Receivable from disposal of land use right in prior year	11,429	—	—
	104,154	91,695	149,690
Current			
Other receivables			
— Deposits	11,656	15,565	18,699
— Export tax rebate receivables	4,848	10,061	3,304
— Government tax refunds receivables	11,841	5,921	3,966
— Receivable from disposal of land use right in prior year	—	7,025	2,661
— Advance freight charges on behalf of customer	—	—	6,576
— Others	8,614	10,713	14,248
	36,959	49,285	49,454
Less: ECL allowance	(3,261)	(4,708)	(4,425)
	33,698	44,577	45,029
Prepayment for materials and service	19,569	14,541	31,331
Value Added Tax ("**VAT**") recoverable	43,004	214,808	242,131
Others	2,345	8,143	493
	98,616	282,069	318,984

Our non-current prepayments, other receivables and other assets decreased from RMB104.2 million as at December 31, 2023 to RMB91.7 million as at December 31, 2024, mainly due to the settlement of construction projects was transferred to property, plant and equipment. Our non-current prepayments, other receivables and other assets then increased from RMB91.7 million as at December 31, 2024 to RMB149.7 million as at September 30, 2025, mainly due to higher prepayments for construction and equipment as our overseas production facilities remained under construction during the period.

Our current prepayments, other receivables and other assets increased from RMB98.6 million as at December 31, 2023 to RMB282.1 million as at December 31, 2024, and then increased to RMB319.0 million as at September 30, 2025, mainly due to higher prepayments for materials as our production scale expanded, as well as an increase in other current assets resulting from higher deductible input VAT associated with payments for equipment and construction works.

Other Payables and Accruals

During the Track Record Period, our non-current other payables and accruals consisted of (i) deferred income; and (ii) provision for share repurchase payments. Our current other payables and accruals consisted of (i) dividends payable; (ii) accrued expenses; (iii) restricted share repurchase obligation; (iv) endorsed notes receivables that have not been derecognized and were not yet due; (v) deposits and security deposits; (vi) employee benefits payables; (vii) other tax liabilities; (viii) construction and equipment payables; and (ix) others.

The following table sets out the breakdown of our other payables and accruals as of the dates indicated:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current			
Deferred income	53,910	80,978	108,611
Redemption liabilities	—	30,000	31,879
	53,910	110,978	140,490

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Current			
Dividends payable	959	1,433	1,433
Accrued expenses	15,257	25,858	30,182
Restricted share repurchase obligation	33,772	66,047	32,784
Endorsed notes receivables that have not been derecognised and not yet due	61,966	162,216	7,722
Deposits and security deposits received	8,424	7,101	14,079
Payroll and welfare payables	88,467	100,124	62,102
Other tax payables	14,931	9,042	14,748
Payables for acquisition of property, plant and equipment	54,927	179,926	98,616
Others	14,207	14,218	22,615
	292,910	565,965	284,281

Our non-current other payables and accruals increased from RMB53.9 million as of December 31, 2023 to RMB111.0 million as of December 31, 2024, and further to RMB140.5 million as of September 30, 2025. This increase was primarily attributable to: (i) an increase in the unamortized amount of government grants; and (ii) an increase in interest accrued in respect of special rights granted to minority shareholders of subsidiaries.

Our current other payables and accruals increased from RMB292.9 million as of December 31, 2023 to RMB566.0 million as of December 31, 2024. This increase was primarily due to: (i) the recognition of repurchase obligations in connection with new restricted shares granted in 2024; (ii) an increase in endorsed but not derecognized and unmatured notes receivable; and (iii) an increase in construction-related payments for our domestic and overseas production facilities. Subsequently, our current other payables and accruals decreased to RMB284.3 million as of September 30, 2025, mainly as a result of: (i) no new restricted shares being granted during the period; (ii) a decrease in endorsed but not derecognized notes receivable; and (iii) the completion of new domestic factories and their transfer to property, plant and equipment.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow

The table below sets forth the selected cash flow data from the consolidated statements of cash flows for the years indicated. This information should be read together with the consolidated financial information contained in the Accountant's Report in Appendix I to this Document.

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Net cash flows generated from operating activities	**173,416**	**179,449**	**113,092**	**233,381**
Net cash flows used in investing activities	**(1,031,059)**	**(1,121,600)**	**(948,082)**	**(737,679)**
Net cash flows generated from financing activities	**1,149,930**	**877,523**	**896,842**	**925,605**
Net increase/(decrease) in cash and cash equivalents	**292,287**	**(64,628)**	**61,852**	**421,307**
Cash and cash equivalents at beginning of year/period	336,192	634,440	634,440	551,848
Effect of foreign exchange rate changes, net	5,961	(17,964)	1,491	4,177
Cash and cash equivalents at end of year/period	**634,440**	**551,848**	**697,783**	**977,332**

Net Cash Flows Generated from Operating Activities

For the nine months ended September 30, 2025, our net cash generated from operating activities was RMB233.4 million. The difference between net cash flows from operating activities and the profit before tax of RMB190.8 million was the result of (i) adjustment by non-cash and non-operating items, which primarily consisted of depreciation of property, plant and equipment of RMB102.8 million, depreciation of right-of-use assets of RMB26.2 million, provision for impairment of inventories of RMB24.1 million, share-based compensation expense of RMB24.4 million and finance costs of RMB37.7 million, and (ii) changes in working capital, which primarily consisted of (a) a decrease in trade and notes receivables of RMB168.7 million, (b) an increase in trade and notes payables of RMB229.8 million, partially offset by (a) an increase in prepayments, deposits and other receivables and note receivables measured at FVTOCI of RMB247.4 million, and (b) an increase in inventories of RMB89.0 million.

In 2024, our net cash generated from operating activities was RMB179.4 million. The difference between net cash flows from operating activities and the profit before tax of RMB346.3 million was the result of (i) adjustment by non-cash and non-operating items, which primarily consisted of depreciation of property, plant and equipment of RMB87.1 million, depreciation of right-of-use assets of RMB27.6 million, share-based compensation expense of RMB37.9 million and finance costs of RMB43.2 million, and (ii) changes in working capital, which primarily consisted of (a) a decrease in trade and notes payables of RMB119.9 million, and (b) an increase in other payables and accruals of RMB358.5 million, partially offset by (a) an increase in trade and notes receivables of RMB769.5 million, (b) an increase in inventories of RMB265.8 million, and (c) an increase in contract assets of RMB61.3 million.

In 2023, our net cash generated from operating activities was RMB173.4 million. The difference between net cash flows from operating activities and the profit before tax of RMB226.1 million was the result of (i) adjustment by non-cash and non-operating items, which primarily consisted of depreciation of property, plant and equipment of RMB69.8 million, depreciation of right-of-use assets of RMB14.4 million, provision for impairment of inventories of RMB16.6 million, share-based compensation expense of RMB28.4 million and finance costs of RMB23.8 million and (ii) changes in working capital, which primarily consisted of (a) an increase in trade and notes payables of RMB480.7 million, (b) an increase in other payables and accruals of RMB18.8 million and (c) an increase in contract liabilities of RMB12.5 million, partially offset by (a) an increase in trade and notes receivables of RMB184.5 million, (b) an increase in prepayments, deposits and other and note receivables measured at FVTOCI of RMB373.9 million, (c) an increase in inventories of RMB134.4 million and (d) an increase in contract assets of RMB77.7 million.

Net Cash Flow Used in Investing Activities

For the nine months ended September 30, 2025, our net cash flow used in investing activities was RMB737.7 million, primarily due to purchase of property, plant and equipment of RMB712.6 million, partially offset by withdrawal of time deposits of RMB108.5 million and proceeds from disposal of property, and plant and equipment of RMB9.3 million.

In 2024, our net cash flow used in investing activities was RMB1,121.6 million, primarily due to purchase of property, plant and equipment of RMB1,724.9 million and placement of time deposits of RMB690.7 million, partially offset by withdrawal of time deposits of RMB739.3 million, proceeds from sale of financial assets at fair value through profit or loss of RMB533.0 million, and proceeds from disposal of property, and plant and equipment of RMB33.4 million.

In 2023, our net cash flow used in investing activities was RMB1,031.1 million, primarily due to purchase of property, plant and equipment of RMB528.1 million, purchase of financial assets at fair value through profit or loss of RMB530.0 million and placement of time deposits of RMB770.4 million, partially offset by withdrawal of time deposits of RMB814.5 million and time deposits interest received of RMB7.3 million.

Net Cash Flows Generated from Financing Activities

For the nine months ended September 30, 2025, our net cash flow generated from financing activities was RMB925.6 million, primarily due to proceeds from bank borrowings of RMB1,987.7 million and proceeds from issue of shares of RMB392.0 million, partially offset by repayment of bank borrowings of RMB1,312.6 million, dividends paid to the shareholders of the Company of RMB116.4 million and placement of restricted deposits of RMB28.5 million.

In 2024, our net cash flow generated from financing activities was RMB877.5 million, primarily due to proceeds from bank borrowings of RMB1,977.3 million, proceeds from redemption liabilities of RMB30.0 million, and proceeds from issue of restricted shares of RMB32.3 million, partially offset by repayment of bank borrowings of RMB771.8 million, dividends paid to the shareholders of the Company of RMB115.2 million, payment on repurchase of shares of RMB92.7 million and placement of restricted deposits of RMB134.5 million.

In 2023, our net cash flow generated from financing activities was RMB1,149.9 million, primarily due to proceeds from issue of shares of RMB1,162.8 million, proceeds from bank borrowings of RMB1,115.8 million, partially offset by repayment of bank borrowings of RMB1,036.9 million, dividends paid to the shareholders of the Company of RMB74.3 million and interest paid for borrowings of RMB23.8 million.

Net Current Assets/Liabilities

The following table sets out our current assets and liabilities as of the dates indicated:

	As at December 31,		As at September 30,	As at November 30,
	2023	**2024**	**2025**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Current assets				
Inventories	483,834	733,986	798,880	768,020
Trade and notes receivables	1,338,054	2,093,280	1,654,706	1,985,025
Contract assets	154,393	214,106	240,523	247,199
Prepayments, other receivables and other assets	98,616	282,069	318,984	324,114
Prepaid income tax	1,364	1,066	7,412	1,351
Financial assets at fair value through profit or loss	531,285	—	—	484
Financial assets at fair value through other comprehensive income	309,416	55,109	276,986	223,998
Restricted bank deposits	34,272	194,090	176,706	174,132
Time deposits	74,590	97,589	73,182	72,764
Cash and cash equivalents	634,440	551,848	977,332	922,305
Total current assets	**3,660,264**	**4,223,143**	**4,524,711**	**4,719,392**

	As at December 31,		As at September 30,	As at November 30,
	2023	**2024**	**2025**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Current liabilities				
Financial liabilities at fair value through profit or loss	16,760	—	—	472
Trade and notes payables	1,232,091	1,112,180	1,341,937	1,306,852
Contract liabilities	22,105	29,858	79,244	45,625
Other payables and accruals	292,910	565,965	284,281	406,384
Bank borrowings	252,129	1,188,058	1,494,662	1,518,205
Liabilities under supplier financing arrangement	72,887	599,640	582,223	628,494
Lease liabilities	8,120	25,652	31,189	29,751
Income tax payable	23,119	12,351	27,005	30,753
	1,920,121	3,533,704	3,840,541	3,966,536
Net current assets	**1,740,143**	**689,439**	**684,170**	**752,856**

Our net current assets increased from RMB684.2 million as of September 30, 2025 to RMB752.9 million as of November 30, 2025, primarily due to (i) an increase of RMB330.3 million in trade and notes receivables; (ii) a decrease of RMB2.6 million in restricted bank deposits; and (iii) a decrease of RMB35.1 million in trade and notes payables, partially offset by a decrease of RMB53.0 million in financial assets at fair value through other comprehensive income.

Our net current assets remained stable at RMB689.4 million as of December 31, 2024 and RMB684.2 million as of September 30, 2025.

Our net current assets decreased from RMB1,740.1 million as of December 31, 2023 to RMB689.4 million as of December 31, 2024, primarily due to (i) a decrease of RMB254.3 million in financial assets at FVTOCI; (ii) an increase of RMB273.1 million in other payables and accruals; (iii) an increase of RMB526.8 million in liabilities under supplier financing arrangement; and (iv) an increase of RMB935.9 million in bank borrowings, partially offset by (i) an increase of RMB250.2 million in inventories; (ii) an increase of RMB755.2 million in trade and notes receivables; and (iii) an increase of RMB159.8 million in restricted bank deposits.

INDEBTEDNESS

	As at December 31,		As at September 30,	As at November 30,
	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Current				
Bank borrowings	252,129	1,188,058	1,494,662	1,518,205
Liabilities under supplier financing arrangement	72,887	599,640	582,223	628,494
Lease liabilities	8,120	25,652	31,189	29,751
Non-current				
Bank borrowings	196,026	470,600	571,226	626,411
Lease liabilities	6,970	50,991	47,244	43,104
Redemption liabilities	—	30,000	31,879	32,129
Total	**536,132**	**2,364,941**	**2,758,423**	**2,878,094**

We confirm that, there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. We further confirm that we did not experience any unusual difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Save as disclosed above, we did not have any outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other contingent liabilities or any covenant in connection therewith as of November 30, 2025, being our indebtedness statement date. After due and careful consideration, we confirm that, up to the Latest Practicable Date, there has been no material change in our indebtedness since November 30, 2025.

Bank Borrowings

As of December 31, 2023 and 2024, September 30, 2025 and November 30, 2025, we had borrowings of RMB448.2 million, RMB1,658.7 million, RMB2,065.9 million, and RMB2,144.6 million, respectively. Our borrowings are mainly denominated in Renminbi.

The interest rate on our borrowings ranges from 0.80% to 5.75% during the Track Record Period. For details of the securities and guarantees for our borrowings, see Note 34 of the Accountant's Report in Appendix I to this Document.

Liabilities under Supplier Financing Arrangement

As of December 31, 2023 and 2024, September 30, 2025 and November 30, 2025, we had liabilities under supplier financing arrangement of RMB72.9 million, RMB599.6 million, RMB582.2 million, and RMB628.5 million, respectively. Our liabilities under supplier financing arrangements mainly represented our unconditional payment obligations under electronic debt certificates issued to suppliers through a third-party supply chain financing platform.

Lease Liabilities

As of December 31, 2023 and 2024, September 30, 2025 and November 30, 2025, we had lease liabilities of RMB15.1 million, RMB76.6 million, RMB78.4 million, and RMB72.9 million, respectively. Our lease liabilities mainly represented our right to use buildings and others in our operations.

Redemption Liabilities

As of December 31, 2023 and 2024, September 30, 2025 and November 30, 2025, we had redemption liabilities of nil, RMB30.0 million, RMB31.9 million and RMB32.1 million, respectively. Our redemption liabilities mainly represented redemption obligations arising from capital contributions made by certain shareholders of our subsidiary, which are subject to contractual redemption rights and special rights granted to such shareholders. We recognized such redemption obligations as financial liabilities, which were initially measured at the present value of the redemption amount and subsequently measured at amortized cost using the effective interest method, with interest charged to finance costs. See Note 33 to the Accountants' Report in Appendix I to this Document.

SUFFICIENCY OF WORKING CAPITAL

During the Track Record Period and up to the Latest Practicable Date, our primary source of liquidity has been and is expected to continue to be cash flows generated from operating activities and bank loans obtained through notes receivable. Our cash and cash equivalents comprise cash on hand and deposits placed with financial institutions.

In the future, we believe our liquidity requirements can be met through a combination of the following: cash generated from operating activities, our available unused bank credit facilities, other funds raised from the capital markets from time to time, and the [REDACTED] from this [REDACTED]. We do not anticipate any changes in the sources of financing for our future working capital. Considering the financial resources available to the Company, the Directors are of the opinion that the Company has sufficient working capital to meet its present and estimated requirements for at least the next 12 months from the date of this Document.

CAPITAL EXPENDITURES

Our capital expenditures relate to purchase of items of property, plant and equipment, purchase of intangible assets and right of use assets. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, the capital expenditures were RMB553.7 million, RMB1,753.0 million, RMB1,135.3 million and RMB742.4 million, respectively.

We expect to fund our future capital expenditures with our existing cash balance and [REDACTED] from the [REDACTED]. See "Future Plans and Use of [REDACTED]." We will continue to make capital expenditures to meet the expected growth of our business.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and September 30, 2025, we had capital commitments contracted but not yet provided for of RMB725.2 million, RMB1,094.3 million and RMB471.3 million, respectively, primarily in relation to the acquisition of plant and equipment in connection to the manufacturing facilities.

CONTINGENT LIABILITIES

As of the end of each of the year/period for the Track Record Period, the Group did not have any material contingent liabilities.

RELATED PARTY TRANSACTIONS

Further details regarding related party transactions are set out in Note 42 to the financial statements in Appendix I of this Document. The Directors confirm that these related party transactions have been entered into in the ordinary course of business and on normal commercial terms (or "arm's length terms").

KEY FINANCIAL RATIOS

The following table sets out certain of our key financial ratios for the years or as at the dates indicated:

	Year ended December 31,		**Nine months ended September 30,**
	2023	**2024**	**2025**
Gross profit margin (%) *(Note (1))*	21.7	20.1	17.8
Net profit margin (%) *(Note (2))*	6.0	6.5	5.0
Weighted average return on equity (%) *(Note (3))*	9.3	9.3	5.5
Current ratio (%) *(Note (4))*	1.9	1.2	1.2
Debt-to-asset ratio (%) *(Note (5))*	41.3	56.3	54.7

Notes:

(1) Gross profit margin is calculated based on gross profit for the year/period divided by the total revenue for the same year/period and multiplied by 100%.

(2) Net profit margin is calculated based on profit for the year/period divided by the total revenue for the same year/period and multiplied by 100%.

(3) Weighted average return on equity is calculated by dividing the profit attributable to owners of the Company for the year/period by the monthly weighted average of equity attributable to owners of the Company. For the nine months ended September 30, 2025, our weighted average return on equity is not annualized.

(4) Current ratio is calculated by dividing current assets by current liabilities as of the relevant date.

(5) Debt-to-asset ratio is calculated by dividing total liabilities by total assets as of the relevant date and multiplied by 100%.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of September 30, 2025, we did not have any off-balance sheet commitments or arrangements.

FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks, including foreign exchange risk, price risk, interest rate risk, credit risk and liquidity risk. We manage and monitor these risks to ensure that appropriate measures can be implemented in a timely and effective manner. For further details, see Note 45 to the Accountants' Report in Appendix I to this Document.

DIVIDEND POLICY

Pursuant to the Company's Articles of Association, the Company has adopted a dividend distribution policy under which it generally considers making dividend distributions on an annual basis and may also, subject to the approval of shareholders, consider interim dividends. The Articles of Association set out certain guiding principles for cash dividends, including that the Company may, subject to its financial performance, capital requirements and other relevant factors, consider distributing a portion of its distributable profits in cash. However, the Company does not have a fixed dividend payout ratio. Any declaration or payment of dividends is subject to the discretion of the Board and the approval of Shareholders, after taking into account the Company's results of operations, financial condition, operating and capital requirements and other factors it considers relevant. There can be no assurance as to the timing, amount or form of any future dividends.

Final dividends of RMB75.2 million (RMB2.50 per 10 shares), RMB115.7 million (RMB3.00 per 10 shares) and RMB116.4 million (RMB3.00 per 10 shares) in respect of the years ended December 31, 2022, 2023 and 2024, respectively, were approved by the annual general meetings of the Company.

DISTRIBUTABLE RESERVES

As of September 30, 2025, our Company had distributable reserves of RMB160.5 million.

[REDACTED]

We estimate that our [REDACTED] will be approximately HK$[REDACTED], representing approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range), which consist of (i) [REDACTED] (including but not limited to commissions and fees) of approximately HK$[REDACTED], and (ii) [REDACTED] expenses of approximately HK$[REDACTED], including (a) financial and legal advisory fees and expenses of approximately HK$[REDACTED], and (b) other fees and expenses of approximately HK$[REDACTED]. Whereas approximately HK$[REDACTED] of the [REDACTED] is directly attributable to the issue of our H Shares to the [REDACTED] and is expected to be recognized directly as a deduction from equity upon the [REDACTED], approximately HK$[REDACTED] of the [REDACTED] is expected to be expensed prior to the [REDACTED], with no [REDACTED] incurred during the Track Record Period.

The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that as at the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

For details of our unaudited [REDACTED] adjusted consolidated net tangible assets, please refer to the section headed "Unaudited [REDACTED] Financial Information" in Appendix II to this Document.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that, up to the date of this Document, there have been no material adverse changes in our financial, operational, or trading position or prospects since September 30, 2025, being the date of the latest reporting period of our consolidated audited financial statements as set out in the Accountants' Report set out in Appendix I to this Document.

FUTURE PLANS

See "Business — Our Development Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate the net [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range stated in this Document), will be approximately HK$[REDACTED] million, after deduction of [REDACTED] and commissions and estimated expenses payable by us in connection with the [REDACTED] and assuming the [REDACTED] is not exercised.

We intend to use the [REDACTED] of the [REDACTED] for the following purposes, subject to changes with respect to our evolving business needs and changing market conditions:

- Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized to implementing our overseas expansion and global sales network construction. This will be used to enhance our global brand influence and strengthen our comprehensive competitiveness in overseas markets. Based on the foregoing, we believe that further investment in overseas sales teams and localized service systems will help consolidate our existing overseas market presence, enhance customer retention, strengthen our pricing capability and market responsiveness in overseas markets, and support the continued expansion of our overseas business.

- Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized to the digital and intelligent upgrade of our domestic and overseas manufacturing facilities. These proceeds are intended to align with the global energy transition trend to achieve a strategic upgrade in smart manufacturing capabilities — from automated equipment to intelligent systems, and address the surge in market demand brought by the global energy transition and the inevitable trend of manufacturing towards flexibility, green development, and intelligence. Traditional manufacturing models struggle to meet the extreme requirements for production efficiency, product consistency, and rapid response. Investing in advanced manufacturing capabilities centered on digital twin is our strategic choice to transition from "equipment automation" to "system intelligence." We plan to build core competitive barrier by building digital twin factories that create real-time mapping and two-way interactive digital models with physical factories, covering the entire life cycle from design and production to O&M, effectively improving Overall Equipment Effectiveness (OEE) and shortening production cycles. Through AI applications, we will deploy algorithms in specific scenarios like AOI, predictive maintenance, optimization of production process parameters, and intelligent energy scheduling to shift from "experience-driven" to "data-driven" decision-making, significantly improving first-pass yield and reducing quality-related costs. Through the application of industrial simulation technologies, we conduct digital simulations in areas including new production line layout, logistics routing, and production scheduling optimization. This enables virtual validation and refinement of solutions prior to physical implementation, substantially lowering trial-and-error costs and lead times. Collectively, these initiatives will enhance the precision and foresight of management decisions and strengthen our factories's flexible manufacturing capabilities to respond effectively to demand volatility.

This allocation is further broken down as follows:

(1) Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized to promote the digital upgrade of our domestic manufacturing facilities. We have introduced and integrated core information systems, such as, ERP, APS, MES and WMS into our production operations, enabling end-to-end digital management from sales orders and production scheduling to product delivery. Through real-time collection and analysis of production progress, process parameters and quality data, our manufacturing processes have achieved visualization, traceability and optimization. We believe that continued advancement of intelligent manufacturing systems centered on digital twins will further improve production efficiency, shorten delivery cycles and enhance our factories' flexible response to order fluctuations, thereby providing stable and efficient manufacturing support for the Group's scalable development. In particular:

i. Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized for digital factory infrastructure upgrades, including necessary automated production equipment, intelligent logistics facilities, and industrial-grade network and data infrastructure, to strengthen the foundational capabilities for digital and intelligent operations.

ii. Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized for the deployment and implementation of digital factory software systems and personnel training, to enhance system utilization efficiency and ensure that digital capabilities are effectively applied and continuously optimized.

iii. Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized for the implementation and development of key application scenarios, promoting the practical deployment and application of intelligent manufacturing technologies in production processes.

iv. Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized as operating and maintenance expenses and risk reserves for digital factories, to address uncertainties arising from technological changes and project delays and to ensure the steady advancement of digital upgrade projects.

(2) Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized to promote the digital upgrade of our overseas manufacturing facilities, to enhance overseas production and operation efficiency and strengthen coordination across our global manufacturing system. The overseas production base established by us in Thailand forms a globally coordinated production capacity layout with our domestic facilities in China. By front-loading capacity into target markets, we have achieved positive results in shortening delivery cycles and enhancing supply chain stability. Based on this, we plan to replicate and roll out domestically proven digital manufacturing experience and management systems to overseas factories, helping to realize unified management and coordinated operations of our global production system, further improving operational efficiency and delivery certainty of overseas factories and enhancing the resilience and flexibility of the Group's overall supply chain. The specific investment will be applied to the following aspects: overseas digital factory infrastructure upgrades to support automated and intelligent production requirements; the deployment, implementation and related personnel training of overseas digital factory software systems; the implementation and development of application scenarios for advanced intelligent manufacturing productivity in the transformer industry; and the digital factory-related services and risk reserves to address uncertainties during technological upgrades and project implementation.

- Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized to the research, development and industrialization of next-generation solid-state transformers (SST) and Panama power systems, with the aim of strengthening technological barriers in the power electronics field and enhancing core product R&D and scalable manufacturing capabilities. Leveraging our long-standing technical accumulation in power electronics, electromagnetic technologies and transformer equipment, we have actively deployed next-generation power electronic technologies such as solid-state transformers and have commenced R&D of SST-related products. Meanwhile, we continue to invest resources to expand the application of efficient power supply systems such as "Panama power" in high-end application scenarios including data centers. We believe that sustained investment in SST products and Panama power systems will help consolidate our core technological advantages in relevant fields, accelerate the transition of frontier technologies from R&D to industrialization and commercialization, enable us to better capture market opportunities in high-growth application scenarios, such as, data centers and new energy, and maintain our technological leadership in relevant niche segments. In particular:

  (1) Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be primarily used to construct our R&D laboratories and production lines, including infrastructure construction and the configuration of precision instruments and equipment. Our newly constructed R&D laboratories will add GFA for R&D facilities and be equipped with advanced equipment, such as, programmable grid simulators, regenerative electronic loads, hardware-in-the-loop simulation platforms, power analyzers, and high-bandwidth oscilloscopes, which will provide core support for the

design, verification and testing of high-reliability SST and Panama power products. Our newly constructed production lines will add GFA and be configured with key equipment including SMT machines, reflow ovens, solder paste inspection systems, AOI equipment and electronic material warehouses, so as to ensure production quality, process control and delivery efficiency. Upon completion of the project, our core product development and production capabilities will be significantly enhanced, laying a solid foundation for timely response to market demand.

(2) Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be primarily used for R&D personnel remuneration and benefits expenses for SST and Panama teams, so as to ensure the stability of the core technical team and the continuous progress of related projects. The product development team is led by the R&D Director, who is responsible for the overall technical roadmap, master plans, project and cost management. The team comprises four specialized groups, namely the "System Group", "Software Group", "Hardware Group" and "Testing Group". The System Group is responsible for the design and simulation of the overall machine architecture, structural and electrical interfaces, and thermal management solutions; the Software Group focuses on power module communication, algorithm logic, master-slave FPGA and DSP frameworks, and the implementation of interactive interfaces; the Hardware Group undertakes the design, debugging, reliability and safety compliance control of main power units and single-board hardware; and the Testing Group leads the work of functional and performance verification and certification. Sustained investment will ensure the efficient collaboration of all these specialized groups, supporting the rapid iteration and high-quality delivery of products.

- Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized to make investments and acquisitions the upstream and downstream segments of the industry chain and in strategic industries, aiming to complement organic growth with inorganic expansion, improve industry layout and enhance overall competitiveness. In addition to organic growth, we plan to continue selectively seeking strategic industry-related cooperation, investments and acquisitions both domestically and overseas to enhance overall competitiveness and drive sustainable development. Our strategic investments and acquisitions will focus on R&D and manufacturing enterprises related to transformer insulation materials, main transformers, PV-storage-charging integration and data center applications, including transformer manufacturers with core technological advantages or power equipment suppliers aligned with industry trends in new energy and data centers, with emphasis on teams possessing mature R&D, sales and operational capabilities. We will select high-quality targets that can create synergies with our existing business, enrich our product portfolio and/or strengthen our technological capabilities, with annual revenue of not less than RMB200 million, subject to market conditions and target availability. Based on industry analysis, suitable targets are generally available in the market. Please see "Business — Our Development Strategies — Pursuing Inorganic Growth through Strategic Industry-related Cooperation, Investments and Acquisitions." We believe that strategic investments or acquisitions will help accelerate the integration of key technological capabilities and industrial resources, further enrich our product matrix and support the Group's long-term development in key application fields.

- Approximately [REDACTED] of the [REDACTED], or HK$[REDACTED], will be utilized to supplement working capital and for general purpose.

If the [REDACTED] is fixed at HK$[REDACTED] per [REDACTED] (being the high-end of the [REDACTED] range stated in this Document) and assuming the [REDACTED] is not exercised, we will receive additional [REDACTED] of approximately HK$[REDACTED]. If the [REDACTED] is fixed at HK$[REDACTED] per [REDACTED] (being the low-end of the [REDACTED] range stated in this Document) and assuming the [REDACTED] is not exercised, the [REDACTED] we receive will be reduced by approximately HK$[REDACTED]. The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-end of the estimated [REDACTED] range. We intend to apply the additional [REDACTED] to the above purposes on a pro rata basis in the event that the [REDACTED] is exercised.

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only place the [REDACTED] from the [REDACTED] which are not immediately required for the disclosed purpose in short-term interest-bearing accounts at licensed commercial banks and/or authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the proposed use of [REDACTED] above or if any amount of the [REDACTED] will be used for general corporate purpose.

[REDACTED]

[REDACTED]

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INDEPENDENCE OF THE [REDACTED]

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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[REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-[1] to I-[110], received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants'Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

容诚 | RCHK

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF EAGLERISE ELECTRIC & ELECTRONIC (CHINA) CO., LTD. AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Eaglerise Electric & Electronic (China) Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[4] to I-[110], which comprises the consolidated statements of financial position of the Group as at December 31, 2023 and 2024, the statements of financial position of the Company as at December 31, 2023 and 2024 and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended December 31, 2023 and 2024 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on page I-[4] to I-[110] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "**Document**") in connection with the initial [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's consolidated financial position as at December 31, 2023 and 2024, the Company's financial position as at December 31, 2023 and 2024, and of the consolidated financial performance and consolidated cash flows of the Group for the years ended December 31, 2023 and 2024 in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information.

Review of stub period financial information

We have reviewed the stub period financial information of the Group which comprises the consolidated statement of financial position of the Group as at September 30, 2025 and the statement of financial position of the Company as at September 30, 2025, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the nine months ended September 30, 2024 and 2025, and other explanatory information (the "**Stub Period Financial Information**").

The directors of the Company are responsible for the presentation and preparation of the Stub Period Financial Information in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board ("**IAASB**"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to Note 12 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2024 and 2025.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
[•]
Practising Certificate Number: [•]

Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the historical financial information for the years ended December 31, 2023 and 2024 and the stub period financial information for the nine months ended September 30, 2025 (the "**Track Record Period**") which form an integral part of this accountants' report.

The consolidated financial statements of the Group for the years ended December 31, 2023 and 2024, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") and were audited by Rongcheng (Hong Kong) CPA Limited in accordance with International Standards on Auditing issued by the IAASB ("**Underlying Financial Statements**").

The Historical Financial Information and the Stub Period Financial Information are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended December 31,		Nine months ended September 30,	
		2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	(unaudited)
Revenue	5	3,616,308	4,602,694	3,224,149	3,769,432
Cost of sales	8	(2,833,087)	(3,677,647)	(2,530,001)	(3,099,289)
Gross profit		783,221	925,047	694,148	670,143
Other income	6	46,953	63,040	45,702	65,350
Other (losses)/gains, net	7	(14,352)	25,120	(10,551)	(2,861)
Impairment losses (recognised)/reversed on financial assets and contract assets, net		(12,834)	(17,200)	(5,987)	741
Research and development expenses	8	(185,800)	(191,177)	(145,673)	(173,893)
General and administrative expenses	8	(225,034)	(306,205)	(212,002)	(225,331)
Selling expenses	8	(88,491)	(109,553)	(76,395)	(102,332)
Finance costs	10	(23,788)	(43,239)	(31,900)	(37,673)
Share of result of an associate	17	(53,784)	457	(3,526)	(3,334)
Profit before income tax		**226,091**	**346,290**	**253,816**	**190,810**
Income tax expense	11	(9,248)	(46,128)	(35,783)	(2,719)
Profit for the year/period		**216,843**	**300,162**	**218,033**	**188,091**
Profit for the year/period attributable to:					
Owners of the Company		208,916	292,095	209,836	178,074
Non-controlling interests		7,927	8,067	8,197	10,017
		216,843	300,162	218,033	188,091
Other comprehensive income/(loss) for the year/period, net of tax					
Item that may be reclassified subsequently to profit or loss:					
Translation of financial statements of foreign operations, net of tax		1,460	(25,789)	(21,859)	49,626
Other comprehensive income/(loss) for the year/period, net of tax		**1,460**	**(25,789)**	**(21,859)**	**49,626**
Total comprehensive income for the year/period attributable to:					
Owners of the Company		210,376	266,306	187,977	227,700
Non-controlling interests		7,927	8,067	8,197	10,017
		218,303	274,373	196,174	237,717
Earnings per share ("EPS") attributable to owners of the Company					
Basic (in RMB per share)	13	0.63	0.75	0.54	0.45
Diluted (in RMB per share)		0.63	0.75	0.54	0.45

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,		As at September 30,
		2023	**2024**	**2025**
	Notes	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	14	1,223,625	2,774,152	3,353,645
Right-of-use assets	15	84,137	141,798	161,130
Intangible assets	16	43,445	55,750	65,814
Investment in an associate	17	18,772	19,229	15,895
Goodwill	18	37,249	37,249	48,386
Time deposits	19	49,636	—	—
Financial assets at fair value through other comprehensive income	21	1,000	1,264	21,056
Other financial assets	21	30,000	23,139	20,320
Prepayments, other receivables and other assets	23	104,154	91,695	149,690
Deferred income tax assets	24	48,652	45,192	62,867
		1,640,670	**3,189,468**	**3,898,803**
Current assets				
Inventories	25	483,834	733,986	798,880
Trade and notes receivables	26	1,338,054	2,093,280	1,654,706
Contract assets	27	154,393	214,106	240,523
Prepayments, other receivables and other assets	23	98,616	282,069	318,984
Prepaid income tax		1,364	1,066	7,412
Financial assets at fair value through profit or loss	20	531,285	—	—
Financial assets at fair value through other comprehensive income	21	309,416	55,109	276,986
Restricted bank deposits	28	34,272	194,090	176,706
Time deposits	19	74,590	97,589	73,182
Cash and cash equivalents	29	634,440	551,848	977,332
		3,660,264	**4,223,143**	**4,524,711**
Current liabilities				
Financial liabilities at fair value through profit or loss	30	16,760	—	—
Trade and notes payables	31	1,232,091	1,112,180	1,341,937
Contract liabilities	32	22,105	29,858	79,244
Other payables and accruals	33	292,910	565,965	284,281
Bank borrowings	34(a)	252,129	1,188,058	1,494,662
Liabilities under supplier financing arrangement	34(b)	72,887	599,640	582,223
Lease liabilities	15	8,120	25,652	31,189
Income tax payable		23,119	12,351	27,005
		1,920,121	3,533,704	3,840,541
Net current assets		**1,740,143**	**689,439**	**684,170**
Total assets less current liabilities		**3,380,813**	**3,878,907**	**4,582,973**

		As at December 31,		As at September 30,
		2023	**2024**	**2025**
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)
Non-current liabilities				
Other payables and accruals	33	53,910	110,978	140,490
Bank borrowings	34(a)	196,026	470,600	571,226
Lease liabilities	15	6,970	50,991	47,244
Deferred income tax liabilities	24	14,148	10,405	9,890
		271,054	**642,974**	**768,850**
Net assets		**3,109,759**	**3,235,933**	**3,814,123**
EQUITY				
Share capital	35	391,320	392,205	423,103
Treasury shares	35	(33,772)	(109,060)	(75,797)
Reserves	37	2,738,347	2,925,946	3,433,010
Equity attributable to owners of the Company		**3,095,895**	**3,209,091**	**3,780,316**
Non-controlling interests		13,864	26,842	33,807
Total equity		**3,109,759**	**3,235,933**	**3,814,123**

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31, 2023 RMB'000	As at December 31, 2024 RMB'000	As at September 30, 2025 RMB'000 (unaudited)
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	14	15,540	25,015	4,342
Right-of-use assets	15	672	—	—
Intangible assets	16	1,509	1,989	5,100
Investment in an associate	17	18,772	19,229	15,895
Investments in subsidiaries	22	1,498,498	2,170,452	2,559,011
Financial assets at fair value through other comprehensive income	21	1,000	1,000	20,700
Other financial assets	21	30,000	23,139	20,320
Prepayments, other receivables and other assets	23	11,920	71	—
Deferred income tax assets	24	9,448	6,726	9,516
Total non-current assets		**1,587,359**	**2,247,621**	**2,634,884**
Current assets				
Inventories	25	88,433	41,615	35,977
Trade and notes receivables	26	555,551	888,475	475,828
Contract assets	27	150,159	199,216	191,426
Prepayments, other receivables and other asset	23	862,950	1,008,390	1,405,912
Prepaid income tax		—	11	307
Financial assets at fair value through profit or loss	20	201,285	—	—
Financial assets at fair value through other comprehensive income	21	151,891	2,446	185,076
Restricted bank deposits	28	22,952	101,070	81,735
Time deposits	19	34,444	24,451	—
Cash and cash equivalents	29	127,691	30,269	209,725
Total current assets		**2,195,356**	**2,295,943**	**2,585,986**
Current liabilities				
Financial liabilities at fair value through profit or loss	30	16,760	—	—
Trade and notes payables	31	510,483	826,268	878,648
Contract liabilities	32	126	5,689	7,635
Other payables and accruals	33	207,180	719,880	596,882
Bank borrowings	34(a)	187,068	195,988	405,260
Liabilities under supplier financing arrangement	34(b)	—	—	64,830
Lease liabilities	15	698	—	—
Income tax payable		498	—	—
Total current liabilities		**922,813**	**1,747,825**	**1,953,255**
Net current assets		**1,272,543**	**548,118**	**632,731**
Total assets less current liabilities		**2,859,902**	**2,795,739**	**3,267,615**

		As at December 31,		As at September 30,
		2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)
Non-current liabilities				
Other payables and accruals	33	7,417	5,846	4,668
Bank borrowings	34(a)	190,000	180,000	170,000
Total non-current liabilities		**197,417**	**185,846**	**174,668**
Net assets		**2,662,485**	**2,609,893**	**3,092,947**
EQUITY				
Share capital	37	391,320	392,205	423,103
Treasury shares	37	(33,772)	(109,060)	(75,797)
Reserves	37	2,304,937	2,326,748	2,745,641
Total equity		**2,662,485**	**2,609,893**	**3,092,947**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Treasury shares	Share premium	Other capital reserve	Other comprehensive income reserve	Statutory reserve	Retained earnings	Sub-Total	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note (35)	*Note (35)*		*Note (a)*	*Note (b)*	*Note (c)*				
As at January 1, 2023	**299,320**	**(22,380)**	**827,860**	**24,335**	**(1,940)**	**129,179**	**503,601**	**1,759,975**	**1,611**	**1,761,586**
Profit for the year	—	—	—	—	—	—	208,916	208,916	7,927	216,843
Other comprehensive income for the year	—	—	—	—	1,460	—	—	1,460	—	1,460
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**1,460**	**—**	**208,916**	**210,376**	**7,927**	**218,303**
Appropriation of statutory reserve	—	—	—	—	—	5,428	(5,428)	—	—	—
Dividends declared *(Note 12)*	—	—	—	—	—	—	(75,219)	(75,219)	—	(75,219)
Share-based compensation expenses *(Note 36)*	—	—	—	28,433	—	—	—	28,433	—	28,433
Issue of shares upon placing *(Note 35)*	89,672	—	1,073,105	—	—	—	—	1,162,777	—	1,162,777
Vesting of share options *(Note 35)*	398	—	3,690	—	—	—	—	4,088	—	4,088
Vesting of restricted shares *(Note 35)*	—	5,361	—	—	—	—	—	5,361	—	5,361
Repurchase obligation of ordinary shares under share incentive scheme *(Note 35)*	—	(25,137)	—	—	—	—	—	(25,137)	—	(25,137)
Issue of shares under restricted share incentive schemes *(Note 35)*	3,000	—	22,137	—	—	—	—	25,137	—	25,137
Repurchase and cancellation of shares under restricted share incentive schemes *(Note 35)*	(1,070)	8,384	(7,314)	—	—	—	—	—	—	—
Acquisition of shares of existing subsidiary	—	—	—	(3,146)	—	—	—	(3,146)	2,576	(570)
Capital injection from non-controlling shareholders	—	—	3,250	—	—	—	—	3,250	1,750	5,000
As at December 31, 2023 and January 1, 2024	**391,320**	**(33,772)**	**1,922,728**	**49,622**	**(480)**	**134,607**	**631,870**	**3,095,895**	**13,864**	**3,109,759**
Profit for the year	—	—	—	—	—	—	292,095	292,095	8,067	300,162
Other comprehensive loss for the year	—	—	—	—	(25,789)	—	—	(25,789)	—	(25,789)
Total comprehensive (loss)/income for the year	**—**	**—**	**—**	**—**	**(25,789)**	**—**	**292,095**	**266,306**	**8,067**	**274,373**
Repurchase of shares under restricted share incentive schemes	—	(92,691)	—	—	—	—	—	(92,691)	—	(92,691)
Appropriation of statutory reserve	—	—	—	—	—	16,215	(16,215)	—	—	—
Dividends declared *(Note 12)*	—	—	—	—	—	—	(115,674)	(115,674)	—	(115,674)
Share-based compensation expenses *(Note 36)*	—	—	—	37,867	—	—	—	37,867	—	37,867
Vesting of share options *(Note 35)*	966	—	9,424	—	—	—	—	10,390	—	10,390
Repurchase obligation of ordinary shares under share incentive scheme *(Note 35)*	—	(32,275)	—	—	—	—	—	(32,275)	—	(32,275)
Issue of shares under restricted share incentive schemes *(Note 35)*	—	49,678	(17,403)	—	—	—	—	32,275	—	32,275
Repurchase and cancellation of shares under restricted share incentive schemes *(Note 35)*	(81)	—	(547)	—	—	—	—	(628)	—	(628)
Capital injection from non-controlling shareholders	—	—	3,250	—	—	—	—	3,250	1,750	5,000
Capital injection from non-controlling shareholders through capitalisation of performance obligation *(Note 30)*	—	—	4,376	—	—	—	—	4,376	3,161	7,537
As at December 31, 2024 and January 1, 2025	**392,205**	**(109,060)**	**1,921,828**	**87,489**	**(26,269)**	**150,822**	**792,076**	**3,209,091**	**26,842**	**3,235,933**

	Share capital *RMB'000* *Note (35)*	Treasury shares *RMB'000* *Note (35)*	Share premium *RMB'000*	Other capital reserve *RMB'000* *Note (a)*	Other comprehensive income reserve *RMB'000* *Note (b)*	Statutory reserve *RMB'000* *Note (c)*	Retained earnings *RMB'000*	Sub-Total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
Profit for the period (unaudited)	—	—	—	—	—	—	178,074	178,074	10,017	188,091
Other comprehensive income for the period (unaudited)	—	—	—	—	49,626	—	—	49,626	—	49,626
Total comprehensive income for the period (unaudited)	**—**	**—**	**—**	**—**	**49,626**	**—**	**178,074**	**227,700**	**10,017**	**237,717**
Appropriation of statutory reserve (unaudited)	—	—	—	—	—	19,961	(19,961)	—	—	—
Dividends declared *(Note 12)* (unaudited)	—	—	—	—	—	—	(116,364)	(116,364)	—	(116,364)
Share-based compensation expenses *(Note 36)* (unaudited)	—	—	—	24,449	—	—	—	24,449	—	24,449
Issue of shares upon placing *(Note 35)* (unaudited)	29,564	—	362,404	—	—	—	—	391,968	—	391,968
Vesting of share options *(Note 35)* (unaudited)	1,550	—	16,067	—	—	—	—	17,617	—	17,617
Vesting of restricted shares *(Note 35)* (unaudited)	—	31,517	—	—	—	—	—	31,517	—	31,517
Repurchase and cancellation of shares under restricted share incentive schemes *(Note 35)* (unaudited)	(216)	1,746	(1,530)	—	—	—	—	—	—	—
Acquisition of a subsidiary under common control *(Note 22)* (unaudited)	—	—	(5,662)	—	—	—	—	(5,662)	(3,052)	(8,714)
As at September 30, 2025	**423,103**	**(75,797)**	**2,293,107**	**111,938**	**23,357**	**170,783**	**833,825**	**3,780,316**	**33,807**	**3,814,123**
As at January 1, 2024	**391,320**	**(33,772)**	**1,922,728**	**49,622**	**(480)**	**134,607**	**631,870**	**3,095,895**	**13,864**	**3,109,759**
Profit for the period (unaudited)	—	—	—	—	—	—	209,836	209,836	8,197	218,033
Other comprehensive loss for the period (unaudited)	—	—	—	—	(21,859)	—	—	(21,859)	—	(21,859)
Total comprehensive (loss)/income for the period (unaudited)	**—**	**—**	**—**	**—**	**(21,859)**	**—**	**209,836**	**187,977**	**8,197**	**196,174**
Repurchase of shares under restricted share incentive schemes *(Note 35)* (unaudited)	—	(76,690)	—	—	—	—	—	(76,690)	—	(76,690)
Dividends declared *(Note 12)* (unaudited)	—	—	—	—	—	—	(115,674)	(115,674)	—	(115,674)
Share-based compensation expenses *(Note 36)* (unaudited)	—	—	—	25,212	—	—	—	25,212	—	25,212
Vesting of share options *(Note 35)* (unaudited)	853	—	8,375	—	—	—	—	9,228	—	9,228
Repurchase obligation of ordinary shares under share incentive scheme *(Note 35)* (unaudited)	(81)	—	(547)	—	—	—	—	(628)	—	(628)
Issue of shares under restricted share incentive schemes *(Note 35)* (unaudited)	—	45,292	(15,866)	—	—	—	—	29,426	—	29,426
Capital injection from non-controlling shareholders (unaudited)	—	—	3,250	—	—	—	—	3,250	1,750	5,000
Capital injection from non-controlling shareholders through capitalisation of performance compensation *(note 30)* (unaudited)	—	—	4,376	—	—	—	—	4,376	3,161	7,537
As at September 30, 2024 (unaudited)	**392,092**	**(65,170)**	**1,922,316**	**74,834**	**(22,339)**	**134,607**	**726,032**	**3,162,372**	**26,972**	**3,189,344**

Notes:

(a) Other capital reserve mainly includes reserve recognised under share incentive scheme.

(b) Other comprehensive income reserve is the reserve due to the exchange differences on translation of financial statements of foreign operation and fair value change on financial assets at fair value through other comprehensive income.

(c) It represents the statutory reserve of the Company established in the People's Republic of China ("**PRC**").

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Operating activities				
Profit before tax	226,091	346,290	253,816	190,810
Adjustments for:				
— Share of result of an associate	53,784	(457)	3,526	3,334
— Depreciation of property, plant and equipment	69,823	87,063	73,917	102,835
— Depreciation of right-of-use assets	14,443	27,631	19,625	26,164
— Amortisation of intangible assets	6,501	7,482	5,463	7,341
— Time deposits interest income	(7,883)	(14,293)	(13,880)	(1,524)
— Dividend income from other financial assets	—	(780)	—	(1,921)
— Fair value gains on financial assets at fair value through profit and loss	(1,285)	(1,698)	(1,698)	—
— Fair value losses on financial liability at fair value through profit and loss	16,760	125	—	—
— Net loss/(gain) on disposal of property, plant and equipment	2,884	(13,691)	1,681	879
— Provision for impairment of inventories	16,646	15,630	18,259	24,066
— Finance costs	23,778	43,239	31,900	37,673
— Impairment loss recognised/(reversed) on trade and notes receivables, net	10,925	14,255	5,532	(2,779)
— Impairment loss recognised on contract assets, net	1,157	1,560	—	2,331
— Impairment loss recognised/(reversed) on other receivables, net	752	1,385	455	(293)
— Share-based compensation expense	28,433	37,867	25,212	24,449
— Deferred government grants released to profit or loss	(2,984)	(6,302)	(4,070)	(7,089)
— Net foreign exchange (gains)/losses	(5,961)	17,964	(1,491)	(4,177)
— Bank interest income	(10,344)	(14,546)	(11,488)	(12,096)

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
(Increase)/decrease in trade and notes receivables	(184,479)	(769,496)	(461,430)	168,741
Increase in contract assets	(77,667)	(61,273)	(67,031)	(28,748)
(Increase)/decrease in prepayments, deposits, other receivables and note receivables measured at fair value through other comprehensive income	(373,930)	21,823	77,622	(247,426)
Increase in inventories	(134,355)	(265,782)	(225,785)	(88,960)
(Increase)/decrease in restricted bank deposits	(5,718)	(25,313)	89,704	(11,148)
Increase/(decrease) in trade and notes payables	480,714	(119,911)	(60,349)	229,757
Increase/(decrease) in liabilities under supplier financing arrangements	(15,008)	526,753	288,574	(17,417)
(Decrease)/increase in other payables and accruals	18,813	358,506	91,698	(210,302)
Increase in contract liabilities	12,520	7,753	2,749	49,386
Cash generated from operations	**164,410**	**221,784**	**142,511**	**233,886**
Bank interest received	10,344	14,546	11,488	12,096
Income tax paid	(1,338)	(56,881)	(40,907)	(12,601)
Net cash flows generated from operating activities	**173,416**	**179,449**	**113,092**	**233,381**
Investing activities				
Purchase of property, plant and equipment	(528,106)	(1,724,866)	(1,121,517)	(712,624)
Proceeds from disposal of property, plant and equipment	1,213	33,371	429	9,287
Proceeds from disposal of land use right	—	4,404	4,404	4,346
Purchase of intangible assets	(14,551)	(22,348)	(8,004)	(18,113)
Prepayment for right-of-use assets	(11,072)	(5,810)	(5,810)	(11,651)
Time deposits interest received	7,308	14,061	12,304	2,213
Payment for acquisition of a subsidiary, net of cash acquired	—	—	—	(20,208)
Withdrawal of time deposits	814,513	739,316	640,000	108,493
Placement of time deposits	(770,364)	(690,740)	(678,577)	(84,370)
Proceeds from sale of financial assets at fair value through profit or loss	—	532,983	208,689	—
Purchase of financial assets at fair value through profit or loss	(530,000)	—	—	—
Dividends received from an equity investment	—	780	—	1,921
Payment for performance compensation *(Note 30)*	—	(9,348)	—	—
Purchase of financial assets at fair value through other comprehensive income	—	(264)	—	(20,092)
Proceeds from disposal of an equity investment designated at fair value through other comprehensive income	—	—	—	300
Proceeds from disposal of other financial assets	—	6,861	—	2,819
Net cash flows used in investing activities	**(1,031,059)**	**(1,121,600)**	**(948,082)**	**(737,679)**

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Financing activities				
Capital injection from non-controlling interests	5,000	5,000	5,000	—
Proceeds from redemption liabilities	—	30,000	30,000	—
Proceeds from issue of shares	1,162,777	—	—	391,968
Proceeds from vesting of share options	4,088	10,390	9,228	17,617
Proceeds from issue of restricted shares	25,137	32,275	29,426	—
Repurchase and cancellation of restricted shares	(8,384)	(628)	(628)	(1,746)
Proceeds from bank borrowings	1,115,766	1,977,328	1,692,171	1,987,664
Repayment of bank borrowings	(1,036,940)	(771,776)	(613,444)	(1,312,634)
Interest paid for borrowings	(23,788)	(36,425)	(35,207)	(34,567)
Principal portion of lease payments	(11,527)	(23,701)	(17,510)	(25,128)
Interest paid for lease payments	(763)	(2,544)	(1,820)	(1,023)
Dividends paid to the shareholders of the Company	(74,260)	(115,200)	(115,200)	(116,364)
Purchase of shares held by non-controlling shareholders	(570)	—	—	—
Payment for acquisition of a subsidiary under common control	—	—	—	(8,714)
Payment on repurchase of shares	—	(92,691)	(76,690)	—
Withdraw/(Placement) of restricted bank deposits	(6,606)	(134,505)	(8,484)	28,532
Net cash flows generated from financing activities	**1,149,930**	**877,523**	**896,842**	**925,605**
Net increase/(decrease) in cash and cash equivalents	**292,287**	**(64,628)**	**61,852**	**421,307**
Cash and cash equivalents at beginning of year/period	336,192	634,440	634,440	551,848
Effect of foreign exchange rate changes, net	5,961	(17,964)	1,491	4,177
Cash and cash equivalents at end of year/ period	**634,440**	**551,848**	**697,783**	**977,332**

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Eaglerise Electric & Electronic (China) Co,. Ltd. (the "**Company**") was a limited liability company incorporated in the PRC on October 15, 1999 and was converted into a joint stock limited company on December 28, 2007. The Company's A shares have been listed on Shenzhen Stock Exchange since December 29, 2017. The address of the Company's registered office and its principal place of business is No. A3, Guicheng Technology Park, Jianping Road, Nanhai District, Foshan City, Guangdong Province, PRC.

During the Track Record Period, the Company and its subsidiaries (the "**Group**") are principally engaged in the research, development, design, production, and sales of transformers, power supplies, and lighting products.

As at September 30, 2025, the Company's controlling shareholder is Mr. Xiao Juncheng, who held 31.77% of the Company's total share capital. In this Historical Financial Information, certain English name of the companies referred herein represent the management's best effort to translate the Chinese name of the companies as no English name has been registered.

2. BASIS OF PRESENTATION AND PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual IFRS, International Accounting Standards and Interpretations approved by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 4.

The material accounting policy information that has been used in the preparation of this Historical Financial Information are disclosed in note 3.2. These accounting policies have been consistently applied to all the periods presented in the Historical Financial Information, unless otherwise stated.

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The adoption of the IFRS Accounting Standards do not have any significant impact on the financial positions or results of the Group during the Track Record Period.

The Stub Period Financial Information has been prepared in accordance with same basis of presentation and preparation adopted in respect of the Historical Financial Information.

3.1 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not early adopted the following new and amended IFRS Accounting Standards which have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 7 and IFRS 9	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity[1]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Annual Improvements to IFRSs	Annual Improvements to IFRS Accounting Standards — Volume 11[1]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]

1 Effective for accounting periods beginning on or after January 1, 2026
2 Effective for accounting periods beginning on or after January 1, 2027
3 Effective dates not yet determined

Except for new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the other new and amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and has impact on presentation of the consolidated statements of comprehensive income.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated fully from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the Historical Financial Information. Where unrealised losses on sales of intra-group assets are reversed in consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated balance sheets, respectively.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Merger accounting for business combination involving businesses under common control

The Historical Financial Information incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognized in respect of goodwill or bargain purchase gain at the time of common control combination.

Expenditure incurred in relation to a common control combination that is to be accounted for by using merger accounting is recognized as an expense in the period in which it is incurred.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

Business combination other than combinations of businesses under common control

Business combinations, other than combinations of businesses under common control, are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the performance compensation is measured at its fair value and included in the cost of the relevant assets on initial recognition. The performance compensation that is classified as an asset or a liability is subsequently re-measured to fair value at each reporting date, with the corresponding gain or loss being recognised in profit or loss.

Investments in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Historical Financial Information using the equity method of accounting, The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Foreign currency translation

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from there translation of monetary assets and liabilities at the end of the reporting period are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e., only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

In the Historical Financial Information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the end of the reporting period. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the other comprehensive income reserve in equity.

Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) are initially recognised at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management, including costs of testing whether the related assets are functioning properly). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values using the straight-line basis over their estimated useful lives as follow:

Properties and buildings	5–40 years
Machinery	3–10 years
Transportation equipment	3–5 years
Electronic equipment and other equipment	3–10 years
Leasehold improvements	3–5 years

The land purchased by the Group overseas with permanent property rights is recognised as freehold land and is not depreciated.

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each year/period for the Track Record Period.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Right-of-use assets

Accounting policies of right-of-use assets (other than prepaid lease payments) are set out in "Leases" below.

Prepaid land lease payments (which meet the definition of right-of-use assets) represent the upfront payment for long-term land lease in which the payment can be reliably measured. It is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the term of the lease except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of assets.

Intangible assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The useful lives are as follows:

Software	5 years
Patent rights	10 years

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each year/period for the Track Record Period.

Intangible assets are tested for impairment as described in "Impairment of non-financial assets" below.

Research and development

Costs associated with research activities are expensed in profit or loss as they incur. Costs that are directly attributable to development activities are recognized as intangible assets provided they meet all of the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or know-how that meet the above recognition criteria are recognized as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred, the amount recognised for non-controlling interests and the fair value of the Group's previously held equity interest in the acquire over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the amount recognised for non-controlling interests and the fair value of the Group's previously held equity interest in the acquire, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("**CGU**") that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, impairment loss is allocated to reduce the carrying amount of goodwill allocated to the unit first, and then to other assets of the unit on the pro-rata basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("**FVTPL**"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

— amortised cost;

— FVTPL; or

— Fair value through other comprehensive income ("**FVTOCI**").

The classification is determined by both:

— the Group's business model for managing the financial asset; and

— the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Debt instruments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

— they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

— the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in other income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's restricted bank deposits, time deposits, cash and cash equivalents, trade and notes receivables, other receivables fall into this category of financial instruments.

Financial assets at FVTOCI — recycling

If the contractual cash flows of the financial assets comprise solely payments of principal and interest and are held within a business model whose objective is achieved by both the collection of contractual cash flows and sale, subsequent changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit loss ("**ECL**"), interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements under IFRS 9 apply.

Equity instruments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income and accumulated in "other comprehensive income reserve" in equity. Such elections are made on an instrument-by-instrument basis but only be made if the investment meets the definition of equity from the issuer's perspective.

The equity instruments at FVTOCI are not subject to impairment assessment. The cumulative gain or loss in "other comprehensive income reserve" will not be reclassified to profit or loss upon disposal of the equity investments and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in "other income" in profit or loss.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognize ECL — the "ECL model". Instruments within the scope included cash and bank deposits, trade receivables, notes receivables, and other financial assets measured at amortised cost.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this general model approach, a distinction is made between:

— financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**"); and

— financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

"Stage 3" would cover financial assets that have objective evidence of impairment at the end of the reporting period.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 categories.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Cash and bank deposits and restricted bank deposits

Cash and bank deposits are considered to have low credit risk because the counter-parties are banks and have a low risk of default, and have a strong capacity to meet its contractual cash flow obligations in the near term. Cash and bank deposits and restricted bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

Trade receivables and notes receivables

For trade and notes receivables, the Group applies a simplified approach in calculating ECL and recognizes a loss allowance based on lifetime ECL at the end of each year/period for the Track Record Period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade and notes receivables have been grouped based on shared credit risk characteristics.

For notes receivables measured at FVTOCI, the Group assumes that the credit risk on notes receivables measured at FVTOCI has not increased significantly since initial recognition if the notes receivables measured at FVTOCI is determined to have low credit risk at the end of each reporting period. Notes receivables measured at FVTOCI is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Other receivables and other financial assets measured at amortized cost

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the end of each year/period for the Track Record Period with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

— an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating,

— significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread and the credit default swap prices for the debtor;

— existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and

— an actual or expected significant deterioration in the operating results of the debtor.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade and notes receivables, contract assets, other financial assets measured at amortised cost and trade and notes receivables measured at FVTOCI are set out in Note 45.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and notes payables, other payables and accruals, redemption liabilities borrowings and lease liabilities.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method except for derivatives which are not designated as hedging instruments in hedge relationships and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. Financial liabilities are classified as at FVTPL when the financial liabilities is performance compensation in relation to business combination.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in finance costs or other income.

Accounting policies of lease liabilities are set out in "Leases" below.

Accounting policies of redemption liabilities are set out in "Redemption liabilities" below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Trade and notes payables, other payables and accruals

Trade and notes payables, other payables and accruals are recognised initially at their fair value and subsequently measured at amortized cost, using the effective interest method.

Contract assets and contract liabilities

Contract assets are recognised when the Group recognizes revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy and are reclassified to receivables when the right to the consideration has become unconditional.

Contract liabilities are recognised when the customer pays consideration before the Group recognizes the related revenue. Contract liabilities would also be recognised if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis. When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

Redemption liabilities

A contract that contains an obligation to repurchase the Group entities equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount, even if the entity's obligations to purchase is conditional on the counterparty exercising a right to redeem. The entity undertakes such redemption obligations as certain preferred rights are granted to the investors in the entity's financing process, such redemption obligation is recognised as financial liability initially at the present value of the redemption amount and subsequently measured at amortized cost with interest charged in finance costs, and finance cost is recognized in statements of comprehensive loss on effective interest method.

The Group derecognizes redemption liabilities when, and only when, the redemption obligations are discharged, canceled or expired.

Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of semi-finished goods and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 28.

Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the consolidated statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at the end of each year/period for the Track Record Period and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract (which includes both incremental costs and an allocation of other costs that relate directly to fulfilling that contract).

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After the initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be recognised in a comparable provision as described above. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed as per above.

Share capital

Share capital are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issue of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

Revenue recognition

Revenue mainly arises from sales of new energy products, lighting products, power distribution products, industrial control products, data center products and others.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when or as performance obligations are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised at a point in time, when the Group satisfies performance obligations by transferring the promised goods to its customers.

Revenue from sale of goods

Revenue from sale of goods between the Group and its customers generally only includes a performance obligation for the transfer of goods, which is recognised when the performance obligation has been satisfied at a point in time.

Revenue for domestic sale of goods is recognised when the products have been delivered to the customer as stipulated in the contract, and the customer has accepted the goods; it is probable that related economic benefits will flow to us; the significant risks and rewards of ownership of the goods have been transferred; and ownership of the goods has been transferred.

Revenue for overseas sale of goods is recognised when customs declaration procedures for the products have been completed as stipulated in the contract and the customs declaration forms have been obtained; it is probable that related economic benefits will flow to us; the significant risks and rewards of ownership of the goods have been transferred; and ownership of the goods has been transferred.

Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income and is released to the consolidated statements of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

Impairment of non-financial assets

The following assets are subject to impairment testing:

- Intangible assets;
- Property, plant and equipment;
- Goodwill;
- Right-of-use assets; and
- The Company's investments in subsidiaries and associate.

Assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a cash generating unit ("**CGU**")). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Impairment losses recognised for CGU, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

Employee benefits

Short-term employee benefits

Salaries, discretionary bonuses, paid annual leave and the cost of non-monetary benefits are accrued and recognised in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Pension scheme

Retirement benefits to employees are provided through defined contribution plans. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed is incurred.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

Share-based employee compensation

The Group operates share-based compensation plans for remuneration of its employees including share award schemes.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the "capital reserve" in equity. If vesting conditions apply, the expense is recognised over the vesting period based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period.

Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalized as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Accounting for income taxes

Income tax comprises current tax and deferred income tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred income tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred income tax liabilities are generally recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred income tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in IAS 12 to the lease liabilities and the related assets separately. The Group recognizes a deferred income tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred income tax liability for all taxable temporary differences.

Deferred income tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of each year/period for the Track Record Period.

Changes in deferred income tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred income tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

— income or loss excluding reversals of temporary differences; and

— reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred income tax assets and deferred income tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred income tax assets and the deferred income tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of financial assets and contract assets

The loss allowances for financial assets and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, as well as forward-looking estimates at the end of each year/period for the Track Record Period. Details of the key assumptions and inputs used are disclosed in the tables in note 45.

Inventory provision

The Group measures the inventory at the lower of cost and net realizable value, and makes inventory provision for the obsolete inventory, slow-moving inventory and the inventory of which the cost is higher than their net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory impairment loss predicted to occur and provided allowance for impairment, the impairment assessment may still be significantly changed due to the change of market situation.

Fair value measurement of financial assets at level 3 fair value hierarchy

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets at level 3 fair value hierarchy are disclosed in the tables in note 44.

Income taxes and deferred income taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgements are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group recognizes deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilised. The recognition of deferred income tax assets mainly involves management's judgements and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

Recognition of share-based compensation expenses

Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the significant input of expected life of the share incentive granted, expected volatility, and risk-free rate and making assumptions about them.

For the measurement of the fair value of share-based payment transactions with employees at the grant date, the Group uses a Black-Scholes option pricing model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 36.

Impairment of property, plant and equipment, intangible assets with finite useful lives and right-of-use assets

Property, plant and equipment, intangible assets with finite useful lives and right-of-use assets are stated at costs less accumulated depreciation or amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying amount of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

5. REVENUE AND SEGMENT INFORMATION

The Group's principal activities are disclosed in note 3.2 to the Historical Financial Information.

Revenue derived from the transfer of goods recognised at a point in time is analysed as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Type of goods				
— New energy products	1,953,199	2,636,273	1,767,010	2,207,647
— Data center products	49,678	149,294	105,969	99,344
— Power distribution products	374,069	372,004	305,256	312,572
— Industrial control products	249,616	232,633	172,719	162,015
— Lighting products	811,713	978,349	709,937	660,535
— Other products	178,033	234,141	163,258	327,319
	3,616,308	4,602,694	3,224,149	3,769,432

Note: Other products mainly included automotive products and communication products.

All revenue from contracts with customers within the scope of IFRS 15 is recognised at a point in time. For sales of products, the Group has applied the practical expedient in paragraph 121 of IFRS 15 as the original expected duration of these contracts is one year or less. Consequently, information about remaining performance obligations is not disclosed.

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identical as the board of directors (the "**Board**") that makes strategic decisions. The Group's management reviews the performance of the Group as a single operating segment based on the internal organisation structure, management requirements and internal reporting system. Accordingly, only entity-wide disclosure, along with the Group's result and financial position as a whole, major customers and geographic information are presented.

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods are delivered.

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Revenue from external customers				
— Chinese Mainland	2,635,030	3,245,598	2,273,679	2,494,132
— Other countries/regions	981,278	1,357,096	950,470	1,275,300
	3,616,308	**4,602,694**	**3,224,149**	**3,769,432**

The geographical distribution of the Group's non-current assets (excluding deferred tax assets, investment in an associate, time deposits, financial assets at FVTOCI and other financial assets), primarily consisting of property, plant and equipment, is determined based on the physical location of these assets. The geographical breakdown of the Group's non-current assets as at the end of each reporting period during the Track Record period is presented below.

	Year ended December 31,		Nine months ended September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current assets (excluding deferred tax assets, investment in an associate, time deposits, financial assets at FVTOCI and other financial assets)			
— Chinese Mainland	1,459,837	2,517,377	2,620,722
— Other countries/regions	32,773	583,267	1,157,943
	1,492,610	3,100,644	3,778,665

Information about major customers

Revenue derived from customers individually contributed over 10% of the Group's revenue during the Track Record Period is as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Customer A	1,554,362	1,623,678	1,169,167	1,018,940

The group of entities under common control of a reporting entity is considered as a single customer.

6. OTHER INCOME

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Amortization of deferred government grants	2,984	6,302	4,070	7,089
Value added tax ("VAT") and other tax credits concessions	6,908	17,271	6,388	19,462
Other government grants *(Note)*	16,032	7,537	4,773	15,443
Bank interest income	10,344	14,546	11,488	12,096
Time deposits interest income	7,883	14,293	13,880	1,524
Others	2,802	3,091	5,103	9,736
	46,953	**63,040**	**45,702**	**65,350**

Note: During the Track Record Period, other government grants have no unfulfilled condition or contingencies.

7. OTHER (LOSSES)/GAINS, NET

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Fair value gains on financial assets at FVTPL	1,285	1,698	1,698	—
Fair value losses on financial liabilities at FVTPL	(16,760)	(125)	—	—
(Losses)/gains on disposals of property, plant and equipment	(2,884)	13,691	(1,681)	(879)
Net foreign exchange gains/(losses)	1,948	7,670	(11,310)	(5,578)
Penalty income	1,735	1,105	973	1,396
Dividend income from other financial assets	—	780	—	1,921
Others	324	301	(231)	279
	(14,352)	**25,120**	**(10,551)**	**(2,861)**

8. EXPENSES BY NATURE

Expenses included in cost of sales, research and development expenses, selling expenses and general and administrative expenses are analysed as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Materials costs	2,609,293	3,256,970	2,249,693	2,632,359
Employee benefit expenses	390,239	504,796	343,926	486,355
Depreciation and amortisation	90,767	122,176	99,005	136,340
Transportation costs	37,227	115,034	68,523	107,306
Audit fee	1,700	1,700	1,700	1,700
Agency consulting fee	20,069	31,581	29,200	19,365
Business tax and surcharges	17,780	24,233	15,541	16,832
Research and developments testing costs	9,213	19,558	9,159	18,283
Water and electricity charges	33,635	48,327	31,604	44,059
Business entertainment expenses	4,688	4,270	1,978	2,872
Office and travel expenses	29,728	38,893	32,489	37,117
Provision for impairment of inventories	16,646	15,630	18,259	24,066
Bank charges	1,439	3,365	3,005	2,241
Share-based compensation expenses	28,433	37,867	25,212	24,449
Other expenses	41,555	60,182	34,777	47,501
	3,332,412	4,284,582	2,964,071	3,600,845

9. EMPLOYEE BENEFIT EXPENSES

(a) Employee benefit expenses are analyzed as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Salaries, allowances, discretionary bonuses, benefits in kind and retirement scheme contributions	390,239	504,796	343,926	486,355
Share-based compensation expenses	28,433	37,867	25,212	24,449
	418,672	542,663	369,138	510,804

(b) Directors' and supervisors' emoluments

Directors' and supervisors' emoluments for the Track Record Period, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	Fees	Salaries, allowances, discretionary bonuses and benefits in kind	Retirement scheme contributions	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023					
Executive directors					
Mr. Xiao Juncheng	—	1,059	7	—	1,066
Mr. Wang Yilong	—	755	7	—	762
Independent non-executive directors					
Mr. Liu Jie	120	—	—	—	120
Mr. Chuai Gongming	120	—	—	—	120
Mr. Sun Yang	120	—	—	—	120
Supervisors					
Mr. Wang Yigang *(note)*	—	19	—	—	19
Mr. Li Weixiong	—	580	7	—	587
Mr. Liao Zhanglong	—	92	—	—	92
Mr. Liu Desong	—	590	6	—	596
Year ended December 31, 2024					
Executive directors					
Mr. Xiao Juncheng	—	1,053	8	—	1,061
Mr. Wang Yilong	—	903	8	—	911
Independent non-executive directors					
Mr. Liu Jie	120	—	—	—	120
Mr. Chuai Gongming	120	—	—	—	120
Mr. Sun Yang	120	—	—	—	120
Supervisors					
Mr. Li Weixiong	—	555	8	—	563
Mr. Liao Zhanglong	—	96	—	—	96
Mr. Liu Desong	—	579	—	—	579

	Fees	Salaries, allowances, discretionary bonuses and benefits in kind	Retirement scheme contributions	Share-based compensation expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Nine months ended September 30, 2024 (unaudited)					
Executive directors					
Mr. Xiao Juncheng	—	723	6	—	729
Mr. Wang Yilong	—	573	6	—	579
Independent non-executive directors					
Mr. Liu Jie	90	—	—	—	90
Mr. Chuai Gongming	90	—	—	—	90
Mr. Sun Yang	90	—	—	—	90
Supervisors					
Mr. Li Weixiong	—	417	6	—	423
Mr. Liao Zhanglong	—	71	—	—	71
Mr. Liu Desong	—	434	—	—	434
Nine months ended September 30, 2025 (unaudited)					
Executive directors					
Mr. Xiao Juncheng	—	521	7	—	528
Mr. Wang Yilong	—	352	7	—	359
Independent non-executive directors					
Mr. Liu Jie	90	—	—	—	90
Mr. Chuai Gongming	90	—	—	—	90
Mr. Sun Yang	90	—	—	—	90
Supervisors					
Mr. Li Weixiong	—	128	7	—	135
Mr. Liao Zhanglong	—	67	—	—	67
Mr. Liu Desong	—	115	—	—	115

Note:

Mr. Wang Yigang retired in April 2023.

Fees, salaries, allowances and benefits in kind paid to or for the executive directors, independent non-executive directors of the Company and supervisors are generally emoluments paid or receivable in respect of services in connection with the management of the affairs of the Company and its subsidiaries.

There was no arrangement under which directors and supervisors waived or agreed to waive any remuneration during the Track Record Period. No emolument was paid by the Group to the directors of the Company and supervisors as an inducement to join or upon joining the Group or as compensation for loss of office for the Track Record Period.

(c) Five highest paid individuals

During the years ended December 31, 2023 and 2024 and Nine months ended September 30, 2024 and 2025, the five highest paid individuals included 1, 1, 1, 1 (unaudited) director, respectively, whose emoluments are reflected in note 9(b) above. The aggregate emoluments payable to the remaining 4, 4, 4 and 4 (unaudited) individuals during the years ended December 31, 2023 and 2024 and nine months ended September 30, 2024 and 2025 are as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Salaries, allowances, discretionary bonuses and benefits in kind	4,286	4,860	3,616	1,508
Retirement scheme contributions	29	33	24	27
Share-based compensation expenses	3,889	5,351	3,472	3,519
	8,204	10,244	7,112	5,054

The discretionary bonus is determined by reference to individual performance of the employees and approved by the management of the Group. The emoluments of the remaining highest paid individuals fell within the following bands:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024** (unaudited)	**2025** (unaudited)
HK$500,001–HK$1,000,000	—	—	—	3
HK$1,000,001–HK$1,500,000	3	—	3	—
HK$1,500,001–HK$2,000,000	—	3	—	—
HK$2,500,001–HK$3,000,000	—	—	—	1
HK$3,000,001–HK$3,500,000	—	—	1	—
HK$3,500,001–HK$4,000,000	1	—	—	—
HK$4,500,001–HK$5,000,000	—	1	—	—
	4	4	4	4

10. FINANCE COSTS

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Interest expense on bank borrowings	23,025	40,695	30,080	34,771
Interest expense on lease liabilities *(Note 15)*	763	2,544	1,820	1,023
Interest expense on redemption liabilities	—	—	—	1,879
	23,788	43,239	31,900	37,673

Note: During the Track Record Period, the amount of approximately nil, RMB925,000, RMB925,000 (unaudited) and RMB4,918,000 (unaudited) of finance costs were capitalised in construction in progress.

11. INCOME TAX EXPENSE

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Current income tax	27,696	46,411	43,466	20,909
Deferred income tax *(Note 24)*	(18,448)	(283)	(7,683)	(18,190)
Income tax expense	**9,248**	**46,128**	**35,783**	**2,719**

Taxes on profits assessable have been calculated at the rate of tax prevailing in the jurisdictions in which relevant entities operate.

(a) PRC Enterprise Income Tax ("EIT")

Under the PRC Enterprise Income Tax Law and relevant regulations, the applicable statutory enterprise income tax rate for the Company and its subsidiaries in Chinese Mainland is 25%, while qualified small meager-profit enterprises are subject to a reduced rate of 20%, and High and New Technology Enterprises ("**High-tech Enterprises**") enjoy a preferential income tax rate of 15%.

During the Track Record Period, certain subsidiaries of the Group have obtained High-tech Enterprises and hence they are entitled to a preferential corporate income tax rate of 15% for a valid period of 3 years.

Pursuant to Caishui [2022] No. 13 "**Announcement on Further Implementing the Income Tax Preferential Policies for Small Meager-profit Enterprises**" **(關於進一步實施小微企業所得稅優惠政策的公告)**, certain subsidiaries were qualified as small meager-profit enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income exceeding RMB1,000,000 but less than RMB3,000,000 from January 1, 2022 to December 31, 2024.

Pursuant to Caishui [2023] No. 12 "**Announcement on the Income Tax Preferential Policies for Small Meager-profit Enterprises and Self-employed Businesses" (關於小微企業和個體工商戶所得稅優惠政策的公告)**, certain subsidiaries were qualified as small meager-profit enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB3,000,000 from January 1, 2023 to December 31, 2027.

(b) Hong Kong Profits Tax

A Hong Kong subsidiary is subject to the two-tiered profits tax regime. Under this regime, the first HK$2 million of assessable profits of the qualifying group entity is taxed at a concessional rate of 8.25%, with the remaining portion of profits taxed at the standard rate of 16.5%.

(c) Corporate income tax in other jurisdictions

Taxation for other overseas subsidiaries are charged at the appropriate current rates of taxation ruling in the relevant countries.

Reconciliation between the income tax expense and profit before income tax in the consolidated statements of comprehensive income is as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Profit before income tax	226,091	346,290	253,816	190,810
Tax at the statutory tax rate of 25%	56,523	86,573	63,454	47,703
Tax effect of				
— different tax rates of the subsidiaries	(18,914)	(32,472)	(8,664)	(23,417)
— non-deductible expenses	1,327	289	186	1,148
— deductible temporary differences and tax losses not recognised	12,740	23,587	9,211	13,485
— changes in deferred tax assets/liabilities at the beginning of the year due to tax rate adjustments	—	956	—	—
— utilisation of temporary differences and tax losses previously not recognised	(9,198)	(4,838)	(646)	(15,675)
— adjustments in respect of current tax of prior years/periods	(844)	(425)	(425)	28
— additional deduction of research and development expense *(Note a)*	(32,386)	(27,542)	(27,333)	(20,553)
Income tax expense	**9,248**	**46,128**	**35,783**	**2,719**

Notes:

(a) In accordance with the relevant tax laws and regulations of the PRC, for research and development expenses incurred by the Group for developing new technologies, products, and processes, where such expenses do not recognised as intangible assets and are accounted for as current profit or loss, on the basis of the actual deduction according to the law, an additional 100% deduction of the actual amount is allowed for the purpose of calculating the taxable income for the period commencing from January 1, 2023. For intangible assets recognised, the amortization of the intangible assets is deductible at 200% of the asset cost during the aforementioned period.

(b) According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that have been effective from 2018 onwards, for equipment and appliances newly purchased by enterprises with a unit value not exceeding RMB5,000,000, the purchase costs are allowed to be deducted from the current year's taxable income, and depreciation is not deductible afterwards.

12. DIVIDENDS

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Dividends attributable to the year/period				
Final dividends	75,219	115,674	115,674	116,364

The final dividends of approximately RMB75,219,000 (RMB2.50 per 10 shares, tax inclusive), RMB115,674,000 (RMB3.00 per 10 shares, tax inclusive) and RMB116,364,000 (RMB3.00 per 10 shares, tax inclusive) (unaudited) in respect of the years ended December 31, 2022, 2023 and 2024 were approved by the Annual General Meetings of the Company.

13. EPS ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic EPS

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding treasury shares held for share schemes as these shares are not considered outstanding for basic EPS calculation purposes.

The following table illustrates the earnings and shares information used in the calculation of basic EPS:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
			(unaudited)	(unaudited)
Profit attributable to owners of the Company used in calculating basic EPS (RMB'000)	208,916	292,095	209,836	178,074
Weighted average number of ordinary shares in issue (thousand shares) *(Note)*	331,262	388,159	387,683	392,905
Basic EPS in RMB per share	0.63	0.75	0.54	0.45

Note: During the Track Record Period, the weighted average number of ordinary shares in issue has been adjusted for the shares issued, the repurchase and cancellation of shares, the placing, and the vesting of share options.

(b) Diluted EPS

The share schemes granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
			(unaudited)	(unaudited)
Profit attributable to owners of the Company used in calculating diluted EPS (RMB'000)	208,916	292,095	209,836	178,074
Weighted average number of ordinary shares in issue (thousand shares)	331,262	388,159	387,683	392,905
Adjustments for potential dilutive ordinary shares arising from share schemes (thousand shares)	882	1,406	1,136	1,072
Weighted average number of ordinary shares used in calculating diluted EPS (thousand shares)	332,144	389,565	388,819	393,977
Diluted EPS in RMB per share	0.63	0.75	0.54	0.45

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Properties and buildings *RMB'000* *Note (a)*	Machinery *RMB'000*	Transportation equipment *RMB'000*	Electronic equipment and other equipment *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Freehold lands *RMB'000*	Total *RMB'000*
As at January 1, 2023								
Cost	524,019	385,703	11,961	80,676	4,581	210,927	—	1,217,867
Accumulated depreciation	(62,021)	(93,445)	(5,382)	(57,124)	(2,332)	—	—	(220,304)
Net carrying amount	461,998	292,258	6,579	23,552	2,249	210,927	—	997,563
Year ended December 31, 2023								
Opening net carrying amount	461,998	292,258	6,579	23,552	2,249	210,927	—	997,563
Additions	1,951	30,513	1,537	13,800	3,020	250,120	—	300,941
Disposals	(246)	(3,419)	(188)	(1,447)	—	—	—	(5,300)
Depreciation	(12,943)	(38,216)	(2,014)	(15,532)	(1,118)	—	—	(69,823)
Transfers	89,029	42,127	—	16,522	—	(147,678)	—	—
Exchange realignment	281	(14)	(1)	(11)	(11)	—	—	244
Closing net carrying amount	540,070	323,249	5,913	36,884	4,140	313,369	—	1,223,625
As at December 31, 2023 and January 1, 2024								
Cost	615,056	451,483	12,251	104,219	7,590	313,369	—	1,503,968
Accumulated depreciation	(74,986)	(128,234)	(6,338)	(67,335)	(3,450)	—	—	(280,343)
Net carrying amount	540,070	323,249	5,913	36,884	4,140	313,369	—	1,223,625
Year ended December 31, 2024								
Opening net carrying amount	540,070	323,249	5,913	36,884	4,140	313,369	—	1,223,625
Additions	8,362	91,453	2,944	17,467	5,220	1,504,098	26,133	1,655,677
Disposals	(16,830)	(1,313)	—	(350)	—	—	—	(18,493)
Depreciation	(16,534)	(49,885)	(1,928)	(17,140)	(1,576)	—	—	(87,063)
Transfers	252,658	164,095	4,171	19,321	—	(440,245)	—	—
Exchange realignment	276	67	(10)	26	47	—	—	406
Closing net carrying amount	768,002	527,666	11,090	56,208	7,831	1,377,222	26,133	2,774,152
As at December 31, 2024 and January 1, 2025								
Cost	856,768	700,787	19,341	138,496	12,857	1,377,222	26,133	3,131,604
Accumulated depreciation	(88,766)	(173,121)	(8,251)	(82,288)	(5,026)	—	—	(357,452)
Net carrying amount	768,002	527,666	11,090	56,208	7,831	1,377,222	26,133	2,774,152
Nine months ended September 30, 2025								
Opening net carrying amount	768,002	527,666	11,090	56,208	7,831	1,377,222	26,133	2,774,152
Additions (unaudited)	6,428	103,966	3,012	18,947	370	484,873	69,264	686,860
Disposals (unaudited)	—	(10,068)	(8)	(90)	—	—	—	(10,166)
Depreciation (unaudited)	(20,499)	(57,631)	(2,256)	(19,682)	(2,767)	—	—	(102,835)
Transfers (unaudited)	559,581	186,369	613	17,742	—	(764,305)	—	—
Exchange realignment (unaudited)	282	1,054	35	102	32	—	2,776	4,281
Additions due to the acquisition of a subsidiary (unaudited)	—	1,114	36	203	—	—	—	1,353
Closing net carrying amount (unaudited)	1,313,794	752,470	12,522	73,430	5,466	1,097,790	98,173	3,353,645
As at September 30, 2025								
Cost (unaudited)	1,423,020	976,854	22,989	173,475	13,259	1,097,790	98,173	3,805,560
Accumulated depreciation (unaudited)	(109,226)	(224,384)	(10,467)	(100,045)	(7,793)	—	—	(451,915)
Net carrying amount (unaudited)	1,313,794	752,470	12,522	73,430	5,466	1,097,790	98,173	3,353,645

Notes:

(a) The Group's properties and buildings located in the PRC with carrying amounts of approximately RMB155,744,000, RMB131,355,000 and RMB518,064,000 (unaudited) as at December 31, 2023 and 2024 and September 30, 2025, respectively, were in the process of obtaining the property ownership certificates. As of the end of each reporting period, the directors of the Company are of the opinion, the Group is entitled to lawfully and validly occupy and use the buildings, and therefore the aforesaid matter did not have any significant impact on the Group's consolidated statements of financial positions as at December 31, 2023 and 2024 and September 30, 2025. As of the date of this report, all ownership certificates are still being processed.

(b) The Group has pledged certain property, plant and equipment with the following carrying amounts to secure borrowings granted to the Group. Details of the Group's property, plant and equipment pledged for the Group's borrowings are as below:

	As at December 31,		**As at September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Properties and buildings	215,031	178,591	194,772

(c) Depreciation of the Group's property, plant and equipment has been recognised as follows:

	Year ended December 31,		**Nine months ended September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Cost of sales	52,812	57,492	64,750
General and administrative expenses	10,193	16,930	23,487
Selling expenses	1,502	1,745	2,122
Research and development expenses	5,316	10,896	12,476
	69,823	87,063	102,835

(d) During the Track Record Period, the amount of approximately nil, RMB925,000, RMB925,000 (unaudited) and RMB4,918,000 (unaudited) of finance costs were capitalised in construction in progress.

The Company

	Machinery *RMB'000*	**Transportation equipment** *RMB'000*	**Electronic equipment and other equipment** *RMB'000*	**Leasehold improvements** *RMB'000*	**Construction in progress** *RMB'000*	**Total** *RMB'000*
As at January 1, 2023						
Cost	10,433	410	12,438	884	—	24,165
Accumulated depreciation	(10,433)	(370)	(11,933)	—	—	(22,736)
Net carrying amount	—	40	505	884	—	1,429
Year ended December 31, 2023						
Opening net carrying amount	—	40	505	884	—	1,429
Additions	774	162	—	92	13,881	14,909
Disposals	—	—	(146)	—	—	(146)
Depreciation	(86)	(183)	(11)	(372)	—	(652)
Closing net carrying amount	688	19	348	604	13,881	15,540
As at December 31, 2023 and January 1, 2024						
Cost	11,207	323	12,195	976	13,881	38,582
Accumulated depreciation	(10,519)	(304)	(11,847)	(372)	—	(23,042)
Net carrying amount	688	19	348	604	13,881	15,540
Year ended December 31, 2024						
Opening net carrying amount	688	19	348	604	13,881	15,540
Additions	—	—	35	—	10,721	10,756
Disposals	(597)	(8)	(137)	—	—	(742)
Depreciation	(91)	(1)	(7)	(440)	—	(539)
Closing net carrying amount	—	10	239	164	24,602	25,015
As at December 31, 2024 and January 1, 2025						
Cost	10,433	161	11,069	976	24,602	47,241
Accumulated depreciation	(10,433)	(151)	(10,830)	(812)	—	(22,226)
Net carrying amount	—	10	239	164	24,602	25,015
Nine months ended September 30, 2025						
Opening net carrying amount	—	10	239	164	24,602	25,015
Additions (unaudited)	—	—	928	—	956	1,884
Disposals (unaudited)	(20,433)	(10)	(18)	—	—	(20,461)
Depreciation (unaudited)	(1,132)	—	(827)	(137)	—	(2,096)
Transfers (unaudited)	21,565	—	—	—	(21,565)	—
Closing net carrying amount (unaudited)	—	—	322	27	3,993	4,342
As at September 30, 2025						
Cost (unaudited)	10,433	—	11,919	976	3,993	27,321
Accumulated depreciation (unaudited)	(10,433)	—	(11,597)	(949)	—	(22,979)
Net carrying amount (unaudited)	—	—	322	27	3,993	4,342

15. LEASES

The Group

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analysed as follows:

	Buildings	**Machinery**	**Land use rights**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	Note (a)		*Note (b)*	
As at January 1, 2023	14,226	1,567	64,878	80,671
Additions	15,060	—	6,854	21,914
Depreciation	(11,308)	(1,567)	(1,568)	(14,443)
Lease modification and termination	(4,005)	—	—	(4,005)
As at December 31, 2023 and January 1, 2024	13,973	—	70,164	84,137
Additions	85,202	—	—	85,202
Depreciation	(26,052)	—	(1,579)	(27,631)
Exchange realignment	90	—	—	90
As at December 31, 2024 and January 1, 2025	73,213	—	68,585	141,798
Additions (unaudited)	27,043	—	19,323	46,366
Depreciation (unaudited)	(24,881)	—	(1,283)	(26,164)
Lease modification and termination (unaudited)	(1,021)	—	—	(1,021)
Exchange realignment (unaudited)	151	—	—	151
As at September 30, 2025 (unaudited)	74,505	—	86,625	161,130

Notes:

(a) The Group has obtained the right to use buildings and others in its operations through tenancy agreements. The leases typically run for an initial period of 1 to 6 years.

(b) Land use rights are all located in the PRC with a lease period of 50 years. Lump sum payments were made upfront to acquire these property interests from the relevant government authorities.

(c) Depreciation of the Group's right-of-use assets has been recognised as follows:

	Year ended December 31,		**Nine months ended September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Cost of sales	13,412	25,980	24,888
General and administrative expenses	1,031	1,651	1,276
	14,443	27,631	26,164

(d) Certain right-of-use assets are pledged as security for the Group's borrowings, details are disclosed in note 38 to the Historical Financial Information.

(b) Lease liabilities

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Total minimum lease payments	15,590	80,878	81,769
Future interest expense on lease liabilities	(500)	(4,235)	(3,336)
	15,090	76,643	78,433
Current	8,120	25,652	31,189
Non-current	6,970	50,991	47,244
	15,090	76,643	78,433

The maturity analysis of lease liabilities is disclosed in note 45 to the Historical Financial Information.

(c) The amounts recognised in the consolidated statements of comprehensive income in relation to leases are as follows:

	Year ended December 31, 2023	Year ended December 31, 2024	Nine months ended September 30, 2024	Nine months ended September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Interest on lease liabilities	763	2,544	1,820	1,023
Depreciation of right-of-use assets	14,443	27,631	19,625	26,164
Expense relating to short-term leases and leases of low-value assets	8,292	11,909	4,466	13,869
	23,498	42,084	25,911	41,056

The Company

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analysed as follows:

	Buildings
	RMB'000
As at January 1, 2023	2,510
Disposals	(491)
Depreciation	(1,347)
As at December 31, 2023 and January 1, 2024	672
Depreciation	(672)
As at December 31, 2024, January 1, 2025 and September 30, 2025 (unaudited)	—

(d) Lease liabilities

	As at December 31,		**As at September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Total minimum lease payments	708	—	—
Future interest expense on lease liabilities	(10)	—	—
	698	—	—
Current	698	—	—

The Group as a lessor

No significant properties were rent out by the Group during the Track Record Period.

16. INTANGIBLE ASSETS

The Group

	Patent rights	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023			
Cost	11,669	58,173	69,842
Accumulated amortisation	(5,543)	(27,230)	(32,773)
Net carrying amount	6,126	30,943	37,069
Year ended December 31, 2023			
Opening net carrying amount	6,126	30,943	37,069
Additions	—	12,877	12,877
Amortisation	(1,167)	(5,334)	(6,501)
Closing net carrying amount	4,959	38,486	43,445
As at December 31, 2023 and January 1, 2024			
Cost	11,669	71,050	82,719
Accumulated amortisation	(6,710)	(32,564)	(39,274)
Net carrying amount	4,959	38,486	43,445
Year ended December 31, 2024			
Opening net carrying amount	4,959	38,486	43,445
Additions	—	19,777	19,777
Amortisation	(1,167)	(6,315)	(7,482)
Exchange realignment	—	10	10
Closing net carrying amount	3,792	51,958	55,750
As at December 31, 2024 and January 1, 2025			
Cost	11,669	90,837	102,506
Accumulated amortisation	(7,877)	(38,879)	(46,756)
Net carrying amount	3,792	51,958	55,750
Nine monthes ended September 30, 2025			
Opening net carrying amount	3,792	51,958	55,750
Additions (unaudited)	39	15,990	16,029
Amortisation (unaudited)	(877)	(6,464)	(7,341)
Exchange realignment (unaudited)	—	6	6
Additions due to the acquisition of a subsidiary (unaudited)	1,199	171	1,370
Closing net carrying amount (unaudited)	4,153	61,661	65,814
As at September 30, 2025			
Cost (unaudited)	13,078	107,009	120,087
Accumulated amortisation (unaudited)	(8,925)	(45,348)	(54,273)
Closing net carrying amount (unaudited)	4,153	61,661	65,814

(a) Depreciation of the Group's intangible assets has been recognised as follows

	Year ended December 31, 2023	Year ended December 31, 2024	Nine months ended Septemeber 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Cost of sales	602	2,412	2,154
General and administrative expenses	5,720	4,607	4,813
Selling expenses	47	102	34
Research and development expenses	132	361	340
	6,501	7,482	7,341

The Company

	Software
	RMB'000
As at January 1, 2023	
Cost	18,883
Accumulated amortisation	(17,010)
Net carrying amount	1,873
Year ended December 31, 2023	
Opening net carrying amount	1,873
Amoritisation	(364)
Closing net carrying amount	1,509
As at December 31, 2023 and January 1, 2024	
Cost	18,883
Accumulated amortisation	(17,374)
Net carrying amount	1,509
Year ended December 31, 2024	
Opening net carrying amount	1,509
Additions	925
Disposals	(109)
Amoritisation	(336)
Closing net carrying amount	1,989
As at December 31, 2024 and January 1, 2025	
Cost	19,647
Accumulated amortisation	(17,658)
Net carrying amount	1,989

	Software
	RMB'000
Nine months ended September 30, 2025	
Opening net carrying amount	1,989
Additions (unaudited)	4,415
Amortization (unaudited)	(379)
Disposals (unaudited)	(925)
Closing net carrying amount (unaudited)	5,100
As at September 30, 2025	
Cost (unaudited)	23,138
Accumulated amortisation (unaudited)	(18,038)
Net carrying amount (unaudited)	5,100

17. INVESTMENT IN AN ASSOCIATE

The Group and the Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Unlisted investment	18,772	19,229	15,895
Opening net carrying amount	72,556	18,772	19,229
Share of results	(53,784)	457	(3,334)
Closing net carrying amount	18,772	19,229	15,895

During the year ended December 31, 2023, the directors of the Company conducted an impairment review of the carrying amount of the associate which is engaged in EV charging and swapping equipment and sustained losses in recent years. Based on the assessment, the recoverable amount of the cash generating unit is estimated to be less than the carrying amount of the interest in that associate. Accordingly, the management of the Group determined that an impairment loss of RMB50,020,000 was recognised in the profit or loss included under share of results of an associate for the year ended December 31, 2023. The recoverable amount of the cash generating unit is determined based on value in use calculations which are derived from cash flow projections based on the most recent financial budgets for the next 5 years approved by the management of the Group. Key assumptions are those regarding the discount rates, expected revenue stream and gross margin during the year. Management estimates discount rate of 12.7% using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the cash generating unit.

In the opinion of the management of the Group, this investment in an associate is immaterial to the Group and the Company.

There were no material contingent liabilities relating to the Group's and the Company's investment in an associate.

18. GOODWILL

	Year ended December 31, 2023	2024	Nine months ended September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
At the beginning of the year/period			
Cost	51,527	51,527	51,527
Impairment	(14,278)	(14,278)	(14,278)
Net carrying amount	37,249	37,249	37,249
At the beginning of the year/period	37,249	37,249	37,249
Additions	—	—	11,137
At the end of the year/period	37,249	37,249	48,386
At the end of the year/period			
Cost	51,527	51,527	62,664
Impairment	(14,278)	(14,278)	(14,278)
Net carrying amount	37,249	37,249	48,386

Note: During the nine months ended September 30, 2025, the Company entered into a share transfer agreement with the shareholders of Jiangxi Yuandian New Materials Co., Ltd, which are independent third parties. The agreement stipulated the transfer of 85% equity interest in Jiangxi Yuandian New Materials Co., Ltd. to the Company for a consideration of approximately RMB20,230,000, resulting in goodwill of approximately RMB11,137,000 (unaudited) at the consolidated financial statements upon the completion in July 2025.

Impairment tests for goodwill

The carrying amount of goodwill are allocated to the CGU of the Group as follows:

	As at December 31, 2023	2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
DEG INDUSTRIAL SUPPLIES SDN.BHD.	—	—	—
Shenzhen Dingshuo Tongbang Technology Co., Ltd (深圳市鼎碩同邦科技有限公司) ("**SZ DINGSHUO**")	37,249	37,249	37,249
Jiangxi Yuandian New Materials Co., Ltd. (江西源點新材料有限公司)	—	—	11,137
	37,249	37,249	48,386

The goodwill of DEG INDUSTRIAL SUPPLIES SDN.BHD. has been fully impaired.

For the purposes of impairment testing, the recoverable amounts of CGU of SZ DINGSHUO is determined based on a value in use calculation using cash flow projections based on financial budgets covering a 5-year period approved by management of the Group.

The following are the key assumptions on which management of the Group has used in its cash flow projections to undertake impairment testing of goodwill of SZ DINGSHUO:

	As at December 31,	
	2023	**2024**
Compound growth rate of revenue over the forecast period	4.88%~11.70%	4.86%~34.79%
Net profit margin	9.61%~10.24%	8.95%~10.90%
Pre-tax discount rate	11.70%	10.65%

Compound growth rate of revenue — The basis is determined with reference to the average revenue achieved in the years before the budget year, increased for management's expectation of the future market.

Net profit margin — The basis is calculated based on historical data and management's projections for future market conditions.

Pre-tax discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The values assigned to the key assumptions on compound growth rate of revenue, net profit margin and discount rate are consistent with external information sources.

As at December 31, 2023 and 2024, the management of the Group has determined that there is no impairment of the CGU of SZ DINGSHUO as the recoverable amount exceeds its carrying amount by approximately RMB49,391,000 and RMB19,657,000, respectively. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the CGU of SZ DINGSHUO to exceed the recoverable amount determined. As at September 30, 2025, based on SZ DINGSHUO's operating conditions, the management of the Group considered that there is no indicators of impairment for the CGU of SZ DINGSHUO.

19. TIME DEPOSITS

The Group

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current			
Large-denomination certificates of deposit with a maturity exceeding one year	49,636	—	—
Current			
Large-denomination certificates of deposit maturing within one year	—	50,703	51,527
Short-term time deposits with original maturities of over three months and due within one year	—	21,939	21,655
Fixed-income bank wealth managements products ("**WMPs**")	74,590	24,947	—
	74,590	97,589	73,182

Denominated in:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
RMB	124,226	97,589	95,794

The Company

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Current			
Fixed-income bank WMPs	34,444	24,451	—

Denominated in:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
RMB	34,444	24,451	—

Certain time deposits are pledged as security for the Group's notes payable, details are disclosed in note 38 to the Historical Financial Information.

20. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Current:			
Bank WMPs and structured deposits *(Note)*	531,285	—	—

The Company

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Current:			
Bank WMPs and structured deposits *(Note)*	201,285	—	—

Note:

The Bank WMPs and structured deposits are mainly managed by licensed financial institutions in the PRC to invest principally in certain financial assets. They are classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

21. FINANCIAL ASSETS AT FVTOCI AND OTHER FINANCIAL ASSETS

The Group

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current:			
— Unlisted equity investments at FVTOCI *(Note (a))*	1,000	1,264	21,056
— Other financial assets *(Note (b))*	30,000	23,139	20,320
Current:			
— Notes receivables measured at FVTOCI *(Note (c))*	309,416	55,109	276,986

The Company

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current:			
— Unlisted equity investments at FVTOCI *(Note (a))*	1,000	1,000	20,700
— Other financial assets *(Note (b))*	30,000	23,139	20,320
Current:			
— Notes receivables measured at FVTOCI *(Note (c))*	151,891	2,446	185,076

Notes:

(a) These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments as accounted for FVTOCI as they believe that recognising short-term fair value fluctuations in these instruments in profit or loss would not be consistent with the Group's strategy of holding these instruments for long-term purposes and realising their performance potential in the long run.

(b) Other financial assets represent investments in unlisted entities which are measured at fair value through profit or loss.

(c) The balance represents notes receivables held by the Group which are issued or guaranteed by reputable PRC banks with high credit ratings. The notes receivables had a maturity of within six months at the end of each year/period for the Track Record Period. The notes receivables are measured at FVTOCI since the notes are held with the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding. The Group believes that the notes receivables do not expose to significant credit risk and will not cause significant losses due to the bank default. The changes in the fair value of the notes receivables are minimal due to its short-term nature.

In addition, the Group has discounted certain notes receivables to banks and endorsed certain notes receivables to its suppliers to settle its payables. The directors of the Company consider the probabilities on default of the discounted or endorsed notes receivables are limited and the Group has derecognised the full carrying amount of these notes receivables and the associated trade and other payables when the notes receivables are endorsed or discounted.

(i) The maximum exposure to the Group that may result from the default of these endorsed and discounted notes receivables as at December 31, 2023, 2024 and September 30, 2025 are approximately RMB856,049,000, RMB1,082,705,000, RMB1,604,164,000 (unaudited), respectively.

(ii) The maximum exposure to the Company that may result from the default of these endorsed and discounted notes receivables as at December 31, 2023 and 2024 and September 30, 2025 are approximately RMB366,105,000, RMB557,337,000 and RMB528,955,000 (unaudited), respectively.

Certain notes receivables measured at FVTOCI are pledged as security for the Group's notes payables, details are disclosed in note 38 to the Historical Financial Information.

22. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The Company

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Investments, at cost	1,498,498	2,170,452	2,559,011

As at December 31, 2023, 2024 and September 30, 2025 and the date of this report, the Company's major subsidiaries are as follows:

			Effective interest held by the Company								
			As at December 31,				As at September 30,		As at the date of this report		
			2023		2024		2025				
Name of entity	Place of incorporation/ operation	Registered share capital	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Principal activities
Foshan Shunde Eaglerise Electric Technology Co., Ltd. (佛山市順德區伊戈爾電力科技有限公司)	PRC	RMB499,000,000	100%	—	100.00%	—	100.00%	—	100.00%	—	Manufacturing
Jiangxi Eaglerise Digital Energy Technology Co., Ltd. (江西伊戈爾數字能源技術有限公司)	PRC	RMB500,000,000	100%	—	100.00%	—	100.00%	—	100.00%	—	Manufacturing
Ji'an Eaglerise Magnetoelectric Technology Co., Ltd. (吉安伊戈尔磁电科技有限公司)	PRC	RMB150,000,000	100%	—	100.00%	—	100.00%	—	100.00%	—	Manufacturing
Ji'an Eaglerise Electrical Co., Ltd. (吉安伊戈爾電氣有限公司)	PRC	RMB120,000,000	100%	—	100.00%	—	100.00%	—	100.00%	—	Manufacturing
Anhui Nengqi Electrical Technology Co., Ltd. (安徽能啟電氣科技有限公司)	PRC	RMB100,000,000	100%	—	100.00%	—	100.00%	—	100.00%	—	Manufacturing
Eaglerise Electric & Electronic (Thailand) Co., Ltd.	Thailand	RMB158,572,760	—	100.00%	—	100.00%	—	100.00%	—	100.00%	Manufacturing
EAGLERISE RENEWABLE ENERGY (USA) INC.	United States	RMB213,763,900	—	100.00%	—	100.00%	—	100.00%	—	100.00%	Manufacturing

The statutory auditors of the major subsidiaries of the Company during the Track Record Period are as follows:

	Name of statutory auditors Year end December 31,	
	2023	2024
Foshan Shunde Eaglerise Electric Technology Co., Ltd. (佛山市順德區伊戈爾電力科技有限公司)	RSM China CPA LLP	RSM China CPA LLP
Jiangxi Eaglerise Digital Energy Technology Co., Ltd. (江西伊戈爾數字能源技術有限公司)	RSM China CPA LLP	RSM China CPA LLP
Ji'an Eaglerise Magnetoelectric Technology Co., Ltd. (吉安伊戈尔磁電科技有限公司)	RSM China CPA LLP	RSM China CPA LLP
Ji'an Eaglerise Electrical Co., Ltd. (吉安伊戈爾電氣有限公司)	RSM China CPA LLP	RSM China CPA LLP
Anhui Nengqi Electrical Technology Co., Ltd. (安徽能啟電氣科技有限公司)	RSM China CPA LLP	RSM China CPA LLP
Eaglerise Electric & Electronic (Thailand) Co., Ltd. *(Note (a))*	N/A	RSM Audit Services (Thailand) Limited
EAGLERISE RENEWABLE ENERGY (USA) INC. *(Note (b))*	N/A	N/A

Note:

(a) No audited financial statements of this subsidiary for the year ended December 31, 2023 as it's newly incorporated and not required to issue audited financial statements under the statutory requirements.

(b) No audited financial statements were issued for this subsidiary for the years ended December 31, 2023 and 2024 as they were not required to issue audited financial statements under the statutory requirements of their place of incorporation.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results during the Track Record Period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

All the subsidiaries of the Company are limited liability companies. All subsidiaries have adopted December 31, as their financial year end date.

None of the subsidiaries had issued any debt securities during the Track Record Period.

Acquisition of subsidiaries

(a) In May 2025, the Group acquired 100% equity interests in Ji'an Yiyuan New Materials Co., Ltd. at a consideration of approximately RMB8,714,000 from Foshan MegaMax Investment Co., Ltd. and Jiangxi Yuandian New Materials Co., Ltd.. This transaction is a business combination under common control.

(b) In July 2025, the Group acquired 85% equity interests in Jiangxi Yuandian New Materials Co., Ltd. at a consideration of RMB20,230,000 from independent third party. Goodwill of approximately RMB11,137,000 was recognised. The fair values of identifiable assets and liabilities of Jiangxi Yuandian New Materials Co., Ltd. as at the date of acquisition were as follows:

	RMB'000
Cash and bank balances	22
Property, plant and equipment	1,353
Intangible assets	1,370
Inventories	6,593
Prepayments, other receivables and other assets — current	3,459
Trade and bills receivables	12,982
Trade and bills payables	(12,430)
Contract liabilities	(4,251)
Others	(5)
Total identifiable net assets at fair value	9,093
Goodwill arising on acquisition:	
Consideration transferred	20,230
Less: fair value of net assets acquired	(9,093)
Goodwill arising on acquisition *(Note 18)*	11,137

Included in the goodwill of RMB11,137,000 recognised above is attributable to the synergy of business expansion, which does not meet the criteria for recognition as an intangible asset separately under IAS 38 Intangible Assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Group incurred no transaction costs for the above acquisition.

An analysis of the cash flows in respect of the acquisition of the subsidiary is as follows:

	RMB'000
Cash consideration	20,230
Cash and bank balances acquired	(22)
Net outflow of cash and cash equivalents included in cash flows used investing activities	20,208

23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31,		**As at September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current			
Prepayments for acquisition of property, plant and equipment	89,124	82,284	149,690
Prepayments for acquisition of land use right	3,601	9,411	—
Receivable from disposal of land use right in prior year	11,429	—	—
	104,154	91,695	149,690
Current			
Other receivables			
— Deposits	11,656	15,565	18,699
— Export tax rebate receivables	4,848	10,061	3,304
— Government tax refunds receivables	11,841	5,921	3,966
— Receivable from disposal of land use right in prior year	—	7,025	2,661
— Advance freight charges on behalf of customer	—	—	6,576
— Others	8,614	10,713	14,248
	36,959	49,285	49,454
Less: ECL allowance *(Note c)*	(3,261)	(4,708)	(4,425)
	33,698	44,577	45,029
Prepayment for materials and service *(Note (a))*	19,569	14,541	31,331
VAT recoverable *(Note (b))*	43,004	214,808	242,131
Others	2,345	8,143	493
	98,616	282,069	318,984

Note:

(a) The Group had made advance payments for purchase of inventories to secure the inventory supply. These advance payments are expected to be realised within twelve months from the end of each year or period of the Track Record Period. As of the end of each year or period of the Track Record Period, the Company had no advance payments with an aging period of more than one year or significant in amount.

(b) Input VAT on purchases can be deducted from output VAT payable. The VAT recoverable is the net difference between output and deductible input VAT. The applicable tax rate for domestic sales of the Group is 13% and 6%.

(c) The information about the credit risk exposure on the Group's other receivables using a provision matrix is disclosed in note 45 to the Historical Financial Information.

The Company

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current			
Prepayments for acquisition of property, plant and equipment	491	71	—
Other non-current assets	11,429	—	—
	11,920	71	—
Current			
Other receivables			
— Amounts due from subsidiaries	860,296	996,888	1,400,433
— Deposits	3,620	4,043	3,120
— Others	167	7,994	3,733
	864,083	1,008,925	1,407,286
Less: ECL allowance	(1,576)	(2,002)	(2,352)
	862,507	1,006,923	1,404,934
Prepayment for materials and service			
— Due from subsidiaries	178	34	—
— Due from other parties	3	540	51
VAT recoverable	262	746	758
Others	—	147	169
	862,950	1,008,390	1,405,912

The movements on the ECL allowance of other receivables are as follows:

The Group

	Stage 1	**Stage 2**	**Stage 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	2,502	—	—	2,502
Provision	752	—	—	752
Exchange realignment	7	—	—	7
As at December 31, 2023 and January 1, 2024	3,261	—	—	3,261
Provision	1,385	—	—	1,385
Exchange realignment	62	—	—	62
As at December 31, 2024 and January 1, 2025	4,708	—	—	4,708
Reversal (unaudited)	(293)	—	—	(293)
Exchange realignment (unaudited)	10	—	—	10
As at September 30, 2025 (unaudited)	4,425	—	—	4,425

The Company

	Stage 1	**Stage 2**	**Stage 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	1,462	—	—	1,462
Provision	114	—	—	114
As at December 31, 2023 and January 1, 2024	1,576	—	—	1,576
Provision	426	—	—	426
As at December 31, 2024 and January 1, 2025	2,002	—	—	2,002
Provision (unaudited)	350	—	—	350
As at September 30, 2025 (unaudited)	2,352	—	—	2,352

24. DEFERRED INCOME TAX

The Group

Deferred income tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority.

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Deferred tax assets	64,377	55,860	72,197
Offsetting of deferred tax liabilities	(15,725)	(10,668)	(9,330)
Net deferred tax assets	**48,652**	**45,192**	**62,867**
Deferred tax liabilities	29,873	21,073	19,220
Offsetting of deferred tax assets	(15,725)	(10,668)	(9,330)
Net deferred tax liabilities	**14,148**	**10,405**	**9,890**

(a) Deferred income tax assets

The movements in deferred tax assets during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	ECL allowance and impairment provision	Tax losses	Unrealised profit on intra-group transactions	Warranty provisions	Deferred income	Lease liabilities	Fair value changes of financial liabilities at fair value	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	3,313	43,527	—	469	1,908	1,674	—	50,891
Recognised/(Reversed) in profit or loss	4,836	(8,918)	6,260	(258)	8,215	(839)	4,190	13,486
As at December 31, 2023 and January 1, 2024	8,149	34,609	6,260	211	10,123	835	4,190	64,377
Recognised/(Reversed) in profit or loss	2,162	(5,964)	(5,824)	991	4,439	(131)	(4,190)	(8,517)
As at December 31, 2024 and January 1, 2025	10,311	28,645	436	1,202	14,562	704	—	55,860
Recognised/(Reversed) in profit or loss (unaudited)	(605)	10,145	641	(991)	7,250	(103)	—	16,337
As at September 30, 2025 (unaudited)	9,706	38,790	1,077	211	21,812	601	—	72,197

(b) Deferred income tax liabilities

The movements in deferred tax liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Fair value adjustments arising from acquisition of subsidiaries	Depreciation of property, plant and equipment	Right-of-use assets	Fair value changes of financial assets at fair value	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	1,532	31,664	1,639	—	34,835
(Reversed)/recognised in profit or loss	(292)	(4,198)	(793)	321	(4,962)
As at December 31, 2023 and January 1, 2024	1,240	27,466	846	321	29,873
(Reversed)/recognised in profit or loss	(292)	(8,292)	105	(321)	(8,800)
As at December 31, 2024 and January 1, 2025	948	19,174	951	—	21,073
(Reversed)/recognised in profit or loss (unaudited)	(219)	(1,385)	(249)	—	(1,853)
As at September 30, 2025 (unaudited)	729	17,789	702	—	19,220

(c) Tax losses and deductible temporary differences with deferred income tax assets not recognised

Deferred income tax assets should be recognised when it is probable that taxable profits or taxable temporary differences will be available against which the deferred income tax asset can be utilised. Temporary differences will not be recognised as deferred income tax assets if management estimates that they will not be recovered from taxable profits generated from continuing operations in the foreseeable future. The following table sets forth the tax losses and deductible temporary differences which were not recognised as deferred income tax assets at the end of each year/period for the Track Record Period:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
ECL allowance and impairment provision	64,039	71,547	77,066
Tax losses	31,775	153,838	153,757
Share-based payment	28,433	37,867	24,449
Deferred income	8,604	2,037	1,282
Lease liabilities	—	14,082	8,981
Accrued expenses	—	543	—
	132,851	279,914	265,535

The Group has unused tax losses of approximately RMB230,494,000, RMB326,594,000 and RMB365,252,000 (unaudited) as at December 31, 2023, 2024 and September 30, 2025, respectively, available for offset against future profits. As at December 31, 2023 and 2024 and September 30, 2025, certain deferred income tax asset has not been recognised for these tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB31,775,000, RMB153,838,000 and RMB153,757,000 (unaudited), respectively, can be carried forward as below:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
2026	5,215	6,006	4,855
2027	10,466	5,040	5,040
2028	16,094	10,734	2,212
2029	—	43,705	40,886
2030	—	—	46,792
2034	—	88,353	53,972
	31,775	153,838	153,757

The Company

Deferred income tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority.

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Deferred tax assets	9,938	6,726	9,516
Offsetting of deferred tax liabilities	(490)	—	—
Net deferred tax assets	9,448	6,726	9,516
Deferred tax liabilities	490	—	—
Offsetting of deferred tax assets	(490)	—	—
Net deferred tax liabilities	—	—	—

(a) Deferred tax assets

The movements in deferred tax assets during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	ECL allowance and impairment provision	**Deferred income**	**Lease liabilities**	**Fair value changes of financial liabilities at fair value**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	—	—	—	—	—
Recognised in profit or loss	3,719	1,854	175	4,190	9,938
As at December 31, 2023 and January 1, 2024	3,719	1,854	175	4,190	9,938
Recognised/(reversed) in profit or loss	1,545	(392)	(175)	(4,190)	(3,212)
As at December 31, 2024 and January 1, 2025	5,264	1,462	—	—	6,726
Recognised/(reversed) in profit or loss (unaudited)	3,085	(295)	—	—	2,790
As at September 30, 2025 (unaudited)	8,349	1,167	—	—	9,516

Deferred income tax assets should be recognised when it is probable that taxable profits or taxable temporary differences will be available against which the deferred income tax asset can be utilised. Temporary differences will not be recognised as deferred income tax assets if management estimates that they will not be recovered from taxable profits generated from continuing operations in the foreseeable future.

(b) Deferred tax liabilities

The movements in deferred tax liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Fair value changes of financial assets at fair value	**Right-of-use assets**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	—	—	—
Recognised in profit or loss	322	168	490
As at December 31, 2023 and January 1, 2024	322	168	490
Reversed in profit or loss	(322)	(168)	(490)
As at December 31, 2024, January 1, 2025 and September 30, 2025 (unaudited)	—	—	—

25. INVENTORIES

The Group

	As at December 31,		**As at September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Raw materials	121,616	181,780	239,478
Work in progress	57,682	99,937	151,607
Finished goods	143,503	333,340	251,481
Goods in transit	181,813	142,134	188,919
	504,614	757,191	831,485
Less: provision for impairment	(20,780)	(23,205)	(32,605)
	483,834	733,986	798,880

The Company

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Raw materials	5,400	9,400	8,769
Work in progress	3	2,284	42
Goods in transit	83,030	29,945	27,180
	88,433	41,629	35,991
Less: provision for impairment	—	(14)	(14)
	88,433	41,615	35,977

The management of the Group and of the Company review the condition of inventories and make allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use in production. Inventory review is carried out at each reporting date on a product-by-product basis and makes allowance by reference to the latest market prices and current market conditions for the Group and the Company.

26. TRADE AND NOTES RECEIVABLES

The Group

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Trade receivables	1,237,862	1,843,433	1,663,102
Notes receivables	127,998	291,923	29,662
	1,365,860	2,135,356	1,692,764
Less: ECL allowance	(27,806)	(42,076)	(38,058)
Trade and notes receivables, net	1,338,054	2,093,280	1,654,706

The Company

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Trade receivables			
— Due from subsidiaries	12,581	6,191	38,146
— Due from other parties	511,044	748,121	446,636
Notes receivables	42,148	149,137	—
	565,773	903,449	484,782
Less: ECL allowance	(10,222)	(14,974)	(8,954)
Trade and notes receivables, net	555,551	888,475	475,828

Certain notes receivables are pledged as security for the Group's borrowings, details are disclosed in note 38 to the Historical Financial Information.

The credit period granted to customers is generally within 180 days during the Track Record Period.

The ageing analysis of trade receivables based on recognition date is as follows:

The Group

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within 6 months	1,198,152	1,768,723	1,565,674
Over 6 months to 1 year	27,674	65,495	88,191
Over 1 year but within 2 years	11,971	3,941	7,613
Over 2 years but within 3 years	—	5,272	1,624
Over 3 years	65	2	—
	1,237,862	1,843,433	1,663,102

The Company

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within 6 months	523,589	750,538	484,564
Over 6 months to 1 year	36	370	118
Over 1 year but within 2 years	—	3,404	100
	523,625	754,312	484,782

Impairment of trade and notes receivables are as follows:

The Group

	Year ended December 31, 2023	Year ended December 31, 2024	Nine months ended September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
At the beginning of the year/period	17,080	27,806	42,076
ECL allowance recognised/(reversed), net *(Note)*	10,925	14,255	(2,779)
Written off	(201)	(68)	(1,200)
Exchange realignment	2	83	(39)
At the end of the year/period	27,806	42,076	38,058

Note: Detail information about the impairment of trade receivables and the Group's exposure to credit risk is described in note 45.

The Company

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
At the beginning of the year/period	6,478	10,222	14,974
ECL allowance recognised/(reversed), net	3,744	4,752	(6,020)
At the end of the year/period	10,222	14,974	8,954

27. CONTRACT ASSETS

The Group

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Retention receivables under retention period	157,890	219,163	247,911
Less: allowance for impairment	(3,497)	(5,057)	(7,388)
	154,393	214,106	240,523

The Company

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Retention receivables under retention period	153,235	203,282	197,675
Less: allowance for impairment	(3,076)	(4,066)	(6,249)
	150,159	199,216	191,426

Impairment of contract assets are as follows:

The Group

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
At the beginning of the year/period	2,340	3,497	5,057
ECL allowance recognised, net *(Note)*	1,157	1,560	2,331
At the end of the year/period	3,497	5,057	7,388

Note:

(a) Detail information about the impairment of contract assets and the Group's exposure to credit risk is described in note 45.

The Company

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
At the beginning of the year/period	1,886	3,076	4,066
ECL allowance recognised, net	1,190	990	2,183
At the end of the year/period	3,076	4,066	6,249

28. RESTRICTED BANK DEPOSITS

The Group

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Pledged bank deposits for bank acceptance notes and letters of guarantee	28,378	193,316	176,706
Bank deposits in relation to litigations *(Note a)*	5,894	774	—
	34,272	194,090	176,706

The Company

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Pledged bank deposits for bank acceptance notes and letters of guarantee	22,952	101,070	81,735

Note:

(a) The bank deposits primarily represent the deposits paid by subsidiaries that were sued over product quality issues.

The restricted bank deposits of the Group and the Company are mainly RMB deposits.

29. CASH AND CASH EQUIVALENTS

The Group

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Cash and cash in bank	634,440	551,848	977,332

Denominated in:

	As at December 31, 2023	2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
RMB	270,537	289,003	407,450
European dollars ("**EUR**")	22,792	22,942	37,776
United states dollars ("**USD**")	301,572	209,074	500,288
Japanese Yen ("**JPY**")	36,458	1,061	20,023
Hong Kong dollars ("**HKD**")	19	24,019	1,042
Others	3,062	5,749	10,753
	634,440	551,848	977,332

RMB is not freely convertible into other currencies. However, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The Company

	As at December 31, 2023	2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash in bank	127,691	30,269	209,725

Denominated in:

	As at December 31, 2023	2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000*
RMB	127,633	30,269	209,725
USD	58	—	—
	127,691	30,269	209,725

30. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at December 31,		**As at September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Performance compensation *(Note)*	16,760	—	—

Note: In 2020, the Group acquired 57% equity interest in SZ DINGSHUO from an independent party, which subsequently became a non-controlling interest after the disposal of shares to the Group. Pursuant to the sales and purchase agreement signed, a three-year performance commitment outlined that additional performance compensation payments were required if the performance targets were met. Such performance compensation is measured at fair value. As of December 31, 2023, the directors of the Company remeasured the fair value of the performance compensation at RMB16,760,000, referencing an independent valuation report.

During the year ended December 31, 2024, RMB7,537,000 was agreed to be capitalized in SZ DINGSHUO by the non-controlling interest as settlement; the remaining amount of approximately RMB9,348,000 was settled in cash.

31. TRADE AND NOTES PAYABLES

The Group

	As at December 31,		**As at September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Trade payables	1,032,181	1,072,257	964,164
Notes payables	199,910	39,923	377,773
	1,232,091	1,112,180	1,341,937

The carrying amounts of the Group's trade and notes payables approximated their fair values as at the balance sheet dates.

The credit period granted by suppliers is generally within 180 days. The ageing analysis of the trade payables of the Group as at December 31, 2023 and 2024 and September 30, 2025 based on recognised date is as follows:

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within 1 year	1,027,911	1,061,684	961,567
Over 1 year but within 2 years	1,564	6,923	1,437
Over 2 year but within 3 years	2,008	1,535	310
Over 3 years	698	2,115	850
	1,032,181	1,072,257	964,164

The Company

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Trade payables			
— Due to subsidiaries	366,029	267,487	145,422
— Due to other parties	454	3,556	7,554
Notes payables			
— Due to subsidiaries	144,000	555,225	725,672
	510,483	826,268	878,648

The ageing analysis of the trade payables of the Company as at December 31, 2023 and 2024 and September 30, 2025 based on recognised date is as follows:

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Within 1 year	366,483	270,786	152,915
Over 1 year but within 2 years	—	257	61
	366,483	271,043	152,976

32. CONTRACT LABILITIES

The Group

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Advance payments from customers	22,105	29,858	79,244

The Company

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Advance payments from customers	126	5,689	7,635

Contract liabilities mainly arise from the advance payments from customers upon which the performance obligations have been established while the underlying services or goods are yet to be provided.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised during the Track Record Period relates to carried-forward contract liabilities:

The Group

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Revenue recognised that was included in the contract liability balance at the beginning of the year/period	9,585	22,105	22,105	29,858

33. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current			
Deferred income	53,910	80,978	108,611
Redemption liabilities *(Note)*	—	30,000	31,879
	53,910	110,978	140,490
Current			
Dividends payable	959	1,433	1,433
Accrued expenses	15,257	25,858	30,182
Restricted share repurchase obligation	33,772	66,047	32,784
Endorsed notes receivables that have not been derecognised and not yet due	61,966	162,216	7,722
Deposits and security deposits received	8,424	7,101	14,079
Payroll and welfare payables	88,467	100,124	62,102
Other tax payables	14,931	9,042	14,748
Payables for acquisition of property, plant and equipment	54,927	179,926	98,616
Others	14,207	14,218	22,615
	292,910	565,965	284,281

Note:

During the year ended December 31, 2024, Xiao Yucheng, Zhou Jianqing, Li Weiqiang, Shenzhen Ninghaorui Investment Co., Ltd., and Zi Quan (Shenzhen) Information Consulting Co., Ltd. collectively injected RMB30,000,000 into the Group's subsidiary, Guangdong Eaglerise Intelligent Appliances Co., Ltd.

At the same time, the subsidiary agreed with the shareholders in agreements to grant the shareholders with redemption rights. The Group recognised its obligation of redemption as financial liabilities initially measured at the present value of the redemption amount and subsequently measured at amortized cost with interest charged in finance costs, which is recognised using effective interest method.

The movements of redemption liabilities during the Track Record Period are as follows:

	RMB'000
As at January 1, 2023, December 31, 2023 and January 1, 2024	—
Addition	30,000
As at December 31, 2024 and January 1, 2025	30,000
Interest expense (unaudited)	1,879
As at September 30, 2025 (unaudited)	31,879

The redemption amount is the total amount paid by the investors to obtain the equity interest of the subsidiary, plus an annual simple interest rate of 5% per annum.

The Company

	As at December 31,		**As at September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current			
Deferred income	7,417	5,846	4,668
Current			
Dividends payable	959	1,433	1,433
Amounts due to subsidiaries	148,424	635,174	553,389
Restricted share repurchase obligation	33,772	66,047	32,784
Endorsed notes receivables that have not been derecognised and not yet due	10,280	6,054	—
Deposits and security deposits received	1,804	875	900
Payroll and welfare payables	6,424	5,066	5,720
Other tax payables	5,284	54	498
Payables for acquisition of property, plant and equipment	123	4,891	1,003
Others	110	286	1,155
	207,180	719,880	596,882

34. BANK BORROWINGS AND LIABILITIES UNDER SUPPLIER FINANCING ARRANGEMENT

(a) Bank borrowings

The Group

	As at December 31, 2023	2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Non-current			
Non-current portion of long-term bank borrowings — unsecured and unguaranteed	—	—	19,471
Non-current portion of long-term bank borrowings — unsecured but guaranteed *(Note (a))*	196,026	185,548	301,955
Non-current portion of long-term bank borrowings — secured and guaranteed *(Note (b))*	—	285,052	249,800
	196,026	470,600	571,226
Current			
Short-term bank borrowings — secured but unguaranteed *(Note (c))*	6,776	872,793	662,022
Short-term bank borrowings — unsecured and unguaranteed	—	—	10,009
Short-term bank borrowings — unsecured but guaranteed *(Note (a))*	235,197	284,840	705,469
Short-term bank borrowings — secured and guaranteed *(Note (b))*	—	—	80,049
Current portion of long-term bank borrowings — unsecured and unguaranteed	—	—	1,348
Current portion of long-term bank borrowings — unsecured but guaranteed *(Note (a))*	10,156	10,161	10,614
Current portion of long-term bank borrowings — secured and guaranteed *(Note (b))*	—	20,264	25,151
	252,129	1,188,058	1,494,662

As at December 31, 2023, 2024 and September 30, 2025, the Group's bank borrowings bear effective interest rates ranging from 0.80%–3.85%, 0.80%–5.75% and 2.15%–5.00% (unaudited) per annum, respectively.

Notes:

(a) As at December 31, 2023 and 2024, and September 30, 2025, these bank borrowings were guaranteed by the Company and its subsidiaries.

(b) As at December 31, 2023 and 2024, and September 30, 2025, these bank borrowings were secured by the Group's property, plant and equipment, land use rights and the guarantees provided by the Company and its subsidiaries. The carrying amount of the pledged property, plant and equipment and land use rights are disclosed in note 38.

(c) As at December 31, 2023 and 2024, and September 30, 2025, these bank borrowings were secured by the Group's financial assets at FVTOCI. The carrying amount of the pledged financial assets at FVTOCI are disclosed in note 38.

The Company

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Non-current			
Non-current portion of long-term bank borrowings — unsecured but guaranteed	190,000	180,000	170,000
Current			
Short-term bank borrowings — unsecured but guaranteed	176,912	185,827	395,248
Current portion of long-term bank borrowings — unsecured but guaranteed	10,156	10,161	10,012
	187,068	195,988	405,260

During the Track Record Period, the Group did not violate any financial covenants under the agreements of borrowings. The Group's and the Company's bank borrowings were repayable as follows:

The Group

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Analysed as:			
— Within 1 year	252,129	1,188,058	1,494,662
— Over 1 year but within 2 years	10,000	210,462	224,788
— Over 2 years but within 3 years	180,502	42,404	98,969
— Over 3 years	5,524	217,734	247,469
	448,155	1,658,658	2,065,888

The Company

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Analysed as:			
— Within 1 year	187,068	195,988	405,260
— Over 1 year but within 2 years	10,000	180,000	170,000
— Over 2 years but within 3 years	180,000	—	—
	377,068	375,988	575,260

The Group's and the Company's bank borrowings that are denominated in currencies of the relevant group entities are set out below:

The Group

Denominated in:

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
RMB	412,531	1,635,858	1,943,333
USD	29,599	17,252	122,555
JPY	6,025	5,548	—
	448,155	1,658,658	2,065,888

The Company

Denominated in:

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
RMB	377,068	375,988	575,260

(b) Liabilities under supplier financing arrangement

The Group

	As at December 31, 2023 RMB'000	As at December 31, 2024 RMB'000	As at September 30, 2025 RMB'000 (unaudited)
Liabilities under supplier financing arrangement	72,887	599,640	582,223

The Company

	As at December 31, 2023 RMB'000	As at December 31, 2024 RMB'000	As at September 30, 2025 RMB'000 (unaudited)
Liabilities under supplier financing arrangement	—	—	64,830

The Group introduced a third-party supply chain information service platform to provide services to its suppliers with the Group's electronic debt certificates. The Group's payment obligations under the electronic debt certificates are unconditional and irrevocable, and unaffected by any commercial disputes between the parties involved in the transfer of the electronic debt certificates. The Group shall not claim set-off or raise any defense against the payment obligations. According to the agreement, the Group shall settle the amounts stated in the electronic debt certificates on the payment date. The electronic debt certificates are transferable and financially viable.

Under supplier financing arrangements, the banks paid suppliers the amounts owed by the Group in advance of the original due dates. The Group's obligations to the suppliers are legally extinguished upon payment by the relevant banks. The Group then settled with the banks within 180 days after the bank's settlement. These arrangements may extend the original payment terms.

Carrying amount of financial liabilities that are part of supplier financing arrangements are as follows:

	As at December 31, 2023 RMB'000	As at December 31, 2024 RMB'000	As at September 30, 2025 RMB'000 (unaudited)
Payments have been received by the suppliers from the banks:			
Liabilities under supplier financing arrangements	72,887	599,640	732,223
Of which: Amounts received by the suppliers	46,424	431,512	373,311

Range of payment due dates for liabilities presented as part of "Liabilities under supplier financing arrangements" are as follows:

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Liabilities that are part of liabilities under supplier financing arrangements	Within 60–180 days	Within 60–180 days	Within 60–180 days
Comparable trade payables that are not part of supplier financing arrangements	Within 120 days	Within 120 days	Within 120 days

The carrying amounts of liabilities under the supplier financing arrangements approximated their fair values, due to their short-term nature.

35. SHARE CAPITAL AND TREASURY SHARES

The Group and the Company

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Share capital	391,320	392,205	423,103
Treasury shares reserve	(33,772)	(109,060)	(75,797)
	357,548	283,145	347,306

The changes in share capital are as follows:

	Number of shares	Share capital
	'000	*RMB'000*
Ordinary shares of RMB1 each		
As at January 1, 2023	**299,320**	**299,320**
Issue of shares under restricted shares incentive schemes *(Note (a))*	3,000	3,000
Repurchase and cancellation of shares under restricted share incentive schemes *(Note (b))*	(1,070)	(1,070)
Issue of shares upon placing *(Note (c))*	89,672	89,672
Vesting of share options *(Note (d))*	398	398
As at December 31, 2023 and January 1, 2024	**391,320**	**391,320**
Vesting of share options *(Note (d))*	966	966
Repurchase and cancellation of shares under restricted share incentive schemes *(Note (b))*	(81)	(81)
As at December 31, 2024 and January 1, 2025	**392,205**	**392,205**
Vesting of share options *(Note (d))* (unaudited)	1,550	1,550
Repurchase and cancellation of shares under restricted share incentive schemes *(Note (b))* (unaudited)	(216)	(216)
Issue shares upon placing *(Note (c))* (unaudited)	29,564	29,564
As at September 30, 2025 (unaudited)	**423,103**	**423,103**
As at January 1, 2024	**391,320**	**391,320**
Vesting of share options *(Note (d))* (unaudited)	853	853
Repurchase and cancellation of shares under restricted share incentive schemes *(Note (b))* (unaudited)	(81)	(81)
As at September 30, 2024 (unaudited)	**392,092**	**392,092**

The detail of the treasury shares reserve and number of treasury shares outstanding at the end of each year/period for the Track Record Period are as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Paid-in capital/Nominal value of ordinary shares:				
At the beginning of the year/period	22,380	33,772	33,772	109,060
Repurchase of shares under restricted share incentive schemes *(Notes (e))*	—	92,691	76,690	—
Vesting of restricted shares *(Notes (f))*	(5,361)	—	—	(31,517)
Repurchase and cancellation of shares under restricted share incentive schemes *(Notes (b))*	(8,384)	—	—	(1,746)
Repurchase obligation of ordinary shares under share incentive scheme *(Notes (g))*	25,137	32,275	—	—
Issue of shares under restricted share incentive schemes *(Notes (h))*	—	(49,678)	(45,292)	—
At the end of the year/period	33,772	109,060	65,170	75,797
Number of treasury shares (in thousands)	33,772	109,060	65,170	75,797

Notes:

(a) Pursuant to the approved restricted shares inventive plan during the year ended December 31, 2023 (the "**2023 Restricted Share Incentive Plan**"), the Company granted an initial 2,626,000 and 374,000 restricted shares to incentive recipients during the year ended December 31, 2023.

(b) In March and August 2023, the Company repurchased and canceled restricted shares that did not meet the vesting conditions. The Company paid a total of approximately RMB8,384,000 to the incentive recipients for the share repurchase, of which RMB1,070,000 was deducted from share capital and RMB7,314,000 was deducted from share premium.

In May 2024, the Company repurchased and canceled restricted shares that did not meet the vesting conditions. The Company paid a total of approximately RMB628,000 to the incentive recipients for the share repurchase, of which RMB81,000 was deducted from share capital and RMB547,000 was deducted from share premium.

In April 2025, the Company repurchased and canceled restricted shares that did not meet the vesting conditions. The Company paid a total of approximately RMB1,746,000 to the incentive recipients for the share repurchase, of which RMB216,000 was deducted from share capital and RMB1,530,000 was deducted from share premium.

(c) In August 2023, the Company issued 89,671,636 shares to specific investors. The issue price was RMB13.19 per share, with a total subscription amount of approximately RMB1,182,769,000. Netting off the transaction cost, the Company received a total of approximately RMB1,162,777,000. Per specific placing, the Company recognised share capital of RMB89,672,000 and share premium of RMB1,073,105,000.

In August 2025, the Company issued 29,563,933 shares to Foshan Magus Investment Co., Ltd. in a private placement. The issue price was RMB13.83 per share, with a total subscription amount of approximately RMB400,000,000. Netting off the transaction cost, the Company received a total of approximately RMB391,968,000. Per specific placing, the Company recognised share capital of RMB29,564,000 and share premium of RMB362,404,000.

(d) In 2023, with the approval from the board of directors, the Company conducted a centralized exercise of stock options. The Company has received exercise proceeds totaling approximately RMB4,088,000, of which RMB398,000 was recorded as share capital and RMB3,690,000 was recorded as share premium.

In 2024, with the approval from the board of directors, the Company conducted a centralized exercise of stock options. The Company has received exercise proceeds totaling approximately RMB10,390,000, of which RMB966,000 was recorded as share capital and RMB9,424,000 was recorded as share premium.

In 2025, with the approval from the board of directors, the Company conducted a centralized exercise of stock options. The Company has received exercise proceeds totaling approximately RMB17,617,000, of which RMB1,550,000 was recorded as share capital and RMB16,067,000 was recorded as share premium.

(e) In January 2024, the company repurchased 3,888,900 shares from the open market at a total cost of approximately RMB50,941,000.

In February 2024, the company repurchased 2,232,200 shares from the open market at a total cost of approximately RMB25,749,000.

In November 2024, the company repurchased 923,800 shares from the open market at a total cost of approximately RMB16,000,000.

(f) In June and November 2023, 718,500 of restricted shares were vested during the restriction release periods. Concurrently, the corresponding repurchase obligations for these shares were reduced, decreasing treasury shares by approximately RMB5,361,000.

The Company vested restricted shares in April and June 2025, with a total of 2,438,800 shares released during the restriction release periods. Concurrently, the corresponding repurchase obligations for these shares were reduced, decreasing treasury shares by approximately RMB31,517,000.

(g) In February and October 2023, the Company issued 3,000,000 restricted shares in total to incentive recipients. The Company has received approximately RMB25,137,000 in total from the incentive recipients. Concurrently, the Company recognised treasury shares of approximately RMB25,137,000.

In July and October 2024, the Company issued 3,965,000 restricted shares in total to incentive recipients. The Company has received approximately RMB32,275,000 in total from the incentive recipients. Concurrently, the Company recognised treasury shares of approximately RMB32,275,000.

(h) In July 2024, the Company issued 3,615,000 restricted shares to participants under approved incentive plan in 2024 (the "**2024 Equity Incentive Plan**"). The Company received subscription payments totaling approximately RMB29,426,000, resulting in a reduction of treasury shares by approximately RMB45,292,000. A treasury shares liability of approximately RMB29,426,000 related to the repurchase obligation for restricted shares has been recognised.

In October 2024, the Company issued 350,000 restricted shares to participants under the 2024 Equity Incentive Plan. The Company received subscription payments totaling approximately RMB2,849,000, reduced treasury shares by approximately RMB4,386,000, and recognised a restricted share repurchase obligation of approximately RMB2,849,000.

36. SHARE-BASED EMPLOYEE COMPENSATIONS

(a) Share-based compensation expenses during the Track Record Period were as follows:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Equity settled share-based compensation	28,433	37,867	25,212	24,449

(b) Share Incentive Scheme

The Company granted both Class I restricted shares and Class II share options.

During the year ended December 31, 2023, the Company granted 3,000,000 Class I restricted shares and 1,992,000 Class II share options to 243 incentive recipients (including directors, senior and middle management, and other key employees). The grant date was February 10, 2023, with an exercise price of RMB8.41 per share for Class I restricted shares and a subscription price of RMB11.77 per share for Class II share options. The restricted shares and share options shall be vested in three tranches. Upon fulfilment of the Company's performance targets (revenue and net profit) and individual performance assessments, 30%, 30% and 40% shall vest at the end of the 12th, 24th and 36th months following the grant date, respectively. The grantees must remain continuously employed throughout the vesting period. The plan shall remain in force for a period of 60 months from the grant date until all restricted shares and share options have vested or lapsed.

During the year ended December 31, 2024, the Company granted 3,965,000 Class I restricted shares and 2,700,000 Class II shares options to 311 incentive recipients (including directors, senior and middle management, and other key employees). The grant date was June 5, 2024, with an exercise price of RMB8.14 per share for Class I restricted shares and a subscription price of RMB13.20 per share for Class II shares options. The restricted shares shall be vested in three tranches. Upon fulfilment of the Company's performance targets (revenue and net profit) and individual performance assessments, 30%, 30% and 40% shall vest at the end of the 12th, 24th and 36th months following the grant date, respectively. The grantees must remain continuously employed throughout the vesting period. The plan shall remain in force for a period of 48 months from the grant date until all restricted shares and share options have vested or lapsed.

(1) Class I restricted shares

Set out below are details of the movements of the outstanding Class I restricted shares granted throughout the Track Record Period:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	Shares'000	*Shares'000*	*Shares'000* (unaudited)	*Shares'000* (unaudited)
As at beginning of the year/period	3,000	4,211	4,211	6,653
Granted	3,000	3,965	3,615	—
Vested	(719)	(1,442)	(1,263)	(2,439)
Forfeited	(1,070)	(81)	(81)	(216)
As at end of the year/period	4,211	6,653	6,482	3,998

(2) Class II shares option

Set out below are details of the movements of the outstanding Class II shares options granted throughout the Track Record Period:

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	Shares'000	*Shares'000*	*Shares'000* (unaudited)	*Shares'000* (unaudited)
As at beginning of the year/period	2,000	3,292	3,292	4,493
Granted	1,992	2,700	2,189	—
Vested	(398)	(966)	(853)	(1,550)
Forfeited	(302)	(533)	(533)	(238)
As at end of the year/period	3,292	4,493	4,095	2,705

The fair value of the equity incentive granted on the grant date is estimated using the Black-Scholes option pricing model, in combination with the terms and conditions of the equity incentive granted. The following table lists the inputs to the model used:

	Incentive Plan 2023 Initial Part	**Incentive Plan 2024 Reserved Part**
Share price *(RMB)*	16.73	16.86
Exercise price *(RMB) (Note)*	11.77	13.20
Risk-free Rate	1.50%~2.75%	1.50%~2.75%
Validity Period (Years)	3	3
Volatility	20.10%~22.20%	18.57%~19.87%

Note: The exercise price of Class II share options may be adjusted in case of any allotments of shares, payments of share dividends or other similar changes in the Company's share capital.

37. RESERVE

The Group

During the Track Record Period, the amounts of the Group's reserves and the changes therein are presented in the consolidated statements of changes in equity.

The Company

	Share capital	Treasury shares	Share premium	Other capital reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	299,320	(22,380)	839,216	24,335	129,179	231,189	1,500,859
Profit for the year	—	—	—	—	—	36,186	36,186
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**—**	**36,186**	**36,186**
Appropriation of statutory reserve	—	—	—	—	5,428	(5,428)	—
Dividends declared *(Note 12)*	—	—	—	—	—	(75,219)	(75,219)
Share-based compensation expenses	—	—	—	28,433	—	—	28,433
Vesting of share options	398	—	3,690	—	—	—	4,088
Issue of shares upon placing	89,672	—	1,073,105	—	—	—	1,162,777
Vesting of restricted shares	—	5,361	—	—	—	—	5,361
Repurchase obligation of ordinary shares under share incentive scheme	—	(25,137)	—	—	—	—	(25,137)
Issue and repurchase of Shares under restricted share incentive schemes	3,000	—	22,137	—	—	—	25,137
Repurchase and cancellation of shares under restricted share incentive schemes	(1,070)	8,384	(7,314)	—	—	—	—
As at December 31, 2023 and January 1, 2024	**391,320**	**(33,772)**	**1,930,834**	**52,768**	**134,607**	**186,728**	**2,662,485**
Profit for the year	—	—	—	—	—	108,099	108,099
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**—**	**108,099**	**108,099**

	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium *RMB'000*	Other capital reserve *RMB'000*	Statutory reserve *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*
Repurchase of shares under restricted share incentive schemes	—	(92,691)	—	—	—	—	(92,691)
Appropriation of statutory reserve	—	—	—	—	16,215	(16,215)	—
Dividends declared *(Note 12)*	—	—	—	—	—	(115,674)	(115,674)
Share-based compensation expenses	—	—	—	37,867	—	—	37,867
Vesting of share options	966	—	9,424	—	—	—	10,390
Issue of shares under restricted share incentive schemes	—	49,678	(17,403)	—	—	—	32,275
Repurchase obligation of ordinary shares under share incentive scheme	—	(32,275)	—	—	—	—	(32,275)
Repurchase and cancellation of shares under restricted share incentive schemes	(81)	—	(547)	—	—	—	(628)
Others	—	—	45	—	—	—	45
As at December 31, 2024 and January 1, 2025	**392,205**	**(109,060)**	**1,922,353**	**90,635**	**150,822**	**162,938**	**2,609,893**
Profit for the period (unaudited)	—	—	—	—	—	133,867	133,867
Total comprehensive income for the period (unaudited)	**—**	**—**	**—**	**—**	**—**	**133,867**	**133,867**
Appropriation of statutory reserve (unaudited)	—	—	—	—	19,961	(19,961)	—
Dividends declared *(Note 12)* (unaudited)	—	—	—	—	—	(116,364)	(116,364)
Share-based compensation expenses (unaudited)	—	—	—	24,449	—	—	24,449
Issue of shares upon placing (unaudited)	29,564	—	362,404	—	—	—	391,968
Vesting of share options (unaudited)	1,550	—	16,067	—	—	—	17,617
Vesting of restricted shares (unaudited)	—	31,517	—	—	—	—	31,517
Repurchase and cancellation of shares under restricted share incentive schemes (unaudited)	(216)	1,746	(1,530)	—	—	—	—
As at September 30, 2025 (unaudited)	**423,103**	**(75,797)**	**2,299,294**	**115,084**	**170,783**	**160,480**	**3,092,947**
As at January 1, 2024	**391,320**	**(33,772)**	**1,930,834**	**52,768**	**134,607**	**186,728**	**2,662,485**
Profit for the period (unaudited)	—	—	—	—	—	94,090	94,090
Total comprehensive income for the period (unaudited)	**—**	**—**	**—**	**—**	**—**	**94,090**	**94,090**

	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium *RMB'000*	Other capital reserve *RMB'000*	Statutory reserve *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*
Repurchase of shares under restricted share incentive schemes (unaudited)	—	(76,690)	—	—	—	—	(76,690)
Dividends declared *(Note 12)* (unaudited)	—	—	—	—	—	(115,674)	(115,674)
Share-based compensation expenses (unaudited)	—	—	—	25,212	—	—	25,212
Vesting of share options (unaudited)	853	—	8,375	—	—	—	9,228
Repurchase obligation of ordinary shares under share incentive scheme (unaudited)	(81)	—	(547)	—	—	—	(628)
Issue of share under restricted share incentive schemes (unaudited)	—	45,292	(15,866)	—	—	—	29,426
As at September 30, 2024 (unaudited)	**392,092**	**(65,170)**	**1,922,796**	**77,980**	**134,607**	**165,144**	**2,627,449**

38. PLEDGED ASSETS

The Group

At the end of each reporting period, the Group's certain assets have been pledged to secure notes payables, borrowings and banking facilities granted to the Group. The carrying amounts of the pledged assets of the Group at the end of each reporting period are as follows:

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Property, plant and equipment *(Note 14)*	215,031	178,591	194,772
Restricted bank deposits	34,272	194,090	176,706
Time deposits	124,226	97,589	73,182
Notes receivables	102,882	262,120	15,642
Financial assets at FVTOCI	88,991	12,668	102,396
Land use rights	21,075	6,591	6,489
	586,477	751,649	569,187

39. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

As at December 31, 2023, December 31, 2024 and September 30, 2025, the total non-controlling interests are approximately RMB13,864,000, RMB26,842,000 and RMB33,807,000 (unaudited), of which approximately RMB14,422,000, RMB20,710,000 and RMB25,909,000 (unaudited) are attributable to SZ DINGSHUO.

SZ DINGSHUO

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Percentage of equity interest held by non-controlling interests:	43%	43%	43%
Profit for the year/period allocated to non-controlling interests:	6,219	3,127	5,199
Accumulated balances of non-controlling interests:	14,422	20,710	25,909

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any intra-group eliminations:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Current assets	131,792	107,981	155,418
Non-current assets	3,133	27,083	33,002
Current liabilities	(101,386)	(72,558)	(119,113)
Non-current liabilities	—	(14,342)	(9,054)
Net assets	33,539	48,164	60,253

	Year ended December 31,		Nine months ended September 30,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	(unaudited)
Revenue	132,899	100,991	75,160	149,484
Total costs and expenses	(118,436)	(93,717)	(68,878)	(137,395)
Profit for the year/period	14,463	7,274	6,282	12,089
Total comprehensive income for the year/period	14,463	7,274	6,282	12,089
Net cash flows generated from/(used in) operating activities	705	(2,019)	(3,208)	917
Net cash flows (used in)/generated from investing activities	—	(4,000)	(4,000)	2,181
Net cash flows generated from/(used in) financing activities	104	(2,067)	(2,051)	(3,025)
Effect of foreign exchange rate changes, net	—	—	—	14
Net increase/(decrease) in cash and cash equivalents	809	(8,086)	(9,259)	87

40. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities during the Track Record Period are as follows:

	Bank Borrowings	Liabilities under supplier financing arrangements	Lease liabilities	Redemption liabilities	Dividends payable
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 34	*Note 34*	*Note 15(b)*		*Note 12*
As at January 1, 2023	369,929	87,895	15,562	—	—
Cash flows	55,038	—	(12,290)	—	(74,260)
Interest expense	23,025	—	763	—	—
New leases or termination	—	—	11,055	—	—
Dividends declared to the shareholders of the Company	—	—	—	—	75,219
Impact of exchange rate fluctuations	163	—	—	—	—
Other non-cash movements	—	(15,008)	—	—	—
As at December 31, 2023 and January 1, 2024	448,155	72,887	15,090	—	959
Cash flows	1,169,127	—	(26,245)	30,000	(115,200)
Interest expense	40,695	—	2,544	—	—
Interest capitalization	925	—	—	—	—
New leases or termination	—	—	85,202	—	—
Dividends declared to the shareholders of the Company	—	—	—	—	115,674
Impact of exchange rate fluctuations	(244)	—	52	—	—
Other non-cash movements	—	526,753	—	—	—
As at December 31, 2024 and January 1, 2025	1,658,658	599,640	76,643	30,000	1,433
Cash flows (unaudited)	640,463	—	(26,151)	—	(116,364)
Interest expense (unaudited)	34,771	—	1,023	1,879	—
Interest capitalization (unaudited)	4,918	—	—	—	—
New leases or termination (unaudited)	—	—	26,022	—	—
Impact of exchange rate fluctuations (unaudited)	929	—	896	—	—
Dividends declared to the shareholders of the Company (unaudited)	—	—	—	—	116,364
Other non-cash movements (unaudited)	(273,851)	(17,417)	—	—	—
As at September 30, 2025 (unaudited)	2,065,888	582,223	78,433	31,879	1,433

	Bank Borrowings	Liabilities under supplier financing arrangements	Lease liabilities	Redemption liabilities	Dividends payable
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 34	*Note 34*	*Note 15(b)*		*Note 12*
As at January 1, 2024	448,155	72,887	15,090	—	959
Cash flows (unaudited)	1,043,520	—	(19,330)	30,000	(115,200)
Interest expense (unaudited)	30,080	—	1,820	—	—
Interest capitalization (unaudited)	925	—	—	—	—
New leases or termination (unaudited)	—	—	78,226	—	—
Dividends declared to the shareholders of the Company (unaudited)	—	—	—	—	115,674
Impact of exchange rate fluctuations (unaudited)	152	—	1,324	—	—
Other non-cash movements (unaudited)	—	288,574	—	—	—
As at September 30, 2024 (unaudited)	1,522,832	361,461	77,130	30,000	1,433

(b) Major non-cash investing and financing activities

The other non-cash movement included in bank borrowings were resulted from direct payments to suppliers and settlement by bank notes and supplier financing agreements during the years ended December 31, 2023, 2024 and the nine months ended September 30, 2024 and 2025.

41. COMMITMENTS

At the end of each year/period for the Track record Period, the Group's capital commitments contracted but not provided for in the Historical Financial Information and the Stub Period Financial Information were as follows:

	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Contracted but not provided for, net of deposits paid and prepayments			
— Property, plant and equipment	725,167	1,094,336	471,292

42. RELATED PARTY TRANSACTIONS

Saved as disclosed in elsewhere to the Historical Financial Information, the Group entered into the following related party transactions during the Track Record Period.

(a) Relationships with related parties

Name of related party	Relationship with the Group
Shenzhen Anhewei Electric Power Technology Co., Ltd. (深圳市安和威電力科技股份有限公司)	Associate of the Group

(b) Transactions with related parties

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Sales transactions:				
— Shenzhen Anhewei Electric Power Technology Co., Ltd. (深圳市安和威電力科技股份有限公司)	4,766	11,710	1,456	716
Procurement transactions:				
— Shenzhen Anhewei Electric Power Technology Co., Ltd. (深圳市安和威電力科技股份有限公司)	6,359	1,781	637	1,314

(c) Balances with related parties

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Amounts due from related parties:			
— Shenzhen Anhewei Electric Power Technology Co., Ltd. (深圳市安和威電力科技股份有限公司)	3,319	16,378	10,850
Amounts due to related parties:			
— Shenzhen Anhewei Electric Power Technology Co., Ltd. (深圳市安和威電力科技股份有限公司)	3,766	5,502	—

Note: The amounts are unsecured, interest-free and recoverable or repayable on demand.

43. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each financial instrument as at the end of each year/period for the Track Record Period are as follows:

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Financial assets			
Financial assets at amortised cost			
— Trade and notes receivables	1,338,054	2,093,279	1,654,706
— Other receivables	33,698	44,577	45,029
— Bank balances, deposits and cash	792,938	843,527	1,227,220
Financial assets at FVTPL			
— Bank WMPs and structured deposits	531,285	—	—
— Other financial assets	30,000	23,139	20,320
Financial assets at FVTOCI			
— Notes receivables measured at FVTOCI	309,416	55,109	276,986
— Equity investment at fair value	1,000	1,264	21,056
	3,036,391	3,060,895	3,245,317
Financial liabilities			
Financial liabilities at amortised cost			
— Trade and notes payables	1,232,091	1,112,180	1,341,937
— Other payables and accruals	189,512	456,799	207,431
— Bank borrowings	448,155	1,658,658	2,065,888
— Liabilities under supplier financing arrangement	72,887	599,640	582,223
— Lease liabilities	15,090	76,643	78,433
Financial liability at FVTPL			
— Performance compensation	16,760	—	—
	1,974,495	3,903,920	4,275,912

44. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value in the consolidated statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The table below analyses the Group's financial instruments carried at fair value as at December 31, 2023, 2024 and September 30, 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

— Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

— Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and

— Inputs for the asset or liability that are not based on observable market data (that is, significant unobservable inputs) (Level 3).

(a) Fair value hierarchy

As at December 31, 2023, 2024 and September 30, 2025, the financial assets measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Financial assets at FVTPL				
— Bank WMPs and structured deposits	—	531,285	—	531,285
— Other financial assets	—	—	30,000	30,000
Financial assets at FVTOCI				
— Notes receivables measured at FVTOCI	—	—	309,416	309,416
— Unlisted equity instruments	—	—	1,000	1,000
Financial liabilities at FVTPL				
— Performance compensation	—	—	(16,760)	(16,760)
	—	531,285	323,656	854,941

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
As at December 31, 2024				
Financial assets at FVTPL				
— Other financial assets	—	—	23,139	23,139
Financial assets at FVTOCI				
— Notes receivables measured at FVTOCI	—	—	55,109	55,109
— Unlisted equity instruments	—	—	1,264	1,264
	—	—	79,512	79,512
As at September 30, 2025 (unaudited)				
Financial assets at FVTPL (unaudited)				
— Other financial assets (unaudited)	—	—	20,320	20,320
Financial assets at FVTOCI (unaudited)				
— Notes receivables measured at FVTOCI (unaudited)	—	—	276,986	276,986
— Unlisted equity instruments (unaudited)	—	—	21,056	21,056
	—	—	318,362	318,362

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly discounted cash flow approach and market approach. The inputs of the valuation technique mainly include expected rate of return, recent transaction price and discount rate.

Assets subject to Level 3 fair value measurement were mainly included Bank WMPs and structured deposits, notes receivables measured at FVTOCI, equity investments in unlisted entities at FVTOCI and performance compensation at FVTPL. These assets and liabilities were measured mainly using discounted cash flow approach, cost approach and market approach. The judgement of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value.

During the Track Record Period, there was no transfer between Level 1 and Level 2 and between Level 2 and Level 3.

The quantitative information of fair value measurements as at December 31, 2023, 2024 and September 30, 2025 for Level 3 is as follows:

	Fair value hierarchy	As at December 31, 2023	As at December 31, 2024	As at September 30, 2025	Valuation technique and key input(s)	Unobservable input	Range	Sensitivity of fair value to the input
		RMB'000	*RMB'000*	*RMB'000* (unaudited)				
Financial assets at FVTPL								
Other financial assets	Level 3	30,000	23,139	20,320	Market Approach, Price-to-Earnings Ratio ("**PE**")/ Price-to-Sales Ratio ("**PS**")	PE/PS	PS: 4.00,2.87 and 2.19 (unaudited); PE: nil, 34.77 and 33.69 (unaudited)	A 10% increase/decrease in the PE/PS as at December 31, 2023, 2024 and September 30, 2025 would result in a corresponding increase or decrease in fair value of relevant assets by approximately RMB220,000, RMB870,000 and RMB1,550,000 (unaudited)
Financial assets at FVTOCI								
Unlisted equity investment	Level 3	1,000	1,264	21,056	Market Approach, Recent transaction price	Recent transaction price	N/A	The higher the recent transaction price, the higher the fair value.
Notes receivables measured at FVTOCI	Level 3	309,416	55,109	276,986	Discount cash flow, Discount rate	Discount rate	0.69%~2.95%, 0.54% ~2.58% and 0.52% ~2.01% (unaudited)	A 10% increase/decrease in the discount rate as at December 31, 2023, 2024 and September 30, 2025 would result in a corresponding decrease or increase in fair value of relevant assets by approximately RMB4,461,000, RMB795,000 and RMB3,994,000 (unaudited).
Financial liabilities at FVTPL								
— Performance Compensation	Level 3	(16,760)	—	—	Probabilistic approach under the income approach, forcasted net profit during the performance commitment period and discount rate	Forcasted net profit during the performance commitment period	Approximately RMB25,057,000	A 10% increase/decrease in the forcasted net profit during the performance commitment period as at December 31, 2023 would result in a corresponding increase/ decrease in fair value of relevant liabilities by approximately RMB5,951,000.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025:

	Bank WMPs and structured deposits	Unlisted equity investment	Other financial assets	Notes receivables measured at FVTOCI	Performance Compensation
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	—	1,000	30,000	3,162	—
Additions	530,000	—	—	306,254	—
Disposals	—	—	—	—	—
Fair value gains/ (losses)	1,285	—	—	—	(16,760)
As at December 31, 2023	531,285	1,000	30,000	309,416	(16,760)
Additions	—	264	—	—	—
Disposals	(532,983)	—	(6,861)	(254,307)	—
Settlement	—	—	—	—	16,885
Fair value gains/ (losses)	1,698	—	—	—	(125)
As at December 31, 2024	—	1,264	23,139	55,109	—
Additions (unaudited)	—	20,092	—	221,877	—
Disposals (unaudited)	—	(300)	(2,819)	—	—
As at September 30, 2025 (unaudited)	—	21,056	20,320	276,986	—

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial instruments of the Group mainly comprise cash and cash equivalents, time deposits, restricted bank deposits, trade and notes receivables and other receivables, the main purpose of which is to support for the operations of the Group. The Group has various other financial assets and liabilities such as trade and notes receivables and trade and notes payable, which arise directly from its operations.

The risks of the Group's financial instruments are mainly arising from foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk. The directors of the Company review and agree policies for managing each of these risks and they are summarized below.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at December 31, 2023, 2024 and September 30, 2025, the Group's major monetary assets and liabilities exposed to foreign currency risk are listed below:

	USD	EUR
	RMB'000	*RMB'000*
As at December 31, 2023		
Assets	459,845	54,174
Liabilities	(31,771)	(303)
Net exposure	428,074	53,871
As at December 31, 2024		
Assets	445,212	139,594
Liabilities	(18,971)	(7)
Net exposure	426,241	139,587
As at September 30, 2025		
Assets (unaudited)	794,122	125,042
Liabilities (unaudited)	(7,550)	(94)
Net exposure (unaudited)	786,572	124,948

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against USD and EUR. The 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding USD and EUR denominate monetary items and adjusts their translation at the end of each year/period for the Track Record Period for a 5% change in foreign currency rates. A negative number below indicates a decrease in profit before income tax where RMB strengthen 5% against USD and EUR. For a 5% weakening of RMB against USD and EUR, there would be an equal and opposite impact on the profit before income tax and the amounts below would be positive.

	As at December 31,		As at September 30,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
EUR	(2,694)	(6,979)	(6,247)
USD	(21,404)	(21,312)	(39,329)
	(24,098)	(28,291)	(45,576)

Other change in foreign exchange rates have no significant impact on foreign currency risk.

Price risk

The Group is exposed to price risk in respect of financial assets at FVTPL, which mainly include investments in bank WMPs and structured deposits. The Group is not exposed to commodity price risk.

Interest rate risk

The Group's interest rate risk primarily arises from long-term interest-bearing borrowings, and lease liabilities. Long-term borrowings issued at floating rates, and lease liabilities bearing fixed rates expose the Group to fair value interest rate risk.

The Group has been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings at variable rates, which will further impact the performance of the Group.

The following tables list out the interest rate profiles of the Group's variables interest-bearing financial instruments as at December 31, 2023 and 2024 and September 30, 2025:

	As at December 31,		**As at September 30,**
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)
Floating rate instruments			
— Borrowings	26,042	330,489	527,457

If interest rates of floating rate instruments had been 100 basis points higher/lower with all other variables held constant, the profit before income tax would be lower/higher approximately RMB260,000, RMB3,305,000 and RMB5,274,000 (unaudited) for the years ended at December 31, 2023, 2024 and the nine months ended September 30, 2025, respectively.

Credit risk

Credit risk refers to the risk that the counter-party to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset measured at amortized cost and trade and notes receivables measured at FVTOCI as disclosed in note 44 to the Historical Financial Information. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

As at December 31, 2023, 2024 and September 30, 2025, The Group have no credit risk other than financial assets whose carrying amounts best represent the maximum exposure to credit risk.

(a) Cash and cash equivalents, time deposits and restricted bank deposits

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. Cash and cash equivalents, time deposits and restricted bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(b) Trade receivables, notes receivables, notes receivables measured at FVTOCI and contract assets

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. To measure the expected credit losses, trade and notes receivables have been grouped based on shared credit risk characteristics and ageing.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales and probability of default of counter parties on an ongoing basis throughout each year/period for the Track Record Period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("**GDP**") Growth Rate and the Money Supply ("**M2**") Growth Rate to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Individually impaired trade and notes receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognised impairment losses.

The Group's trade receivables as described in note 26 mainly represented receivables received from the sales of products to customers.

Trade receivables

The Group groups its receivables portfolios based on common credit risk characteristics.

As of December 31, 2023, 2024 and September 30, 2025, the allowance for impairment for the trade receivables were determined as follows.

	Gross carrying amount	**Allowance for impairment**	**Expected loss rate**
	RMB'000	*RMB'000*	*%*
As at December 31, 2023			
Assessed based on common credit risk	1,237,862	27,806	2.25
As at December 31, 2024			
Assessed based on common credit risk	1,843,433	42,076	2.28
As at September 30, 2025 (unaudited)			
Assessed based on common credit risk (unaudited)	1,663,102	38,058	2.29

Notes receivables

As at December 31, 2023 and 2024, and September 30, 2025, the notes receivables of RMB127,998,000, RMB291,922,000 and RMB29,662,000 (unaudited), set out in note 26, are all the banker's acceptances. The Group measured provisions for impairment of the notes receivables based on the lifetime ECL and assessed that there was no significant credit risk associated with its bank acceptance notes issued by large-size banks as the Group did not expect that there would be any significant losses from non-performance by these reputable banks.

Notes receivables measured at FVTOCI

All of notes receivables measured at FVTOCI were banker's acceptances and the management assesses banker's acceptances as generally exhibiting low credit risk. Consequently, an allowance for expected credit losses is typically not recognised for these instruments.

Contract assets

For contract assets, the Group measures the loss provision based on the life time ECL regardless of whether there exists a significant financing component. The Group groups its contract assets portfolios based on common credit risk characteristics.

	Gross carrying amount	**Allowance for impairment**	**Expected loss rate**
	RMB'000	*RMB'000*	*%*
As at December 31, 2023			
Assessed based on common credit risk	157,890	3,497	2.21
As at December 31, 2024			
Assessed based on common credit risk	219,163	5,057	2.31
As at September 30, 2025 (unaudited)			
Assessed based on common credit risk (unaudited)	247,911	7,388	2.98

Other receivables

Over the term of other receivables, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. To assess whether there is a significant increase in credit risk in other receivables, the Group compares the risk of a default occurring on the financial assets at the end of each year/period for the Track Record Period with the risk of default at the date of initial recognition. It considers available, reasonable, supportive forward-looking information. Especially, the following indicators are incorporated:

- external credit rating of the counterparty (as far as available).
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- actual or expected significant changes in the operating results of the counterparty; and
- significant expected changes in the performance and behaviour of the counterparty, including changes in the payment status of the counterparty.

Based on historical experiences and consideration of forward-looking information, other receivables from related parties were settled within 12 months after upon maturity hence the ECL is minimal. The impairment on other receivables as stated in note 23 to the Historical Financial Information were accounted as amortised cost is measured as either 12-month ECL or lifetime ECL. On such basis, the following table sets forth the impairment for other receivables as at December 31, 2023 and 2024 and September 30, 2025:

	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
As at December 31, 2023 Expected loss rate	8.82%	—	—	8.82%
Gross carrying amount (RMB'000)	36,959	—	—	36,959
Allowance for impairment (RMB'000)	3,261	—	—	3,261
As at December 31, 2024 Expected loss rate	9.55%	—	—	9.55%
Gross carrying amount (RMB'000)	49,285	—	—	49,285
Allowance for impairment (RMB'000)	4,708	—	—	4,708
As at September 30, 2025 Expected loss rate (unaudited)	8.95%	—	—	8.95%
Gross carrying amount (RMB'000) (unaudited)	49,454	—	—	49,454
Allowance for impairment (RMB'000) (unaudited)	4,425	—	—	4,425

Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate balances of such. The table below analyses the Group's financial liabilities by relevant maturity groupings based on the remaining period since the end of each year/period for the Track Record Period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows or the carrying amount of the financial liabilities to be delivered.

	Within 1 year	1 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Trade and notes payables	1,232,091	—	—	1,232,091
Financial liabilities at FVTPL	16,760	—	—	16,760
Other payables and accruals	189,512	—	—	189,512
Bank borrowings	254,179	198,648	6,266	459,093
Liabilities under supplier financing arrangement	72,887	—	—	72,887
Lease liabilities	8,394	6,394	802	15,590
	1,773,823	205,042	7,068	1,985,933
As at December 31, 2024				
Trade and notes payables	1,112,180	—	—	1,112,180
Other payables and accruals	456,799	—	—	456,799
Bank borrowings	1,190,412	259,072	242,216	1,691,700
Liabilities under supplier financing arrangement	599,640	—	—	599,640
Lease liabilities	27,745	38,112	15,021	80,878
	3,386,776	297,184	257,237	3,941,197
As at September 30, 2025 (unaudited)				
Trade and notes payables (unaudited)	1,341,937	—	—	1,341,937
Other payables and accruals (unaudited)	207,431	—	—	207,431
Bank borrowings (unaudited)	1,505,663	338,289	254,340	2,098,292
Liabilities under supplier financing Arrangement (unaudited)	582,223	—	—	582,223
Lease liabilities (unaudited)	33,533	43,413	4,823	81,769
	3,670,787	381,702	259,163	4,311,652

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern by pricing services commensurately with the level of risk so that it can continue to provide returns and benefits to the shareholders and other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the subject assets. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to the shareholders or return capital to the shareholders. The Group is not subject to any external capital requirements. During the Track Record Period, there are no changes in capital management objectives, policies or procedures.

	As at December 31,		As at September 30,
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
			(unaudited)
Total assets	5,300,934	7,412,611	8,423,514
Total liabilities	2,191,175	4,176,678	4,609,391
Liability-to-asset ratio	41.34%	56.35%	54.72%

46. CONTINGENT LIABILITY

As of the end of each of the year/period for the Track Record Period, the Group did not have any material contingent liabilities.

47. EVENT AFTER THE END OF THE REPORTING PERIOD

The Group has no significant event subsequent to September 30, 2025.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to September 30, 2025.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This appendix mainly provides [REDACTED] with an overview of the Company's Articles of Association. Since the following content is a summary, it does not contain all the information that may be important to [REDACTED].

SHARES

Issue of Shares

The shares of the Company are issued in the form of registered stock.

The Company shall issue shares in an open, fair and just manner, and each share of the same class has the same right. All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share subscribed for.

The shares issued by the Company shall have a par value of RMB1.00 per share. The A Shares issued by the Company shall be centrally registered and deposited with China Securities Depository and Clearing Corporation Limited Shenzhen Branch. The H Shares issued by the Company may be deposited according to the laws of the place where the Company's shares are listed and the customary practices of securities registration and deposit, mainly with the custodian companies under Hong Kong Securities Clearing Company Limited, or may be held by shareholders in their personal names.

Increase, Decrease and Repurchase of Shares

Increase and Decrease of Shares

In accordance with the needs of its business operation and development, and in compliance with applicable laws and regulations, the Company may increase its capital in the following ways upon separate resolutions adopted by the shareholders' meeting:

(i) offering of shares to non-specific objects;

(ii) private placement of shares;

(iii) allotment of bonus shares to existing shareholders;

(iv) conversion of funds in the capital reserve to share capital;

(v) other means stipulated by laws, administrative regulations or approved by the CSRC.

The Company may reduce its registered capital. Any reduction of the registered capital of the Company shall be carried out in accordance with the procedures prescribed by the Company Law, other relevant regulations and the provisions of the Articles of Association.

Repurchase of Shares

The Company shall not repurchase its own shares. However, this does not apply in any of the following circumstances:

(i) to reduce the Company's registered capital;

(ii) to merge with another company that holds the Company's shares;

(iii) to use the shares for an employee stock ownership plan or equity incentive;

(iv) shareholders object to resolutions of the shareholders' meeting concerning merger or division of the Company, requiring the Company to purchase their shares;

(v) to use the shares to convert into the convertible corporate bonds issued by the Company;

(vi) when it is necessary for the Company to safeguard its own value and the rights and interests of shareholders.

The Company may acquire its own shares through public centralized trading, or other methods permitted by laws, administrative regulations, the CSRC and the regulatory authorities of the place where the Company's shares are listed.

When the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) above, it shall be conducted through public centralized trading.

In the case of acquiring the Company's own shares under the circumstances stipulated in items (i) and (ii) above, a resolution of the shareholders' meeting shall be required. In the case of the Company acquiring its own shares under the circumstances stipulated in items (iii), (v) and (vi) above, it shall be approved by a resolution of the Board meeting attended by more than two-thirds of the directors in accordance with the provisions of these Articles of Association or the authorization of the shareholders' meeting, subject to compliance with the securities regulatory rules of the place where the Company's shares are listed.

Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, after the Company acquires its own shares in accordance with the above-mentioned provisions, in the case of item (i), the shares shall be cancelled within 10 days from the date of acquisition; in the cases of items (ii) and (iv), the shares shall be transferred or cancelled within 6 months. When the Company acquires its own shares in accordance with items (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total number of the Company's issued shares, and the acquired shares shall be transferred or cancelled within 3 years.

The Company shall perform information disclosure obligations in accordance with the provisions of the Securities Law and the securities regulatory rules of the place where the Company's shares are listed when acquiring its own shares.

Share Transfer

The shares of the Company can be transferred according to law. All transfers of H Shares shall be effected by a written instrument of transfer in common or ordinary form or in any other form acceptable to the Board (including the standard transfer form or instrument of transfer prescribed by The Stock Exchange of Hong Kong Limited from time to time); such instrument of transfer may be executed under hand only or under the valid seal of the Company (if the transferor or transferee is a company). If the transferor or transferee is a recognised clearing house (as defined in the relevant ordinances of Hong Kong as amended from time to time, hereinafter referred to as "**Recognised Clearing House**") or its nominee, the instrument of transfer may be executed under hand or by mechanical means. All instruments of transfer shall be deposited at the registered office of the Company or at such other place as the Board may from time to time designate.

The Company does not accept the Company's shares as the subject matter of a pledge.

Shares issued prior to the Company's public offering of A Shares shall not be transferred within one year from the date of listing of the Company's A Shares on the stock exchange. Where laws, administrative regulations or the CSRC have other provisions regarding the transfer of shares held by the Company's shareholders or actual controller, such provisions shall prevail. Directors and senior management of the Company shall report to the Company their holdings of the Company's shares (including preference shares) and any changes therein. During their tenure, the number of shares transferred each year shall not exceed 25% of the total number of shares of the same class they hold in the Company. The shares of the Company held by them shall not be transferred within one year from the date of [REDACTED] of the Company's [REDACTED] on the stock exchange. The aforementioned personnel shall not transfer the shares of the Company held by them within six months after resignation.

Shareholders and Shareholders' Meetings

Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration and settlement institution. The register of shareholders shall be sufficient evidence to prove that shareholders hold the Company's shares. The shareholders enjoy rights and fulfill obligations as per the class of the shares they hold. Shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

If the Company convenes a shareholders' meeting, distributes dividends, conducts liquidation or executes any other act requiring identification of shareholders, the convener of the Board meeting or shareholders' meeting shall determine the equity registration date, at the end of which the shareholders in the register shall be shareholders entitled to relevant interests.

The shareholders of the Company shall have the following rights:

(i) to receive dividends and profit distributions in any other form in proportion to the shares they hold;

(ii) to legally require, convene, preside over, attend or appoint a shareholder proxy to attend the shareholders' meeting and exercise corresponding right to speak and vote;

(iii) to supervise, present suggestions on or make inquiries about the operations of the Company;

(iv) to transfer, give as gift or pledge their shares in accordance with the laws, administrative regulations and the provisions of the Articles of Association;

(v) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of the Board meetings, and financial and accounting reports;

(vi) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the shares held by them;

(vii) with respect to a shareholder who votes against any resolution adopted at any shareholders' meetings on the merger or division of the Company, to request the Company to repurchase the shares held by him/her/it;

(viii) other rights stipulated by the laws, administrative regulations, departmental rules or the Articles of Association.

If any shareholder needs to access or copy the relevant information or obtain materials as set out in the preceding article, it shall comply with the provisions of laws and administrative regulations such as the Securities Law, and provide the Company with written documents bearing evidence of the class and number of shares held by him/her/it, and the Company will provide the said information or materials as required by the said shareholder upon authentication.

Where the contents of a resolution of the shareholders' meeting or the Board meeting of the Company violate the laws or administrative regulations, the shareholders shall be entitled to petition the people's court to declare the resolution invalid. Where the convening procedures or voting method of a shareholders' meeting or a Board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, the shareholders shall be entitled to petition to the people's court for revocation within 60 days from the date it was made, except for those with only minor defects in the convening procedure or voting method of the shareholders' meeting and the Board meeting and those without material impact on resolutions.

Where there is a dispute over the validity of a shareholders' meeting resolution among the Board, shareholders and other relevant parties, they shall file a lawsuit with the People's Court without delay. Before a judgment or ruling is made by the People's Court, the relevant parties shall implement the shareholders' meeting resolution, and no party may refuse to implement the content of the resolution on the ground that the shareholders' meeting resolution is invalid. The Company, directors and senior management personnel shall earnestly perform their duties to ensure the normal operation of the Company.

Where the People's Court makes a judgment or ruling on relevant matters, the Company shall perform information disclosure obligations in accordance with the provisions of laws, administrative regulations, the CSRC and the stock exchange, fully explain the impact, and actively cooperate with the execution after the judgment or ruling becomes effective. Where corrections of prior matters are involved, they shall be handled promptly and corresponding information disclosure obligations shall be fulfilled.

Where the directors or senior management members other than members of the Audit Committee violate the provisions of the laws, administrative regulations or the Articles of Association during the performance of their duties of the Company and cause losses to the Company, the shareholders severally or jointly holding 1% or more shares of the Company for a period of 180 consecutive days or longer may submit a written request to the Audit Committee to file a lawsuit with the people's court; where the members of the Audit Committee violate the provisions of laws, administrative regulations or the Articles of Association in the performance of their duties of the Company and cause losses to the Company, the aforesaid shareholders may submit a written request to the Board of Directors to file a lawsuit with the people's court.

If the Audit Committee or the Board of Directors refuses to institute legal proceedings after receipt of the written request of the shareholders as stipulated in the preceding paragraph or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstance is urgent or any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people's court in their own names in the interests of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby incurring any loss of the Company, the shareholder(s) severally or jointly holding 1% or more shares of the Company for more than 180 days continuously may institute legal proceedings to the people's court according to the aforesaid provision.

Where the directors, supervisors or senior management personnel of the Company's wholly-owned subsidiary violate laws, administrative regulations or the articles of association of the subsidiary during the performance of their duties, causing losses to the wholly-owned subsidiary, or where any other person infringes upon the legitimate rights and interests of the wholly-owned subsidiary, causing losses, shareholders of the Company who individually or jointly hold 1% or more of the Company's shares for 180 consecutive days or more may, in accordance with the provisions of the first three paragraphs of this

Article, submit a written request to the board of supervisors or the board of directors of the wholly-owned subsidiary to institute legal proceedings with the People's Court, or directly institute legal proceedings with the People's Court in their own names.

Where a wholly-owned subsidiary of the Company does not have a board of supervisors or supervisors but has an Audit Committee, the provisions of paragraphs 1 and 2 of this Article shall apply.

Where directors or senior management violate the provisions of laws, administrative regulations or the Articles of Association, damaging the interests of shareholders, the shareholders may file a lawsuit with the people's court.

The controlling shareholder and actual controller of the Company shall be jointly and severally liable with such director or senior management personnel if they instruct the director or senior management personnel to engage in acts that harm the interests of the Company or its shareholders.

The shareholders of the Company shall undertake the following obligations:

(i) to observe the laws, administrative regulations and the Articles of Association;

(ii) to pay capital contribution as per the shares subscribed for and the method of subscription;

(iii) not to exit shares unless in the circumstances stipulated by laws and regulations;

(iv) not to abuse shareholder's right to harm the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company or shareholder's limited liability to harm the interests of creditors of the Company;

(v) other obligations stipulated by the laws, administrative regulations and the Articles of Association.

If a shareholder of the Company abuses its shareholder rights and causes losses to the Company or other shareholders, it shall bear compensation liability in accordance with the law. Shareholders of the Company who abuse the independent legal person status of the Company and shareholders' limited liability to evade debts and severely infringe upon the interests of the Company's creditors shall assume joint and several liabilities for the Company's debts.

Any shareholder holding more than 5% of the voting shares in the Company shall submit a written report to the Company on the same day such shareholder pledges any of its shares.

The Company's controlling shareholders and actual controllers shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, and the provisions of the CSRC and the stock exchanges, and safeguard the interests of the listed company.

The controlling shareholders and actual controllers of the Company shall comply with the following provisions:

(i) Exercise shareholder rights in accordance with the law, and shall not abuse control rights or use connected relationships to harm the legitimate rights and interests of the Company or other shareholders;

(ii) Strictly fulfill public statements and various commitments made, and shall not arbitrarily change or exempt them;

(iii) Strictly perform information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are planned to occur;

(iv) Shall not occupy the Company's funds in any way;

(v) Shall not force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

(vi) Shall not use the Company's undisclosed material information to seek benefits, shall not disclose the Company's undisclosed material information in any way, and shall not engage in illegal activities such as insider trading, short-swing trading, or market manipulation;

(vii) Shall not harm the legitimate rights and interests of the Company and other shareholders through any means such as non-arm's length connected transactions, profit distribution, asset restructuring, or foreign investment;

(viii) Ensure the integrity of the Company's assets, independence of personnel, financial independence, institutional independence, and business independence, and shall not affect the Company's independence in any way;

(ix) Other provisions stipulated by laws, administrative regulations, the CSRC, business rules of the Shenzhen Stock Exchange, the Listing Rules and these Articles of Association.

Where the controlling shareholder or actual controller of the Company does not serve as a director of the Company but actually manages the Company's affairs, the provisions of these Articles of Association regarding directors' duties of loyalty and diligence shall apply.

The controlling shareholder and actual controller of the Company shall be jointly and severally liable with such director or senior management personnel if they instruct the director or senior management personnel to engage in acts that harm the interests of the Company or its shareholders.

Where controlling shareholders or actual controllers pledge the Company's shares they hold or actually control, they shall maintain the stability of the Company's control and production operations.

The transfer of shares held by controlling shareholders or actual controllers shall comply with the restrictive provisions on share transfer and the commitments made regarding restrictions on share transfer as stipulated in laws, administrative regulations, the CSRC, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange.

General Rules for the Shareholders' Meeting

The shareholders' meeting is the highest authority of the Company, and shall exercise the following functions and powers pursuant to the law:

(i) to elect and replace directors not represented by employee representatives, and to decide on matters relating to the remuneration of directors;

(ii) to consider and approve reports of the Board;

(iii) to consider and approve the Company's profit distribution plans and loss recovery plans;

(iv) to resolve on the increase or reduction of the registered capital of the Company;

(v) to resolve on the issuance of corporate bonds;

(vi) to resolve on the merger, division, dissolution and liquidation of the Company or change of its corporate form;

(vii) to amend the Articles of Association;

(viii) to resolve on the engagement and dismissal of accounting firms that undertake the Company's audit business by the Company;

(ix) to consider and approve the matters concerning guarantees as specified in Article 46 of the Articles of Association;

(x) to consider matters regarding the Company's purchase or sale of material assets within one year in excess of 30% of the latest audited total assets of the Company;

(xi) to consider and approve matters relating to the changes in the use of proceeds from share offerings;

(xii) to consider equity incentive plans and employee stock ownership plans;

(xiii) to consider other issues that should be decided by the shareholders' meeting as stipulated by the laws, administrative regulations, departmental rules or the Articles of Association.

The shareholders' meeting may authorise the Board to resolve on the issuance of corporate bonds.

Unless otherwise provided by laws, administrative regulations, regulations of the CSRC, rules of the Shenzhen Stock Exchange or the Listing Rules, the aforesaid functions and powers of the shareholders' meeting shall not be exercised by the Board of Directors or other institutions and individuals by means of authorization.

The shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year, and be held within 6 months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of occurrence of any of the following circumstances:

(i) the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;

(ii) the unrecovered losses of the Company amount to 1/3 of the total paid-in capital;

(iii) it is required by shareholder(s) individually or jointly holding more than 10% voting shares of the Company (When calculating the shareholding ratio referred to in this item, only ordinary shares and preference shares with restored voting rights are counted, excluding treasury shares);

(iv) when deemed necessary by the Board of Directors;

(v) when proposed by the Audit Committee;

(vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The venue for the shareholders' meeting of the Company shall be the domicile of the Company or other locations specified in the Board announcement. The shareholders' meeting shall be held by means of an on-site meeting at a designated venue. The Company shall also provide network participation and voting facilities for shareholders to participate in the shareholders' meeting. Shareholders participating in the shareholders' meeting through the aforementioned means shall be deemed present. Where the shareholders' meeting is held by electronic means, the detailed participation method shall be specified in the shareholders' meeting notice announcement. Shareholders participating in the shareholders' meeting through electronic means shall be deemed present.

Convening of the Shareholders' Meeting

The Board of Directors shall convene the shareholders' meeting within the prescribed time limit.

Independent directors are entitled to propose to the Board on convening an extraordinary shareholders' meeting. A proposal by independent directors to convene an extraordinary shareholders' meeting shall be approved by more than half of all independent directors. Where independent directors propose to convene an extraordinary shareholders' meeting, the Board shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the proposal. Where the Board agrees to convene an extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within 5 days after the resolution is passed by the Board; where the Board does not agree to convene an extraordinary shareholders' meeting, it shall explain the reasons thereof and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting, and such proposal shall be submitted to the Board of Directors in writing. The Board shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the proposal.

Where the Board agrees to convene an extraordinary shareholders' meeting, a notice on the convening of the meeting shall be issued within 5 days after the resolution is passed by the Board, and the changes made to the original proposal in the notice shall be approved by the Audit Committee.

Where the Board does not agree to convene an extraordinary shareholders' meeting, or fails to reply within 10 days upon the receipt of the proposal, the Board shall be deemed as not being able to perform or failing to perform its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over such meeting on its own.

Shareholders individually or in aggregate holding more than 10% of the Company's voting shares shall have the right to request the Board to convene an extraordinary shareholders' meeting and such request shall be made in writing to the Board. The Board shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the request.

Where the Board agrees to convene an extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within 5 days after the resolution is passed by the Board, and the changes made to the original request in the notice shall be approved by relevant shareholders.

Where the Board refuses to convene an extraordinary shareholders' meeting or fails to give a response within 10 days after receiving the request, shareholders who individually or jointly hold more than 10% of the Company's voting shares have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting and shall submit a written request to the Audit Committee.

Where the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. Changes made to the original request in the notice shall be approved by relevant shareholders.

If the Audit Committee fails to serve a notice of shareholders' meeting within the prescribed period, it shall be deemed as failing to convene and preside over the shareholders' meeting, and the shareholders severally or jointly holding more than 10% voting shares of the Company for consecutively 90 days may convene and preside over the meeting by themselves.

When calculating the shareholding ratio referred to in this Article, only ordinary shares and preference shares with restored voting rights are counted, excluding treasury shares.

If the Audit Committee or shareholders decide to convene a shareholders' meeting on their own, they must notify the Board of Directors in writing, and simultaneously file a report with the stock exchange.

Before the announcement of the shareholders' meeting resolution, the shareholding ratio of the convening shareholders shall not be less than 10% (When calculating the shareholding ratio referred to in this Article, only ordinary shares and preference shares with restored voting rights are counted, excluding treasury shares).

The Audit Committee or the convening shareholders shall, when issuing the shareholders' meeting notice and the shareholders' meeting resolution announcement, submit relevant supporting materials to the stock exchange.

For the shareholders' meeting convened by the Audit Committee or shareholders on their own, the Board shall provide cooperation. The Board shall provide the register of shareholders as of the equity registration date.

For the shareholders' meetings convened by the Audit Committee or shareholders on their own, the Company shall bear the necessary expenses for the meeting.

Proposals and Notices of Shareholders' Meetings

A proposal of a shareholders' meeting shall fall into the functions and powers of the shareholders' meeting. There shall be definite topics and specific matters for resolution. The proposal shall comply with the relevant provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the Company convenes a shareholders' meeting, the Board, Audit Committee, and shareholder(s) individually or jointly holding more than 1% shares of the Company may make proposals to the Company.

Shareholders individually or jointly holding more than 1% of the shares of the Company may raise temporary proposals and submit them to the convener 10 days before the shareholders' meeting is held. Temporary proposals shall have definite topics and specific matters for resolution. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days of receipt and announce the contents of such temporary proposals, and submit such temporary proposals to the shareholders' meeting for consideration; except where the temporary proposals violate laws, administrative regulations or the provisions of these Articles of Association, or do not fall within the functions and powers of the shareholders' meeting.

Except as provided by the preceding paragraph, the convener shall not amend the proposals already specified in the notice of the shareholders' meeting or add new proposals subsequent to the issue of the notice of the shareholders' meeting. The shareholders' meeting shall not vote or resolve on any proposals which are not contained in a notice of the shareholders' meeting or are not in compliance with the Articles of Association.

When calculating the shareholding ratio referred to in this Article, only ordinary shares and preference shares with restored voting rights are counted.

The convener shall notify all shareholders at least 21 days prior to the date of convening an annual shareholders' meeting and at least 15 days prior to the date of convening an extraordinary shareholders' meeting.

The notice of a shareholders' meeting shall specify:

(i) time, venue and duration of the meeting;

(ii) matters and proposals submitted for consideration at the meeting;

(iii) a clear statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend the shareholders' meeting and appoint proxies in writing to attend and vote at such meeting, and that such proxies need not be shareholders of the Company;

(iv) the equity registration date for shareholders entitled to attend the shareholders' meeting;

(v) name and telephone number of the contact person of the meeting;

(vi) voting time and voting procedure of online or other means.

The notice and supplementary notice of the shareholders' meeting shall fully and completely disclose the entire specific content of all proposals. Where matters to be discussed require deliberation by independent directors, a special meeting shall be convened promptly for discussion.

The start time for online or other means voting at the shareholders' meeting shall not be earlier than 3:00 p.m. on the day before the on-site shareholders' meeting is held, and shall not be later than 9:30 a.m. on the day the on-site shareholders' meeting is held. The end time shall not be earlier than 3:00 p.m. on the day the on-site shareholders' meeting ends.

The interval between the equity registration date and the meeting date shall not exceed 7 business days. Once the equity registration date is confirmed, it shall not be changed.

After the notice of the shareholders' general meeting has been issued, the meeting shall not be postponed or cancelled without justifiable cause, and the proposals specified in the notice shall not be cancelled. In the event of postponement or cancellation, the convener shall announce the reasons at least 2 working days prior to the originally scheduled date of the meeting.

Holding of Shareholders' Meetings

Shareholders may attend the shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf, and the proxy need not be a shareholder.

An individual shareholder attending the meeting in person shall present their identity card or other valid identification document certifying their identity. If appointing a proxy to attend the meeting, the proxy shall present their own valid identification document and the shareholder's power of attorney.

A corporate shareholder shall be represented by its legal representative or a proxy appointed by the legal representative to attend the meeting and vote thereon, and if such corporate entity has appointed a representative to attend any meeting, it shall be deemed to be present in person. If the legal representative attends the meeting, they shall present their identity card and valid documentation certifying their status as the legal representative. If a proxy attends the meeting, the proxy shall present their own identity card and a written power of attorney issued by the legal representative of the corporate shareholder in accordance with the law (except where the shareholder is a recognised clearing house or its agent).

The power of attorney used by shareholders to appoint proxies to attend the shareholders' meeting shall contain the following information:

(i) name or designation of the appointing shareholder, class and quantity of the Company's shares held;

(ii) name or designation of the proxy;

(iii) specific instructions of the shareholder, including instructions on voting for, against, or abstaining for each proposed resolution listed in the agenda of the shareholders' general meeting;

(iv) date of issuance and validity period of the power of attorney;

(v) signature or seal of the appointing shareholder. If the appointing shareholder is a corporate entity, the corporate seal shall be affixed.

Where the shareholders' meeting requires directors or senior management personnel to attend the meeting, they shall attend and accept inquiries from shareholders.

The shareholders' meetings shall be presided over by the chairman of the Board of Directors. Where the chairman cannot or does not fulfill the duty thereof, the vice chairman shall preside over the meeting. Where the vice chairman cannot or does not fulfill the duty thereof, more than half of the directors may jointly elect a director to preside over the meeting.

A shareholders' meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. When the convener of the Audit Committee is unable to perform or fails to perform his/her duties, one member of the Audit Committee jointly recommended by more than half of the Audit Committee members shall preside over the meeting.

A shareholders' meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener.

If the presiding officer of a shareholders' general meeting violates the procedural rules, rendering the meeting unable to proceed, the shareholders' general meeting may, upon approval by a majority of the shareholders with voting rights present on-site, elect a new presiding officer to continue conducting the meeting.

Resolutions and Voting at Shareholders' Meetings

Resolutions of the shareholders' meeting are classified into ordinary resolutions and special resolutions. An ordinary resolution shall be passed by more than half of the voting rights held by the shareholders (including proxies) attending the shareholders' meeting. A special resolution shall be passed by not less than two-thirds of the voting rights held by the shareholders (including proxies) attending the shareholders' meeting.

The following matters shall be approved by ordinary resolution at the shareholders' meeting:

(i) the Board of Directors' work report;

(ii) the profit distribution plan and loss recovery plan proposed by the Board of Directors;

(iii) the appointment or removal of members of the Board of Directors and their remuneration and payment methods;

(iv) other matters which, under applicable laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association, are not required to be approved by special resolution.

The following matters shall be approved by special resolution at the shareholders' meeting:

(i) increase or reduction of the registered capital of the Company;

(ii) division, spin-off, merger, dissolution, and liquidation of the Company;

(iii) amendments to these Articles of Association;

(iv) the acquisition or disposal of significant assets or provision of guarantees within one year exceeding 30% of the Company's latest audited total assets;

(v) equity incentive plans;

(vi) other matters required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association to be approved by special resolution, as well as other matters which the shareholders' general meeting determines by ordinary resolution will have a material impact on the Company and require approval by special resolution.

Shareholders (including their proxies) shall exercise their voting rights in proportion to the number of voting shares they represent, with each share carrying one vote, except for shareholders of different classes of shares.

When the shareholders' general meeting considers matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The results of separate counting shall be disclosed publicly in a timely manner.

If the shareholder is a recognised clearing house, the shareholder may authorise one or more persons it deems appropriate to act as its representatives at any shareholders' meeting (and/or creditors' meeting); however, if more than one person is authorised, the power of attorney shall specify the number and class of shares covered by such authorization for each such person. Persons so authorised may exercise rights on behalf of the recognised clearing house or its agent (without presenting shareholding certificates, notarized authorizations and/or further evidence to prove their formal authorization), as if such persons were individual shareholders of the Company, enjoying the same legal rights as other shareholders, including the rights to speak and vote.

Shares held by the Company itself shall carry no voting rights and shall be excluded from the total number of voting shares present at the shareholders' general meeting.

Where a shareholder purchases voting shares of the Company in violation of Paragraphs 1 and 2 of Article 63 of the Securities Law, such shares in excess of the prescribed proportion shall not exercise voting rights within 36 months after the purchase, and shall not be counted in the total number of voting shares present at the shareholders' meeting.

The Company's Board of Directors, independent directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. When soliciting shareholders' voting rights, specific voting intentions and other information shall be fully disclosed to the solicitees. Solicitation of shareholders' voting rights on a paid or disguised paid basis is prohibited. Except as required by law, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

When the shareholders' general meeting considers matters related to connected transactions, connected shareholders may attend the shareholders' meeting and may explain their views to the attending shareholders in accordance with the meeting procedures, but shall not participate in the voting, and the number of voting shares they represent shall not be included in the total number of valid votes; the resolution of the shareholders' general meeting shall disclose the voting results of non-connected shareholders.

The presiding officer shall, before the shareholders' meeting considers proposals related to connected transactions, inform the connected shareholders that they do not have voting rights on such proposals, and announce the number of shareholders and proxies present at the meeting excluding connected shareholders and the total number of voting shares they hold.

Where connected shareholders violate the provisions of this Article and participate in voting, their votes on the relevant connected transaction matters shall be invalid.

Resolutions on connected transaction matters adopted at the shareholders' meeting shall be effective only upon approval by more than half of the voting rights held by non-connected shareholders present at the shareholders' meeting. However, where the connected transaction matter involves matters specified in Article 81 of these Articles of Association, the shareholders' meeting resolution must be passed by not less than two-thirds of the voting rights held by non-connected shareholders present at the shareholders' meeting to be effective.

Except in special circumstances such as a crisis of the Company, the Company shall not enter into any contract that entrusts the management of the entirety or material part of the Company's business to a person other than a director, manager, or other senior management personnel, unless such contract is approved by a special resolution of the shareholders' general meeting.

Board of Directors

Directors

Directors of the Company shall be natural persons. Any person who falls under any of the following circumstances shall not serve as a director of the Company:

(i) having no or limited civil capacity;

(ii) having been subject to criminal penalties for corruption, bribery, misappropriation of property, embezzlement of property, or disrupting the socialist market economic order, where five years have not yet elapsed since the completion of the sentence, or having been deprived of political rights due to criminal offenses, where five years have not yet elapsed since the completion of the sentence, or where the person was given a suspended sentence and two years have not yet elapsed since the end of the probation period;

(iii) having served as a director, factory director, or general manager of a company or enterprise that went bankrupt during their tenure and was personally responsible for the bankruptcy, where three years have not yet elapsed since the conclusion of the bankruptcy liquidation;

(iv) having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to shut down due to violations of laws and was personally responsible, where three years have not yet elapsed since the date of revocation or closure;

(v) being listed by a People's Court as a dishonest person subject to enforcement due to failure to repay substantial personal debts when due;

(vi) being subject to market entry prohibition measures by the CSRC and the period of prohibition has not yet expired;

(vii) being publicly determined by a stock exchange as unsuitable to serve as a director or senior management personnel of a listed company, etc., and the period has not yet expired;

(viii) other circumstances stipulated by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are listed.

Any election, appointment, or engagement of a director in violation of the above provisions shall be invalid. If a director, during his/her term of office, falls into any of the above circumstances, the Company shall remove such person from his/her position and cease his/her performance of duties.

Directors shall be elected or replaced by the shareholders' meeting and may be removed by a resolution of the shareholders' meeting before the expiration of their term, and the removal shall take effect on the date the resolution is made. Each term of a director shall last for three years, and directors shall be eligible for re-election upon expiration of their term of office. Where the securities regulatory rules of the place where the Company's shares are listed have other provisions regarding the re-election of directors, such provisions shall prevail. Where a director is removed without justifiable reason before the expiration of his/her term, such director may request the Company for compensation.

The term of a director shall commence from the date he/she assumes office and end upon the expiry of the term of the current Board of Directors. If a director is not re-elected in time after the expiration of his/her term, the original director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules and the provisions of the Articles of Association until a new director takes office.

Subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, if the Board appoints a new director to fill a casual vacancy on the Board or as an addition to the Board, the term of office of such appointed director shall only last until the first annual shareholders' meeting of the Company after his/her appointment, at which time he/she shall be eligible for re-election.

Directors may concurrently serve as senior management personnel, but the total number of directors who concurrently serve as senior management personnel and directors who are employee representatives shall not exceed half of the total number of directors of the Company.

Directors shall comply with laws, administrative regulations and the provisions of the Articles of Association, and owe the Company a duty of loyalty, shall take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their authority to seek improper benefits.

Directors owe the Company the following duties of loyalty:

(i) Not to misappropriate Company property or funds;

(ii) Not to deposit Company assets or funds in an account opened in their own name or in the name of another individual;

(iii) Not to use their positions to accept bribes or other illegal gains;

(iv) Not to enter into contracts or conduct transactions (direct or indirect) with the Company without reporting to and obtaining approval from the Board or the shareholders' meeting in accordance with these Articles of Association;

(v) Not to use their positions to seek business opportunities that belong to the Company for themselves or others. However, the following circumstances are excluded: having reported to the board of directors or the shareholders' general meeting and obtained approval through a resolution of the board of directors or the shareholders' general meeting in accordance with these Articles of Association; or the Company is unable to utilize the business opportunity in accordance with laws, administrative regulations, or these Articles of Association;

(vi) Not to operate for themselves or others any business similar to that of the Company without having reported to the board of directors or the shareholders' general meeting and obtained approval through a resolution of the board of directors or the shareholders' general meeting in accordance with these Articles of Association;

(vii) Not to accept commissions from transactions with the Company for themselves;

(viii) Not to disclose Company secrets without authorization;

(ix) Not to use their connected relationships to harm the interests of the Company;

(x) Other fiduciary duties stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any gains obtained by a director in violation of the provisions of this article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.

Where close relatives of directors or senior management members, or enterprises directly or indirectly controlled by directors, senior management members, or their close relatives, or other persons with connected relationships with directors or senior management members, enter into contracts or conduct transactions with the Company, the provisions of the preceding paragraph shall apply.

Directors shall comply with laws, administrative regulations and these Articles of Association, and in performing their duties shall exercise the reasonable care normally expected of a manager for the maximum benefit of the Company, and owe the following duties of diligence to the Company:

(i) Exercise the powers granted by the Company prudently and diligently to ensure the Company's business activities comply with the requirements of national laws, administrative regulations, and national economic policies, and do not exceed the business scope specified in the business license;

(ii) Treat all shareholders fairly;

(iii) Keep themselves reasonably informed about the Company's business operations and management;

(iv) Provide written confirmation opinions on the Company's periodic reports to ensure the information disclosed by the Company is true, accurate, and complete;

(v) Provide the audit committee with relevant information and materials truthfully and not obstruct the exercise of its powers; and

(vi) Other duties of care stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association.

If a director fails to attend two consecutive board meetings in person without authorising another director to attend on their behalf, they shall be deemed unable to perform their duties, and the board of directors shall recommend their removal by the shareholders' general meeting.

A director may resign prior to the expiration of their term. A director shall submit a written resignation report to the board of directors, and the resignation shall take effect on the date the Company receives the resignation report. The Company shall disclose the relevant situation within two trading days.

If the resignation of a director results in the number of directors falling below the legal minimum, the resigning director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules and the provisions of the Articles of Association until the newly elected director assumes office.

Upon the effectiveness of a director's resignation or the expiration of their term, they shall complete all handover procedures with the board of directors. The fiduciary duties owed to the Company and its shareholders shall not terminate immediately upon the end of their term but shall remain effective for two years after the resignation takes effect or the term expires. The liability that a director should bear for performing his/her duties during his/her tenure shall not be exempted or terminated due to leaving the position.

The duty of a director to keep the Company's trade secrets confidential shall continue to be effective after the end of his/her tenure until the secret becomes public information. The duration of other duties shall be determined based on the principle of fairness, depending on the length of time between the occurrence of the event and the departure, and the circumstances and conditions under which his/her relationship with the Company ended.

Unless otherwise provided in the Articles of Association or with lawful authorization from the board of directors, no director may represent the Company or the board of directors in their personal capacity. When a director acts in their personal capacity, and a third party would reasonably believe that the director is acting on behalf of the Company or the board of directors, the director shall declare their position and identity in advance.

Where a director, in performing the Company's duties, causes damage to others, the Company shall bear compensation liability; if the director acts intentionally or with gross negligence, he/she shall also bear compensation liability. Where a director, in performing the Company's duties, violates laws, administrative regulations, departmental rules or the provisions of these Articles of Association, causing losses to the Company, he/she shall bear compensation liability.

Board of Directors

The Company shall have a Board of Directors.

The Board of Directors of the Company shall consist of seven directors, with one chairman, and may have a vice chairman. The chairman and vice chairman shall be elected by a majority vote of all directors.

The Board of Directors shall exercise the following powers:

(i) Convening shareholders' meetings and reporting to the shareholders' meeting;

(ii) Implementing resolutions of the shareholders' meeting;

(iii) Determining the Company's business plans and investment schemes;

(iv) Formulating the Company's profit distribution plans and plans for making up losses;

(v) Formulating plans for increases or decreases in the Company's registered capital, issuance of corporate bonds or other securities, and [REDACTED];

(vi) Drafting plans for major acquisitions, acquisition of the Company's own shares, mergers, divisions, dissolution, or changes to the Company's corporate form;

(vii) Determining matters such as the Company's external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, within the scope authorised by the shareholders' general meeting;

(viii) Determining the structure of the Company's internal management bodies;

(ix) Appointing or dismissing the Company's General Manager, secretary of the Board, and other senior management personnel, and determining their remuneration, rewards, and penalties; based on the nomination of the General Manager, appointing or dismissing the Company's Deputy General Managers, financial controller, and other senior management personnel, and determining their remuneration, rewards, and penalties;

(x) Formulating the Company's basic management systems;

(xi) Formulating proposals for amendments to the Company's Articles of Association;

(xii) Managing the Company's information disclosure matters;

(xiii) Proposing to the shareholders' general meeting the appointment or replacement of the accounting firm auditing the Company;

(xiv) Listening to work reports from the Company's General Manager and reviewing their work;

(xv) Other functions and powers granted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, these Articles of Association, or the shareholders' general meeting.

Matters exceeding the scope of authorization by the shareholders' general meeting shall be submitted to the shareholders' general meeting for deliberation.

The Board of Directors shall define its authority over matters such as external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, and establish stringent review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and submitted to the shareholders' general meeting for approval.

The Chairman shall exercise the following functions and powers:

(i) Presiding over shareholders' general meetings and convening and presiding over meetings of the Board of Directors;

(ii) Supervising and inspecting the implementation of resolutions of the Board of Directors;

(iii) Signing important documents of the Board of Directors, important contracts of the Company and other documents that require signature, or issuing a power of attorney authorising a representative to sign such documents;

(iv) Exercising special authority over the Company's affairs in compliance with legal provisions and the Company's interests under emergency circumstances such as force majeure events (e.g., major natural disasters), and reporting to the Board of Directors and the shareholders' general meeting thereafter;

(v) Other functions and powers granted by the Board of Directors.

The Board shall convene at least four regular meetings annually, which shall be convened by the chairman with a notice issued at least 14 days prior to each meeting.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, or the Audit Committee may propose to convene an extraordinary Board meeting. The chairman shall convene and preside over an extraordinary Board meeting within 10 days upon receiving a proposal.

A Board meeting shall only be held if more than half of the directors are present. A Board resolution must be passed by a majority of all directors.

Each director shall have one vote in Board resolutions.

Where a director has a connected relationship with an entity or individual involved in a matter to be considered at a Board meeting, the director shall report such relationship to the Board in writing in a timely manner. A connected director shall not vote on such matter or act as a proxy for other directors in voting, and the votes they hold shall not be counted in the total voting rights. The Board meeting may be held with the attendance of more than half of the non-connected directors, and the resolution must be passed by a majority of the non-connected directors. Where the number of non-connected directors attending the meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration. Where laws and regulations or the securities regulatory rules of the place where the Company's shares are listed impose additional restrictions on directors' participation in Board meetings and voting, such provisions shall prevail.

The voting method for Board resolutions shall be: unless more than half of the directors present at the meeting agree to vote by a show of hands, the Board shall vote in writing.

Directors shall attend Board meetings in person; if a director is unable to attend for any reason, he/she may authorise another director in writing to attend on his/her behalf. The power of attorney shall specify the name of the proxy, the matters entrusted, the scope of authorization and the validity period, and shall be signed or sealed by the authorising person. The director attending the meeting on behalf of another shall exercise the director's rights within the scope of authorization. A director who neither attends the Board meeting nor authorises a representative to attend shall be deemed to have waived his/her voting right at that meeting.

Special Committees of the Board of Directors

The Company shall establish an Audit Committee under the Board of Directors, which shall exercise the functions and powers of a supervisory committee as provided in the Company Law.

The Audit Committee shall consist of three members, who shall be directors not serving as senior management personnel of the Company, including two independent directors, with the convener being an accounting professional among the independent directors.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, and for supervising and assessing both internal and external auditing and internal control. The following matters shall be submitted to the Board of Directors for consideration only after being approved by a majority of all members of the Audit Committee:

(i) the financial information disclosed in financial and accounting reports and periodic reports, and the internal control evaluation report;

(ii) the engagement or dismissal of accounting firms responsible for auditing the Company;

(iii) the appointment or dismissal of the chief financial officer of the Company;

(iv) changes in accounting policies or accounting estimates, or corrections of material accounting errors not due to changes in accounting standards;

(v) other matters as required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or these Articles of Association.

The Company shall establish a Strategy Committee, a Nomination Committee, a Remuneration and Appraisal Committee, and an ESG Committee under the Board of Directors, which shall perform their duties in accordance with these Articles of Association and the authorization of the Board of Directors. Proposals from the special committees shall be submitted to the Board of Directors for consideration and decision. The Board of Directors shall be responsible for formulating the working rules of the special committees. The Strategy Committee and ESG Committee shall each consist of three directors, including at least one independent director. Independent directors shall constitute a majority of the Nomination Committee and the Remuneration and Appraisal Committee, and the convener shall be an independent director. However, where relevant competent authorities of the State Council have other provisions regarding the convener of special committees, such provisions shall prevail.

General Manager and Other Senior Management Members

The Company shall have one General Manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have Deputy General Manager(s), who shall be appointed or dismissed by the Board of Directors. The General Manager, Deputy General Manager(s), financial controller, and secretary of the Board of the Company shall be the senior management personnel of the Company.

The circumstances under which a person may not serve as a director, as stipulated in these Articles of Association, shall apply equally to senior management personnel. The provisions of these Articles of Association regarding directors' duties of loyalty and care shall also apply to senior management personnel. Personnel holding administrative positions other than director or supervisor in the controlling shareholder unit of the Company shall not serve as senior management personnel of the Company. The Company's senior management personnel shall receive their salaries solely from the Company and shall not be paid by the controlling shareholder on behalf of the Company.

The term of office for the General Manager shall be three years, and the General Manager may serve consecutive terms if reappointed.

The general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(i) to preside over the production and business operations of the Company, organize the implementation of Board resolutions, and report to the Board of Directors;

(ii) to organize the implementation of the Company's annual business plan and investment proposals;

(iii) to formulate plans for the establishment of internal management organizations of the Company;

(iv) to formulate the Company's basic management systems;

(v) to formulate the Company's specific rules and policies;

(vi) to propose to the Board of Directors the appointment or dismissal of other senior management members;

(vii) to decide on the appointment or dismissal of management personnel other than those whose appointments or dismissals must be determined by the Board of Directors;

(viii) other functions and powers granted by these Articles of Association or the Board of Directors.

The General Manager shall attend meetings of the Board of Directors as a non-voting participant.

The General Manager may resign prior to the expiration of their term. The specific procedures and measures for the resignation of the General Manager shall be stipulated in the labour contract between the General Manager and the Company.

The Company shall have a secretary of the Board responsible for preparing shareholders' general meetings and board meetings, maintaining document custody, managing shareholder records, handling information disclosure affairs, investor relations, assisting independent directors in performing their duties, and other related matters.

The secretary of the Board shall comply with the relevant provisions of laws, administrative regulations, departmental rules, and these Articles of Association.

Senior management personnel of the Company shall perform their duties faithfully and uphold the best interests of the Company and all its shareholders. If senior management personnel cause harm to the interests of the Company and the public shareholders due to failure to perform their duties faithfully or breach of fiduciary obligations, they shall be liable for compensation in accordance with the law.

Finance, Accounting, and Audit

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations, provisions of relevant national authorities and the securities regulatory rules of the place where the Company's shares are listed.

The Company shall not establish any set of accounting books in addition to the statutory accounting books. The Company's funds shall not be deposited into any account opened in the name of an individual.

When distributing profits for a given year, the Company shall allocate 10% of its after-tax profits to the statutory reserve fund. Where the accumulated amount of the statutory reserve fund has reached more than 50% of the Company's registered capital, no further allocation is required. Where the statutory reserve fund is insufficient to cover losses carried over from previous years, the Company shall use the current year's profits to offset such losses before making allocations to the statutory reserve fund as specified above.

After the Company has allocated after-tax profits to the statutory reserve fund, it may, subject to a resolution of the shareholders' meeting, allocate additional amounts to a discretionary reserve fund.

Any remaining after-tax profits following the offsetting of losses and the appropriation to the reserve funds shall be distributed to shareholders in proportion to their shareholdings, unless otherwise provided in these Articles of Association.

If the Company distributes profits to shareholders in violation of the Company Law and the provisions of the Articles of Association, such shareholders shall return the improperly distributed profits to the Company; any shareholder, director or senior management member who is held responsible and causes losses to the Company shall be liable for compensation.

Shares held by the Company shall not be entitled to profit distribution.

The Company shall appoint one or more receiving agents in Hong Kong for the H Shareholders. The receiving agent(s) shall collect and hold the dividends and other amounts payable by the Company in respect of H Shares on behalf of the relevant H Shareholders, pending payment to such H Shareholders. The receiving agent(s) appointed by the Company shall comply with the requirements of laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

The Company's reserve funds may be used to cover losses, expand production and operations, or be converted into share capital. Where reserve funds are used to cover losses, discretionary reserve funds and statutory reserve funds shall be used first. If the losses still cannot be fully covered, the capital reserve may be used in accordance with applicable regulations.

Where the statutory reserve fund is converted into registered capital, the balance of such statutory reserve fund retained shall not be less than 25% of the Company's registered capital prior to the conversion.

Following the resolution of the shareholders' meeting on a profit distribution plan, or after the Board of Directors has formulated a specific plan based on the dividend distribution conditions and upper limit as approved at the annual shareholders' meeting for the next year's interim dividend, the distribution of dividends (in cash or shares) shall be completed within two months. If the specific plan cannot be implemented within 2 months due to laws and regulations or the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly in accordance with such regulations and actual circumstances.

The Company may distribute profits in cash, stock, a cash-stock combination, or other methods permitted by laws and regulations. The cash method takes precedence over the stock method. When the Company meets the conditions for cash dividends, it shall distribute profits by means of cash dividends. While ensuring reasonable share capital scale and equity structure of the Company, the Company may also use stock dividends for profit distribution while implementing cash dividends.

The Company shall implement an internal audit system, specifying the leadership system, responsibilities and authorities, staffing, funding guarantee, application of audit results and accountability for internal audit work. The Company's internal audit system shall be implemented upon approval by the Board of Directors and disclosed externally.

The internal audit institution shall be responsible to the Board of Directors. In the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the Audit Committee. If it discovers major problems or clues, it shall report directly to the Audit Committee immediately.

The Company shall engage an accounting firm that complies with the provisions of the Securities Law and the securities regulatory rules of the place where the Company's shares are listed to conduct audits of its accounting statements, verify net assets, and provide other related consulting services, with an engagement term of 1 year, which may be renewed.

The engagement or dismissal of an accounting firm by the Company, and the act of expressing audit opinions and issuing audit reports on financial and accounting reports, shall be conducted in accordance with the provisions of the "Measures for the Selection of Accounting Firms by State-Owned Enterprises and Listed Companies". The engagement or dismissal of an accounting firm to express audit opinions and issue audit reports on financial and accounting reports shall be submitted to the Board of Directors for consideration after being approved by the Audit Committee, and shall be decided by the shareholders' meeting. The Board of Directors shall not appoint an accounting firm before the shareholders' meeting makes a decision.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, books, financial and accounting reports, and other accounting information. The Company shall not refuse to provide, conceal, or misrepresent such information.

Merger, Division, Capital Increase, Capital Reduction, Dissolution and Liquidation

Merger, Division, Capital Increase and Capital Reduction

The Company may conduct a merger by way of absorption or by establishing a new company. In the case of an absorption merger, one company absorbs another, and the absorbed company shall be dissolved. In the case of a merger by establishing a new company, two or more companies combine to form a new company, and all merging parties shall be dissolved.

Where the consideration paid by the Company for a merger does not exceed 10% of the Company's net assets, a resolution of the shareholders' meeting is not required; however, these Articles of Association provide otherwise.

A merger that does not require a resolution of the shareholders' meeting pursuant to the foregoing shall be approved by a resolution of the Board of Directors.

In the case of a merger, the merging parties shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution and shall make an announcement within 30 days in a newspaper specified in these Articles of Association or via the National Enterprise Credit Information Publicity System. Creditors may request the Company to repay debts or provide a corresponding guarantee within 30 days from the date of receipt of such notice, or within 45 days from the date of the announcement if no notice was received.

Upon a merger, the surviving company or the newly established company shall assume the debts and claims of all parties to the merger.

In the case of a division, the Company's assets shall be divided accordingly. The Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date on which the division resolution is passed and shall make an announcement within 30 days in a newspaper specified in these Articles of Association or via the National Enterprise Credit Information Publicity System. The debts incurred by the Company prior to the division shall be jointly and severally assumed by the companies resulting from the division, unless a written agreement regarding debt repayment has been otherwise reached between the Company and its creditors prior to the division.

If the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date on which the resolution on capital reduction is passed at the shareholders' meeting and shall make an announcement within 30 days in a newspaper specified in these Articles of Association or via the National Enterprise Credit Information Publicity System. Creditors may request the Company to repay debts or provide a corresponding guarantee within 30 days from the date of receipt of such notice, or within 45 days from the date of the announcement if no notice was received.

Capital reduction by the Company shall be carried out in proportion to the shareholders' capital contributions or shareholdings, unless otherwise provided by law or these Articles of Association. The registered capital of the Company after reduction shall not be lower than the statutory minimum limit.

Where losses remain after the Company has covered them in accordance with Article 159, Paragraph 2 of these Articles of Association, the Company may reduce its registered capital to make up for the losses. When registered capital is reduced to make up losses, no distribution shall be made to shareholders, and shareholders shall not be exempted from the obligation to pay in their subscribed capital.

Capital reduction under the above provision shall not be subject to paragraph 2 of the preceding Article, but an announcement shall be made within 30 days from the date of the capital reduction resolution of the shareholders' meeting in a newspaper specified in these Articles of Association or via the National Enterprise Credit Information Publicity System.

After the Company reduces its registered capital in accordance with the foregoing, it shall not distribute profits until the total amount of its statutory and discretionary reserves reaches 50% of the registered capital.

Where capital is reduced in violation of the Company Law or the provisions of these Articles of Association, any funds received by shareholders shall be returned to the Company; any reduction or exemption of shareholders' capital contributions shall be reinstated. Any losses thereby caused to the Company shall be subject to compensation by the responsible shareholders, directors and senior management members.

In the event of a merger or division resulting in changes to the Company's registration particulars, the Company shall complete the change registration with the company registration authority in accordance with the law. If the Company is dissolved, it shall apply for deregistration in accordance with the law. If a new company is established, it shall be registered in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved according to law under any of the following circumstances:

(i) The business term stipulated in these Articles of Association expires or other dissolution causes specified in these Articles of Association occur;

(ii) A resolution is passed by the shareholders' general meeting to dissolve the Company;

(iii) Dissolution due to the merger or division of the Company;

(iv) The business license is revoked, the Company is ordered to close down, or it is dissolved by law;

(v) Where serious difficulties arise in the operation and management of the Company, and continuing its existence would cause significant harm to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholder(s) holding 10% or more of the total voting rights of the Company may request the People's Court to dissolve the Company.

If any of the dissolution causes specified in the preceding paragraph occurs, the Company shall publicize the dissolution cause through the National Enterprise Credit Information Publicity System within 10 days.

If the Company falls under items (I) or (II) of Article 190, Paragraph 1 of these Articles of Association and has not yet distributed its assets to shareholders, it may continue to exist by amending these Articles of Association or by a resolution of the shareholders' meeting.

Amending these Articles of Association or passing a resolution of the shareholders' meeting in accordance with the preceding paragraph requires approval by two-thirds or more of the voting rights held by shareholders present at the shareholders' general meeting.

If the Company is dissolved under items (I), (II), (IV) or (V) of Article 190, Paragraph 1 of these Articles of Association, it shall be liquidated. Directors are the liquidation obligors of the Company and shall form a liquidation group within 15 days from the date the dissolution cause occurs to conduct liquidation. The liquidation group shall be composed of directors, unless otherwise provided in these Articles of Association or the shareholders' general meeting resolves to appoint other persons. If the liquidation obligor fails to perform its liquidation obligations in a timely manner, causing losses to the Company or its creditors, it shall be liable for compensation.

If the liquidation group is not formed within the time limit to conduct liquidation, or after the liquidation group is formed, liquidation is not carried out, interested parties may apply to the People's Court to designate relevant persons to form a liquidation group to conduct liquidation.

If the Company is dissolved under item (IV) of Article 190, Paragraph 1 of these Articles of Association, the department that made the decision to revoke the business license, order the closure, or dissolve the Company, or the company registration authority, may apply to the People's Court to designate relevant persons to form a liquidation group to conduct liquidation.

During the liquidation period, the liquidation committee shall exercise the following powers:

(i) to sort out the Company's assets and prepare a balance sheet and an inventory of assets;

(ii) to notify and publicly announce to the Company's creditors;

(iii) to handle the Company's outstanding business related to liquidation;

(iv) to pay taxes owed and taxes arising in the course of liquidation;

(v) to settle claims and debts;

(vi) to distribute the remaining assets of the Company after repayment of debts;

(vii) to represent the Company in civil proceedings.

After liquidating the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the shareholders' general meeting or the People's Court for confirmation.

The remaining assets of the Company, after paying liquidation expenses, employees' wages, social insurance contributions, statutory compensation, settling outstanding taxes, and repaying the Company's debts, shall be distributed to shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. No distribution of the Company's assets to shareholders shall be made until the payments and settlements specified in the preceding paragraph have been completed. If, after liquidating the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation group finds that the Company's assets are insufficient to repay its debts, it shall apply to the People's Court for bankruptcy liquidation.

After the People's Court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed by the People's Court. After the Company's liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the shareholders' general meeting or the People's Court for confirmation, and file it with the company registration authority to apply for cancellation of the Company's registration.

Members of the liquidation group shall perform their liquidation duties with duties of loyalty and care. If a member of the liquidation group fails to perform their liquidation duties diligently, causing losses to the Company, they shall be liable for compensation. If a member causes losses to creditors due to intentional misconduct or gross negligence, they shall be liable for compensation. If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the relevant enterprise bankruptcy laws.

Amendments to the Articles of Association

The Company shall amend these Articles of Association under any of the following circumstances:

(i) the Company Law or other applicable laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed are amended, resulting in inconsistencies with the provisions of these Articles of Association;

(ii) changes in the Company's circumstances result in inconsistencies with the matters recorded in these Articles of Association;

(iii) the shareholders' meeting resolves to amend these Articles of Association.

Any amendment to these Articles of Association that is approved by the shareholders' meeting and is subject to approval by the competent authorities shall be submitted for such approval. Where the amendment involves matters of company registration, change registration shall be carried out in accordance with the law.

The Board of Directors shall amend these Articles of Association in accordance with the resolutions of the shareholders' meeting and the approval opinions of the relevant competent authorities.

Matters relating to amendments to the Articles of Association that are required by laws and regulations to be disclosed shall be announced in accordance with regulations.

1. FURTHER INFORMATION ABOUT OUR GROUP

A. Incorporation

Our Company was established as a limited liability company under the laws of the PRC on October 15, 1999 and was converted into a joint-stock company with limited liability on December 28, 2007. Consequently, our corporate structure and Articles of Association are governed by the relevant PRC laws and regulations. A summary of our Articles of Association is set out in Appendix III to this Document. As at the Latest Practicable Date, the registered share capital of our Company was RMB423,206,124.

Our registered place of business in the PRC is located at A3, Guicheng Science & Technology Park, Jianping Road, Nanhai District, Foshan, Guangdong Province. We have established a principal place of business in Hong Kong at Room 1910, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on [•]. Ms. Sham has been appointed as our authorised representative for the acceptance of service of process and notice in Hong Kong. The address for service of process and notice in Hong Kong is the same as our principal place of business in Hong Kong.

B. Changes in Share Capital of our Company

Save as disclosed below, there has been no change in the share capital of the Company within the two years immediately preceding the date of this Document.

(i) As resolved by the Board of Directors of the Company on March 28, 2024, the Company issued 462,000 A shares to 150 participants upon the exercise of stock options under the 2023 Share Option and Restricted Share Incentive Plan. Upon completion of this issuance, the Company's total share capital increased from 391,319,691 shares to 391,781,691 shares.

(ii) As resolved by the Board of Directors of the Company on March 28, 2024 and the General Meeting on April 19, 2024, the Company canceled 81,000 A shares in connection with the repurchase and cancellation of certain restricted shares under the 2022 and 2023 Share Option and Restricted Share Incentive Plans. Following the completion of this repurchase and cancellation, the Company's total share capital decreased from 391,781,691 shares to 391,700,691 shares.

(iii) As resolved by the Board of Directors of the Company on June 4, 2024, the Company issued 391,800 A shares to 109 eligible participants pursuant to the exercise of stock options under the 2022 Share Option and Restricted Share Incentive Plan. Following the completion of this issuance, the Company's total share capital increased from 391,700,691 shares to 392,092,491 shares.

(iv) As resolved by the Board of Directors of the Company on June 4, 2024, the Company granted restricted A shares to eligible participants in connection with the grant of restricted shares under the 2024 Share Option and

Restricted Share Incentive Plan. As these restricted shares are sourced from repurchased treasury shares, the Company's total share capital remains unchanged.

(v) As resolved by the Board of Directors of the Company on September 30, 2024, the Company issued 30,000 A shares to six participants upon the exercise of reserved stock options under the 2023 Share Option and Restricted Share Incentive Plan.Following the completion of this issuance, the Company's total share capital increased from 392,092,491 shares to 392,122,491 shares.

(vi) As resolved by the Board of Directors of the Company on September 30, 2024, the Company granted restricted A shares to eligible participants in connection with the grant of reserved restricted shares under the 2024 Share Option and Restricted Share Incentive Plan. As the restricted shares were sourced from treasury shares, the Company's total share capital remained unchanged.

(vii) As resolved by the Board of Directors meeting on October 28, 2024, the Company issued 82,800 A shares to 12 participants in connection with the exercise of reserved stock options under the 2022 Share Option and Restricted Share Incentive Plan. Following the completion of this issuance, the Company's total share capital increased from 392,122,491 shares to 392,205,291 shares.

(viii) As resolved by the Board of Directors meeting on March 27, 2025, the Company issued 442,500 A shares to 143 eligible participants in connection with the exercise of stock options under the 2023 Share Option and Restricted Share Incentive Plan. Upon completion of this issuance, the Company's total share capital increased from 392,205,291 shares to 392,647,791 shares.

(ix) As resolved by the Board of Directors meeting on March 27, 2025, the Company cancelled 216,000 A shares in connection with the repurchase and cancellation of certain restricted shares under the 2022, 2023 and 2024 Share Option and Restricted Share Incentive Plans. Upon completion of this repurchase and cancellation, the Company's total share capital decreased from 392,647,791 shares to 392,431,791 shares.

(x) As resolved by the Board of Directors meeting on June 4, 2025, the Company issued 505,600 A shares to 105 eligible participants in connection with the exercise of stock options under the 2022 Share Option and Restricted Share Incentive Plan. Upon completion of this issuance, the Company's total share capital increased from 392,431,791 shares to 392,937,391 shares.

(xi) As resolved by the Board of Directors meeting on June 4, 2025, the Company issued 601,800 A shares to 216 eligible participants in connection with the exercise of stock options under the 2024 Share Option and Restricted Share Incentive Plan. Upon completion of this issuance, the Company's total share capital increased from 392,937,391 shares to 393,539,191 shares.

(xii) As resolved by the Board of Directors meeting on December 9, 2024 and the General Meeting on December 25, 2024, the Company issued 29,563,933 A shares to specific investors. Upon completion of this issuance, the Company's total share capital increased from 393,539,191 shares to 423,103,124 shares.

(xiii) As resolved by the Board of Directors meeting on October 28, 2025, the Company issued 110,400 A shares to 12 eligible participants in connection with the exercise of stock options under the 2022 Share Option and Restricted Share Incentive Plan. Upon completion of this issuance, the Company's total share capital increased from 423,103,124 shares to 423,213,524 shares.

(xiv) As resolved by the Board of Directors meeting on October 28, 2025, the Company issued 27,600 A shares to 5 eligible participants in connection with the exercise of stock options under the 2023 Share Option and Restricted Share Incentive Plan. Upon completion of this issuance, the Company's total share capital increased from 423,213,524 shares to 423,241,124 shares.

(xv) As resolved by the Board of Directors meeting on October 28, 2025, the Company issued 111,000 A shares to 55 eligible participants in connection with the exercise of stock options under the 2024 Share Option and Restricted Share Incentive Plan. Following the completion of this issuance, the Company's total share capital increased from 423,241,124 shares to 423,352,124 shares.

(xvi) As resolved by the Board of Directors meeting on October 28, 2025 and Shareholders' meeting on November 14, 2025, the Company cancelled 146,000 A shares in connection with the repurchase and cancellation of certain restricted shares under the 2023 and 2024 Share Option and Restricted Share Incentive Plans. Upon completion of this repurchase and cancellation, the Company's total share capital decreased from 423,352,124 shares to 423,206,124 shares.

C. Changes in Share Capital of our Major Subsidiaries

The following alterations in the registered capital of our major subsidiaries have taken place within the two years preceding the date of this document:

(1) Foshan Shunde Eaglerise Power Technology Co., Ltd. (佛山市順德區伊戈爾電力科技有限公司)

The registered share capital of Foshan Shunde Eaglerise Power Technology Co., Ltd. (佛山市順德區伊戈爾電力科技有限公司) was increased from RMB5 million to RMB150 million on December 7, 2016 due to capital increase of our Company, further increased to RMB500 million on June 9, 2021 and subsequently decreased to RMB499 million on October 23, 2024 due to capital reduction of our Company.

(2) Jiangxi Eaglerise Digital Energy Technology Co., Ltd. (江西伊戈爾數字能源技術有限公司)

The registered share capital of Jiangxi Eaglerise Digital Energy Technology Co., Ltd. (江西伊戈爾數字能源技術有限公司) was increased from RMB100 million to RMB500 million on September 14, 2023 due to capital increase of our Company.

D. Resolutions Passed by Our Shareholders in Relation to the [REDACTED] of H shares

Pursuant to the board meeting held on November 24, 2025 and the second extraordinary general meeting held on December 18, 2025, our Directors and Shareholders have, among other things, passed the following resolutions:

(a) the approval of the issue of H Shares and the [REDACTED] of such H Shares on the Main Board of The Stock Exchange of Hong Kong Limited ("**SEHK**"). The H Shares to be issued will be ordinary shares denominated in Renminbi and subscribed for in foreign currency, with a nominal value of RMB1.00 each;

(b) the approval of the principal terms of the [REDACTED]. Subject to the minimum public float, free float and other requirements (or any waiver therefrom) of the SEHK and other regulatory authorities, and taking into account our funding requirements and future business development, the number of H Shares to be issued shall not exceed [REDACTED] of our total issued share capital immediately following the completion of the [REDACTED] (before any exercise of the [REDACTED]). An [REDACTED] of up to [REDACTED] of the initial number of H Shares offered may be granted to the [REDACTED]. The final size of the [REDACTED] and whether the [REDACTED] will be exercised shall be determined by the Board or its authorised person(s) in accordance with applicable laws, regulatory approvals and market conditions;

(c) the approval of the pricing principles and related authorisations for the [REDACTED]. The [REDACTED] will be determined through market-oriented [REDACTED], [REDACTED] and [REDACTED], in line with international market practice and having due regard to the interests of our existing shareholders, domestic and international capital-market conditions, [REDACTED] risks and investors' acceptance. The Board or its authorised person(s) shall, together with the [REDACTED], finalise the [REDACTED] in accordance with applicable laws, regulatory approvals or filings and market conditions; and

(d) the approval of the conversion of our Company into an overseas-offered joint-stock limited company, the use of [REDACTED] and the grant of full authority to the Board and its authorised person(s) to handle all matters relating to the [REDACTED] and [REDACTED], including (without limitation) the amendment of our Articles of Association and relevant internal governance rules so as to comply with applicable laws, regulations and regulatory requirements, such amendments to take effect upon [REDACTED].

2. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

A. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within two years preceding the date of this Document which are or may be material:

(a) the investment agreement dated July 31, 2024 entered into among the Company and Jizhou District People's Government of Ji'an City (Jizhou District Government) pursuant to which the Company has agreed invested in the construction of a digitalised manufacturing facility for new energy dry-type transformers and a digitalised manufacturing facility for light-storage-charging intelligent microgrid systems in Jizhou District, Ji'an City. The agreement has involved a total investment of approximately RMB800 million, with a registered capital of RMB100 million, covering approximately 170 mu of land and the construction of no less than 140,000 square metres of production plants and ancillary facilities.

(b) the Hong Kong [REDACTED].

B. Intellectual Property Rights

(a) Trademarks

As of September 30, 2025, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration number	Class	Registrant	Place of registration	Expiry date
1.		4937367	9	Our Company	PRC	October 20, 2031
2.		4937368	9	Our Company	PRC	September 27, 2029
3.		4937369	9	Our Company	PRC	September 13, 2028
4.		75813134	35	Our Company	PRC	June 27, 2034
5.		6158978	20	Our Company	PRC	February 27, 2030
6.		6158979	19	Our Company	PRC	February 20, 2031
7.		6158980	11	Our Company	PRC	March 6, 2030

(b) Patent

As of September 30, 2025, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent Name	Patent No.	Patent Type	Place of Registration	Date of application	Patentee
1.	A type of split electronic transformer (一種分體式電子變壓器)	ZL200610033938.9	Invention	PRC	March 01, 2006	JI AN Nait, Foshan Shunde Eaglerise and our Company
2.	Zero-current soft-switching circuit (零電流軟開關電路)	ZL200710026913.0	Invention	PRC	February 13, 2007	JI AN Nait, Foshan Shunde Eaglerise and our Company

No.	Patent Name	Patent No.	Patent Type	Place of Registration	Date of application	Patentee
3.	A series hybrid active power filter device (一種串聯混合型有源電力濾波裝置)	ZL200810197002.9	Invention	PRC	September 17, 2008	HUST and our Company
4.	Connection structure of separable electrical connector (可分離的電連接器的連接結構)	ZL200910192739.6	Invention	PRC	September 27, 2009	Foshan Shunde Eaglerise and our Company
5.	Dimmable control circuit for LED lamps (LED燈的可調光控制電路)	ZL201010106383.2	Invention	PRC	February 01, 2010	Eaglerise Electronics (Foshan)
6.	Photovoltaic grid-connected power generation device based on modularization technology (基於多重化技術的光伏併網發電裝置)	ZL201210106659.6	Invention	PRC	April 05, 2012	Foshan Shunde Eaglerise, Eaglerise Electric (JI AN), Eaglerise Magnetic (JI AN) and our Company
7.	Reactive power compensation and power filtering device based on two-stage inductors and its switching method (基於兩級電感的無功補償與電力濾波裝置及其投切方法)	ZL201210106656.2	Invention	PRC	April 05, 2012	Foshan Shunde Eaglerise
8.	Photovoltaic grid-connected power generation device based on modularization technology (基於多重化技術的光伏併網發電裝置)	ZL201210106659.6	Invention	PRC	April 05, 2012	Foshan Shunde Eaglerise, Eaglerise Electric (JI AN), Eaglerise Magnetic (JI AN) and our Company

No.	Patent Name	Patent No.	Patent Type	Place of Registration	Date of application	Patentee
9.	Three-phase to nine-phase step-up/step-down autotransformer phase-shifting transformer (三相變九相升壓降壓自耦移相變壓器)	ZL201811565341.8	Invention	PRC	December 20, 2018	Eaglerise Magnetic (JI AN)
10.	An injection-molded inductor device, powder core and injection molding method (一種注塑成型的電感裝置、壓粉磁芯及注塑成型方法)	ZL202180068797.7	Invention	PRC	October 15, 2021	Eaglerise Electronic (Guangdong)
11.	An NFC-based LED dimming system and method (一種基於NFC的LED燈調光系統及方法)	ZL202410702529.1	Invention	PRC	June 03, 2024	Eaglerise Electronics (Foshan) and Eaglerise Electric (JI AN)
12.	An oil-immersed special transformer with protective structure and protective device (一種具有防護結構的油浸式特種變壓器及防護裝置)	ZL202410986510.4	Invention	PRC	July 23, 2024	Eaglerise Magnetic (JI AN))
13.	An LED driver power supply with low-voltage protection adaptable to voltage fluctuations (一種低壓保護能夠適應電壓波動的LED驅動電源)	ZL202411336376.X	Invention	PRC	September 25, 2024	Eaglerise Electronics (Foshan) and Eaglerise Electric (JI AN)
14.	△-△ phase-shifting transformer with 16-multiple winding output and power supply and distribution system (16倍數繞組輸出的△-△移相變壓器及供配電系統)	ZL202110681532.6	Invention	PRC	June 18, 2021	Foshan Shunde Eaglerise, Eaglerise Electric (JI AN), Eaglerise Magnetic (JI AN), Eaglerise Electronics (Foshan) and our Company

No.	Patent Name	Patent No.	Patent Type	Place of Registration	Date of application	Patentee
15.	A low-voltage double-layer laminated winding structure and transformer (一種低壓雙層層式繞組結構及變壓器)	ZL202411962211.3	Invention	PRC	December 30, 2024	Eaglerise Magnetic (JI AN)
16.	An automatic inductor production line (一種電感器自動生產線)	ZL202510352191.6	Invention	PRC	March 25, 2025	Eaglerise Electronic (Guangdong)
17.	A charging control method and system for power modules (一種電源模塊的充電控制方法及系統)	ZL202411421079.5	Invention	PRC	October 12, 2024	Shen Zhen Source Unit
18.	DC output low-frequency ripple suppression circuit of digital charger and its control method (數字充電機的直流輸出低頻紋波補償電路及其控制方法)	ZL201810167060.0	Invention	PRC	February 28, 2018	Shen Zhen Source Unit
19.	DC output low-frequency ripple compensation circuit of digital charger and its control method (數字充電機的直流輸出低頻紋波補償電路及其控制方法)	ZL201810166600.3	Invention	PRC	February 28, 2018	Shen Zhen Source Unit
20.	EV on-board charging device and its charging method (電動汽車車載充電裝置及其充電方法)	ZL201810167059.8	Invention	PRC	February 28, 2018	Shen Zhen Source Unit

(c) Utility Model Patents

As of September 30, 2025, we had registered the following utility model patents which we consider to be or may be material to our business:

No.	Patent Name	Patent No.	Patent Type	Place of Registration	Date of application	Patentee
1.	Three-Phase Integrated Output Inductor for 10~60kVA Three-Phase Solar Inverter (10~60kVA三相太陽能逆變器輸出電感三相集成)	ZL201621154179.7	Utility Model	PRC	October 31, 2016	JI AN Nait, Foshan Shunde Eaglerise and our Company
2.	A New Main Insulation Structure for the Body of a Three-Phase Oil-Immersed Transformer (一種三相油浸式變壓器器身新型主絕緣結構)	ZL201621187894.0	Utility Model	PRC	October 28, 2016	Eaglerise Electric (JI AN) and our Company
3.	Single-Phase Solar Inverter Transformer (單相太陽能逆變變壓器)	ZL201821327217.3	Utility Model	PRC	August 17, 2018	JI AN Nait, Foshan Shunde Eaglerise and our Company
4.	Terminal Tinning Auxiliary Device (端子上錫輔助裝置)	ZL201821327312.3	Utility Model	PRC	August 17, 2018	JI AN Nait, Foshan Shunde Eaglerise and our Company
5.	Dustproof and Waterproof Transformer (防塵防水變壓器)	ZL201821327374.4	Utility Model	PRC	August 17, 2018	JI AN Nait, Foshan Shunde Eaglerise and our Company
6.	Lightning and Overvoltage Protection Toroidal Transformer (防雷電過壓環形變壓器)	ZL201821333141.5	Utility Model	PRC	August 18, 2018	JI AN Nait, Foshan Shunde Eaglerise and our Company
7.	Three-Phase to Nine-Phase Step-Up and Step-Down Autotransformer Phase-Shifting Transformer (三相變九相升壓降壓自耦移相變壓器)	ZL201822148053.4	Utility Model	PRC	December 20, 2018	Foshan Shunde Eaglerise, Eaglerise Electric (JI AN), Eaglerise Magnetic (JI AN) and our Company

No.	Patent Name	Patent No.	Patent Type	Place of Registration	Date of application	Patentee
8.	A High-Power DC Charging System (一種大功率直流充電系統)	ZL202222751446.0	Utility Model	PRC	October 19, 2022	Foshan Shunde Eaglerise, Eaglerise Electric (JI AN), Eaglerise Magnetic (JI AN), Eaglerise Electronics (Foshan), Eaglerise Digital Energy (JIANG XI), and our Company
9.	A Three-Phase Differential Mode Inductor (一種三相差模電感)	ZL202223058155.X	Utility Model	PRC	November 16, 2022	Foshan Shunde Eaglerise, Eaglerise Electric (JI AN), Eaglerise Magnetic (JI AN), Eaglerise Electronics (Foshan), Eaglerise Digital Energy (JIANG XI), and our Company
10.	A PWM Dimming Signal Transmission Compensation Circuit (一種PWM調光信號傳輸補償電路)	ZL202320372828.4	Utility Model	PRC	February 28, 2023	Eaglerise Electronics (Foshan) and Eaglerise Electric (JI AN)

(d) Industrial Design Patents

As of September 30, 2025, we had registered the following industrial design patents which we consider to be or may be material to our business:

No.	Patent Name	Patent No.	Patent Type	Place of Registration	Date of application	Patentee
1.	LED Driver Power Supply (DP) (LED驅動電源(DP))	ZL201530540455.8	Industrial Design	PRC	December 17, 2015	Eaglerise Magnetic (JI AN)
2.	LED Driver Power Supply (PS-2) (LED驅動電源(PS-2))	ZL201530540457.7	Industrial Design	PRC	December 17, 2015	Eaglerise Electric (JI AN)
3.	LED Driver Power Supply (PS-1) (LED驅動電源(PS-1))	ZL201530540462.8	Industrial Design	PRC	December 17, 2015	Eaglerise Electric (JI AN)
4.	Inductor (電感器)	ZL202330753391.4	Industrial Design	PRC	November 17, 2023	Eaglerise Electronic (Guangdong)
5.	Transformer (變壓器)	ZL202430255894.3	Industrial Design	PRC	April 30, 2024	Eaglerise Electronics (Foshan)
6.	Charging Pile (National Standard Integrated Machine) (充電樁(國標一體機))	ZL202430260410.4	Industrial Design	PRC	May 06, 2024	Guangdong Yingbeite
7.	PCB Board (PCB板)	ZL202430332731.0	Industrial Design	PRC	May 31, 2024	Eaglerise Electric (JI AN)
8.	NFC Chip Configuration Graphical User Interface for Electronic Devices (電子設備的NFC芯片配置圖形用戶界面)	ZL202430430802.0	Industrial Design	PRC	July 10, 2024	Eaglerise Electric (JI AN)
9.	Charging Pile Host (Split Machine) (充電樁主機(分體機))	ZL202430260411.9	Industrial Design	PRC	May 06, 2024	Guangdong Yingbeite
10.	Circuit Board (Control Circuit Board of Lighting Driver Power Supply) (電路板(照明驅動電源的控制電路板))	ZL202430441457.0	Industrial Design	PRC	July 15, 2024	Eaglerise Electric (JI AN)

No.	Patent Name	Patent No.	Patent Type	Place of Registration	Date of application	Patentee
11.	Circuit Board (Power Conversion Circuit Board) (電路板(功率轉換電路板))	ZL202430441458.5	Industrial Design	PRC	July 15, 2024	Eaglerise Electric (JI AN)
12.	Circuit Board (LED Driver Power Supply Circuit Board) (電路板(LED驅動電源電路板))	ZL202430441459.X	Industrial Design	PRC	July 15, 2024	Eaglerise Electric (JI AN)
13.	Semiconductor Device Mounting Assembly (半導體器件安裝組件)	ZL202430548455.1	Industrial Design	PRC	August 28, 2024	Eaglerise Electric (JI AN)
14.	Four-Wire Guide Rail Power Supply Shell (四線導軌電源外殼)	ZL202430566696.9	Industrial Design	PRC	September 05, 2024	Eaglerise Electric (JI AN)
15.	Combined Low-Voltage Switch (組合式低壓開關)	ZL202430725859.3	Industrial Design	PRC	November 15, 2024	Foshan Shunde Eaglerise
16.	Current Setting Graphical User Interface for Electronic Devices (用於電子設備的電流設置圖形用戶界面)	ZL202430774380.9	Industrial Design	PRC	March 22, 2024	Eaglerise Electric (JI AN)

(e) Software Copyrights

As of September 30, 2025, we had registered the following software copyrights which we consider to be or may be material to our business:

No.	Copyright	Registration No.	Place of Registration	Date of Registration	Owner
1.	ER_Mesh_Dimmer Eagle Bluetooth Mesh Dimming Software [Abbreviation: R_Mesh_Dimmer] V1.0 (ER_Mesh_Dimmer 伊戈爾藍牙Mesh調光軟件 [簡稱：R_Mesh_Dimmer]V1.0)	2018SR120523	PRC	February 24, 2018	Our Company
2.	Ultra-Low Power Consumption Constant Voltage Output LED Driver Power Supply Control System V1.0 (超低功耗恒壓輸出LED驅動電源控制系統V1.0)	2018SR056676	PRC	January 24, 2018	Eaglerise Electronics (Foshan)

No.	Copyright	Registration No.	Place of Registration	Date of Registration	Owner
3.	Flicker-Free High Power Factor LED Driver Power Supply Control System V1.0 (無頻閃高功率因數LED驅動電源控制系統V1.0)	2018SR055782	PRC	January 24, 2018	Eaglerise Electronics (Foshan)
4.	Intelligent Warehouse WCS Equipment Scheduling Optimization System V1.0 (智能倉儲WCS設備調度優化系統V1.0)	2025SR1736852	PRC	September 09, 2025	Eaglerise Magnetic (JI AN)
5.	ITSM Process Automation Management Platform V1.0 ITSM流程自動化管理平台V1.0	2025SR1713265	PRC	September 05, 2025	Eaglerise Magnetic (JI AN)
6.	Charging Pile Regional Power Scheduling and Allocation System V1.0 (充電樁區域功率調度分配系統V1.0)	2024SR0251376	PRC	February 07, 2024	Guangdong Yingbeite and Foshan Shunde Eaglerise
7.	EV Power Supply Control System V1.0 (車載電源控制系統V1.0)	2018SR012339	PRC	January 05, 2018	Shen Zhen Source Unit
8.	Dingshuo Tongbang 5G Communication Power Supply Control System V1.0 (鼎碩同邦5G通訊電源控制系統V1.0)	2018SR962397	PRC	November 30, 2018	Shen Zhen Source Unit
9.	Dingshuo Tongbang Vehicle Mounted Charger with CC-CP Function Control System V1.0 (鼎碩同邦車載充電機含CC-CP功能控制系統V1.0)	2018SR962417	PRC	November 30, 2018	Shen Zhen Source Unit
10.	Communication Power Supply Intelligent Scheduling and Control Platform V1.0 (通訊電源智能調度與控制平台V1.0)	2025SR1063409	PRC	June 23, 2025	Shen Zhen Source Unit

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Particulars of Directors' Contracts and Appointment Letters

We have entered into a service contract or appointment letter with each of the Directors. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

B. Remuneration of Directors

Save as disclosed in the section headed "Directors and Senior Management," no other payments have been made or are payable in respect of the years ended December 31, 2023 and 2024 and nine months ended September 30, 2025 by any member of our Group to any of our Directors, former Directors or the five highest paid individuals.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors, former Directors, or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors, or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group. Furthermore, none of the Directors or former Directors had waived or agreed to waive any emoluments during the same periods.

Save as disclosed above, no other payments have been made or are payable in respect of the years ended December 31, 2023 and 2024 and nine months ended September 30, 2025 by any member of our Group to any of our Directors, former Directors, or the five highest paid individuals.

C. Disclosure of Interests

(a) Interests in the Shares of our Company

For information on the persons (other than our Directors and chief executive of our Company) who will, immediately following the completion of the [REDACTED], have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at Shareholders' meetings of our Company, see "Substantial Shareholders" in this Document.

(b) Disclosure of Interests of Directors and Chief Executive

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), so far as our Directors are aware, the interest or short position of our Directors or Chief Executives in the Shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities

Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange, will be as follows:

(I) Interests in our Company

	Nature of interest	Description of Shares	Number of Shares directly or indirectly held	Approximate percentage of interest in the total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of interest in the total issued share capital of our Company after the [REDACTED] (assuming the [REDACTED] is not exercised)	Approximate percentage of interest in the total issued share capital of our Company after the [REDACTED] (assuming the [REDACTED] is exercised)
Mr. Xiao	Beneficial owner	A Shares	11,599,268	2.74%	[REDACTED]	[REDACTED]
	Interest in controlled corporation[1]	A Shares	122,836,704	29.03%	[REDACTED]	[REDACTED]
MegaMax	Beneficial owner	A Shares	122,836,704	29.03%	[REDACTED]	[REDACTED]
Mr. Zhao	Beneficial owner	A Shares	773,015	0.18%	[REDACTED]	[REDACTED]

Notes:

(1): As of the Latest Practicable Date, MegaMax was 100% held by Mr. Xiao. By virtue of the SFO, Mr. Xiao is deemed to be interested in the Shares held by MegaMax. For details, see "History and Corporate Structure — Corporate Structure" and "Substantial Shareholders" in this Document.

(II) Interest in our Associated Corporation

Name of Director	Associated Corporation	Nature of Interest	Approximate % of Shareholding
Mr. Xiao	Shenzhen Anhewei Power Technology Co., Ltd. (深圳市安和威電力科技股份有限公司)	Beneficial Owner	6.6%

(c) Substantial Shareholders

(I) Interests of the substantial shareholders in the Shares

Save as disclosed in the section headed "Substantial Shareholders" in this document, our Directors or Chief Executive Officer are not aware of any other person, not being a Director or Chief Executive Officer of our Company, who has an interest or short position in the Shares and underlying Shares of our Company, which, immediately following completion of the [REDACTED], assuming that the [REDACTED] is not exercised and no new Shares are issued under the Share Option Scheme, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company or any member of our Group.

(II) Interests of substantial shareholders of other members of our Group

As of the Latest Practicable Date, our Directors are not aware of any other person (other than our Directors or Chief Executive Officer of our Company) who will, immediately following completion of the [REDACTED], assuming that the [REDACTED] is not exercised and no new Shares are issued under the Share Option Scheme, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

D. Disclaimers

Save as disclosed herein:

(a) none of our Directors or the chief executive of our Company has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the [REDACTED] are [REDACTED];

(b) none of our Directors or any of the experts referred to under the paragraph headed "— 5. Other Information — H. Qualification of Experts" in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) so far as is known to our Directors, no person (not being a Director or chief executive of our Company or any member of our Group) will, immediately following the completion of the [REDACTED], have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at Shareholders' meetings of any member of our Group; and

(f) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

4. OPTION AND RESTRICTED SHARE INCENTIVE PLANS

The following is a summary of the principal terms of the 2022 Option and Restricted Share Incentive Plan approved by the Shareholders on May 11, 2022, the 2023 Option and Restricted Share Incentive Plan approved by the Shareholders on February 3, 2023 and the 2024 Option and Restricted Share Incentive Plan of our Company approved by the Shareholders on May 15, 2024 (collectively, the "**Option and Restricted Share Incentive Plans**" or the "**Schemes**"). The terms of the Option and Restricted Share Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of awards by our Company after our [REDACTED]. Save as otherwise disclosed, the terms of the Option and Restricted Share Incentive Plans are substantially similar and are summarized below.

(i) Purpose and Principle

To further establish and improve the Company's long-term incentive mechanism, attract and retain outstanding talent, fully motivate employees, and effectively align the interests of Shareholders, the Company, and employees to ensure all parties focus on the Company's long-term development, this incentive plan is formulated based on the principle of matching returns with contributions, in accordance with relevant laws and regulations and Shenzhen Stock Exchange Listing Rules, and in conjunction with the Company's existing compensation and performance appraisal systems.

(ii) Administration

The Shareholders' Meeting, as the Company's highest authority, is responsible for reviewing the implementation, modification, and termination of the Schemes. The Board serves as the executive body for the plan's implementation. Under the Board, the Remuneration and Appraisal Committee is responsible for drafting and revising the incentive plan and submitting it to the Board for review.

(iii) Eligible Participants

The eligible participants under the Option and Restricted Share Incentive Plans shall be determined in accordance with relevant laws, regulations, normative documents, and the provisions of the Articles of Association. Independent directors and supervisors of the Company are excluded. All eligible participants must maintain an employment or labour relationship with the Company or its subsidiaries at the time of the grant of restricted shares and throughout the assessment period stipulated in the plan.

(iv) Source and Maximum Number of Shares

The source of Shares for the 2022 Option and Restricted Share Incentive Plan, 2023 Option and Restricted Share Incentive Plan and 2024 Option and Restricted Share Incentive Plan were our Company's A Shares placed to participants or repurchased from the secondary market. Each granted restricted Share represents the right to purchase one A Share within the agreed period at the grant price. The relevant A Shares will be vested in tranches upon the fulfillment of the stipulated vesting conditions.

(1) The maximum number of initial grant restricted Shares approved to be granted under the plan of the 2022 Option and Restricted Share Incentive Plan is 2,585,000 A Shares; The maximum number of reserved grant restricted Shares approved to be granted under the plan of the 2022 Option and Restricted Share Incentive Plan is 415,000 A Shares.

The maximum number of initial grant Share Options approved to be granted under the plan of the 2022 Option and Restricted Share Incentive Plan is 1,687,000 A Shares;The maximum number of reserved grant Share Options approved to be granted under the plan of the 2022 Option and Restricted Share Incentive Plan is 313,000 A Shares.

(2) The maximum number of initial grant restricted Shares approved to be granted under the plan of the 2023 Option and Restricted Share Incentive Plan is 2,626,000 A Shares; The maximum number of reserved grant restricted Shares approved to be granted under the plan of the 2022 Option and Restricted Share Incentive Plan is 374,000 A Shares.

The maximum number of initial grant Share Options approved to be granted under the plan of the 2023 Option and Restricted Share Incentive Plan is 1,892,000 A Shares; The maximum number of reserved grant Share Options approved to be granted under the plan of the 2022 Option and Restricted Share Incentive Plan is 100,000 A Shares.

(3) The maximum number of initial grant restricted Shares approved to be granted under the plan of the 2022 Option and Restricted Share Incentive Plan is 3,615,000 A Shares; The maximum number of reserved grant restricted Shares approved to be granted under the plan of the 2022 Option and Restricted Share Incentive Plan is 350,000 A Shares.

The maximum number of initial grant Share Options approved to be granted under the plan of the 2022 Option and Restricted Share Incentive Plan is 2,190,000 A Shares; The maximum number of reserved grant Share Options approved to be granted under the plan of the 2022 Option and Restricted Share Incentive Plan is 510,000 A Shares.

From the date of the announcement of each Scheme until the registration of the vesting of the relevant restricted Shares, if the Company undergoes events such as conversion of capital reserves into share capital, distribution of share dividends, share splits, rights issues, or share consolidations, the number of restricted shares to be granted or vested shall be adjusted accordingly.

(v) Valid Period and Grant Date

The valid period of each scheme shall commence from the date of grant of the share options and restricted shares and end on the date when incentive recipients have fully exercised or cancelled all the share options granted to them and all restricted shares granted to the participants have either fully vested or become invalid, with a maximum duration not exceeding 60 months, under the plan of the 2022 and 2023 Option and Restricted Share Incentive Plans. the valid period of each scheme shall commence from the date of grant of the share options and restricted shares and end on the date when incentive recipients have fully exercised or cancelled all the share options granted to them and all restricted shares granted to the participants have either fully vested or become invalid, with a maximum duration not exceeding 48 months, under the plan of the 2024 Option and Restricted Share Incentive Plan. the company shall grant the initial tranche shares (restricted shares and share options may be collectively referred to as "**equity interests**") to the participants and complete the relevant information disclosure within 60 days after the shareholders' meeting has approved the plan. if the company fails to complete the aforesaid procedure within 60 days, it shall promptly disclose the reasons for the failure and terminate the implementation of the scheme, with any ungranted shares becoming invalid. the company shall determine the eligible participants for the reserved tranche shares within 12 months after the scheme is approved by the shareholders' meeting and if the eligible participants are not determined within 12 months, the corresponding reserved tranche shares shall become invalid.

(vi) Vesting

Under the 2022, 2023 and 2024 Option and Restricted Share Incentive Plans, subject to fulfillment of the performance targets at both the Company level and the participant level, the initial tranche of the share options held by the participants shall be vested in three installments, from the date of grant of the initial tranche of share options to the grantee, with 30%, 30% and 40% of such share options vesting at each respective vesting date. The reserved tranche of the share options held by the participants shall be vested in three installments, from the date of grant of the reserved tranche of share options to the grantee, with 30%, 30% and 40% of such share options vesting at each respective vesting date.

Under the 2022, 2023 and 2024 Option and Restricted Share Incentive Plans, subject to fulfillment of the performance targets at both the Company level and the participant level, the initial tranche of the restricted shares held by the participants shall be vested in three installments, from the date of grant of the initial tranche of restricted shares to the grantee, with 30%, 30% and 40% of such restricted shares vesting at each respective vesting date. The reserved tranche of the restricted shares held by the participants shall be vested in three installments, from the date of grant of the reserved tranche of restricted shares to the grantee, with 30%, 30% and 40% of such restricted shares vesting at each respective vesting date.

(vii) Vesting Status of Share Options

As of September 30, 2025, all installments of the initial tranche share options of the 2022 Restricted Share and Share Options Incentive Scheme had fully vested or been exercised, and no initial tranche of share options under the 2022 Restricted Share and Share Options Incentive Scheme had not yet commenced the vesting or exercisable period as at such date.

As of September 30, 2025, certain installments of the reserved tranche share options of the 2022 Restricted Share and Share Options Incentive Scheme had not yet become exercisable, amounting to in total 110,400 share options, representing approximately 0.03% of the issued share capital of our Company as at the Latest Practicable Date, and approximately 0.02% of the total issued share capital of our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no changes to our issued shares between the Latest Practicable Date and the completion of the [REDACTED]).

As of September 30, 2025, certain installments of the initial tranche share options of the 2023 Restricted Share and Share Options Incentive Scheme had not yet become exercisable, amounting to in total 539,600 share options, representing approximately 0.13% of the issued share capital of our Company as at the Latest Practicable Date, and approximately 0.11% of the total issued share capital of our Company immediately following the completion of the [REDACTED]; certain installments of the reserved tranche share options of the 2023 Restricted Share and Share Options Incentive Scheme had not yet become exercisable, amounting to in total 64,400 share options, representing approximately 0.02% of the issued share capital of our Company as at the Latest Practicable Date, and approximately 0.01% of the total issued share capital of our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no changes to our issued shares between the Latest Practicable Date and the completion of the [REDACTED]).

As of September 30, 2025, certain installments of the initial tranche share options of the 2024 Restricted Share and Share Options Incentive Scheme had not yet become exercisable, amounting to in total 1,311,800 share options, representing approximately 0.31% of the issued share capital of our Company as at the Latest Practicable Date, and approximately 0.28% of the total issued share capital of our Company immediately following the completion of the [REDACTED]; certain installments of the reserved tranche share options of the 2024 Restricted Share and Share Options Incentive Scheme had not yet become exercisable, amounting to in total 465,000 share options, representing approximately 0.11% of the issued share capital of our Company as at the Latest Practicable Date, and approximately 0.10% of the total issued share capital of our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no changes to our issued shares between the Latest Practicable Date and the completion of the [REDACTED]).

Assuming all granted but not yet exercisable share options under the Restricted Share and Share Options Incentive Schemes are fully exercised through the issuance of new Shares or the transfer of existing shares, the shareholding of our Shareholders immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no changes to our issued shares between the Latest Practicable Date and the completion of the [REDACTED]) will be diluted by approximately 0.05%.

The following table sets forth the number of restricted Shares granted to Directors and senior management of our Company under the Option and Restricted Share Incentive Plans.

Name	Position(s) held within our Group	Date of Grant	Grant Price	Number of Restricted Shares granted	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the [REDACTED] (assuming no exercise of the [REDACTED])
Mr. Zhao Nannan (趙楠楠)	Executive Director; General Manager	2022 (initial tranche)	7.46	190,000	[REDACTED]
		2022 (reserved tranche)	7.46	60,000	[REDACTED]
		2023 (initial tranche)	8.41	250,000	[REDACTED]
		2024 (initial tranche)	8.14	400,000	[REDACTED]
Mr. Wu Yuhui (吳豫輝)	Deputy General Manager	2022 (initial tranche)	7.46	65,000	[REDACTED]
		2023 (initial tranche)	8.41	75,000	[REDACTED]
		2024 (initial tranche)	8.14	100,000	[REDACTED]
Mr. Liu Jingyuan (柳景元)	Deputy General Manager	2022 (initial tranche)	7.46	80,000	[REDACTED]
		2023 (initial tranche)	8.41	90,000	[REDACTED]
		2024 (initial tranche)	8.14	100,000	[REDACTED]
Mr. Guo Shiguang (郭石光)	Deputy General Manager	2022 (initial tranche)	7.46	50,000	[REDACTED]
		2023 (initial tranche)	8.41	60,000	[REDACTED]
		2024 (initial tranche)	8.14	80,000	[REDACTED]
Mr. Chen Liang (陳亮)	Deputy General Manager	2022 (initial tranche)	7.46	65,000	[REDACTED]
		2023 (initial tranche)	8.41	75,000	[REDACTED]
		2024 (initial tranche)	8.14	100,000	[REDACTED]
Mr. Huang Huijie (黃慧傑)	Deputy General Manager	2022 (initial tranche)	7.46	55,000	[REDACTED]
		2023 (initial tranche)	8.41	55,000	[REDACTED]
		2023 (reserved tranche)	8.16	35,000	[REDACTED]
		2024 (initial tranche)	8.14	90,000	[REDACTED]
Ms. Chen Lijun (陳麗君)	Financial Controller	2022 (initial tranche)	7.46	60,000	[REDACTED]
		2023 (initial tranche)	8.41	70,000	[REDACTED]
		2023 (reserved tranche)	8.16	25,000	[REDACTED]
		2024 (initial tranche)	8.14	90,000	[REDACTED]
Mr. Liang Lunshang (梁倫商)	Secretary of the Board	2024 (reserved tranche)	8.14	70,000	[REDACTED]

The table below sets forth the details of the restricted Shares granted to other grantees (excluding Directors and senior management of our Company) under the Option and Restricted Share Incentive Plans:

Option and Restricted Share Incentive Plan	Total number of Grantees	Date of Grant	Grant Price	Number of Restricted Shares granted	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the [REDACTED] (assuming no exercise of the [REDACTED])
2022 Restricted Shares Incentive Scheme	42 (initial tranche)	2022/05/27 (initial tranche)	7.46 (initial tranche)	2,020,000 (initial tranche)	[REDACTED]
	8 (reserved tranche)	2022/10/13 (reserved tranche)	7.46 (reserved tranche)	355,000 (reserved tranche)	[REDACTED]
2023 Restricted Shares Incentive Scheme	49 (initial tranche)	2023/02/10 (initial tranche)	8.41 (initial tranche)	1,951,000 (initial tranche)	[REDACTED]
	10 (reserved tranche)	2023/10/10 (reserved tranche)	8.16 (reserved tranche)	314,000 (reserved tranche)	[REDACTED]
2024 Restricted Shares Incentive Scheme	63 (initial tranche)	2024/06/05 (initial tranche)	8.14 (initial tranche)	2,655,000 (initial tranche)	[REDACTED]
	9 (reserved tranche)	2024/09/30 (reserved tranche)	8.14 (reserved tranche)	280,000 (reserved tranche)	[REDACTED]

The table below sets forth the details of the Share Options granted to other grantees under the Option and Restricted Share Incentive Plans:

Option and Restricted Share Incentive Plan	Total number of Grantees	Date of Grant	Grant Price	Number of Share Options granted	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the [REDACTED] (assuming no exercise of the [REDACTED])
2022 Share Options Incentive Scheme	145 (initial tranche)	2022/05/27 (initial tranche)	10.27 (initial tranche)	1,687,000 (initial tranche)	[REDACTED]
	17 (reserved tranche)	2022/10/13 (reserved tranche)	10.52 (reserved tranche)	313,000 (reserved tranche)	[REDACTED]
2023 Share Options Incentive Scheme	187 (initial tranche)	2023/02/10 (initial tranche)	11.77 (initial tranche)	1,892,000 (initial tranche)	[REDACTED]
	5 (reserved tranche)	2023/10/10 (reserved tranche)	11.52 (reserved tranche)	1,000,000 (reserved tranche)	[REDACTED]
2024 Share Options Incentive Scheme	239 (initial tranche)	2024/06/05 (initial tranche)	13.2 (initial tranche)	2,190,000 (initial tranche)	[REDACTED]
	77 (reserved tranche)	2024/09/30 (reserved tranche)	13.2 (reserved tranche)	510,000 (reserved tranche)	[REDACTED]

5. OTHER INFORMATION

A. Estate Duty

We have been advised that any material liability for estate duty under PRC law is unlikely to fall upon the Group.

B. Litigation

During the Track Record Period and up to the Latest Practicable Date, so far as our Directors are aware, no litigation or claim of material importance (to our Group's financial condition or results of operation) is pending or threatened against any member of our Group.

C. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee of the Hong Kong Stock Exchange for the [REDACTED] of, and permission to deal in, the [REDACTED] to be issued as mentioned in this document. All necessary arrangements have been made enabling the [REDACTED] to be admitted into CCASS.

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to the Sole Sponsor in connection with the [REDACTED] payable by our Company is HKD 4.5 million.

D. Compliance Advisor

Our Company has appointed Guotai Junan Capital Limited as our compliance advisor in compliance with Rules 3A.19 of the Listing Rules.

E. Preliminary Expenses

We have not incurred any material preliminary expense.

F. Promoters

Save as disclosed in this Document, within the two years immediately preceding the date of this Document, no cash, securities, amount or benefit has been paid, [REDACTED] or given, nor is any such payment, [REDACTED] or grant proposed to be made, to any of the promoters in connection with the [REDACTED] or the related transactions described in this Document. See "— History, Development and Corporate Structure — Other Shareholding Changes".

G. Qualification of Experts

The qualifications of the experts, as defined under the Hong Kong Listing Rules, who have given opinions in this document, are as follows:

Name	Qualifications
Guotai Junan Capital Limited	Licensed to conduct Type 6 (advising on corporate finance) regulated activities under the SFO
Global Law Office	Legal advisor to our Company as to PRC law
Rongcheng (Hong Kong) CPA Limited	Reporting accountant and auditor of the applicant during the track record period
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant
Shenzhen RSM Tax Ltd.	Independent Transfer Pricing Consultants

H. Consents of Experts

Each of the experts as referred to in "— 5. Other Information — G. Qualification of Experts" in this Appendix has given and has not withdrawn its consent to the issue of this document with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

I. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

J. No Material Change

Our Directors confirm that, there has been no material change in our business, financial condition and results of operations since September 30, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountant's Report in Appendix I to this document, and up to the date of this document.

K. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and the seller is 0.13% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

L. Restriction on Share Repurchases

For details of the restrictions on share repurchases by the Company, see "Summary of the Articles of Association — Increase/Reduction and Repurchase of Shares" in Appendix III to this document.

M. Related Party Transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this document. See Note 46 to the Accountant's Report in Appendix I to this document.

N. Miscellaneous

Save as disclosed in this document:

(a) within the two years immediately preceding the date of this document:

(i) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(iii) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) no share or loan capital of our Company or any of our subsidiaries had been under option or agreed conditionally or unconditionally to be put under option;

(c) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(e) our Company has no outstanding convertible debt securities or debentures;

(f) there is no arrangement under which future dividends are waived or agreed to be waived;

(g) save for the A Shares of our Company that are listed on the Shenzhen Stock Exchange, and save for the H Shares to be issued in connection with the [REDACTED], none of the equity and debt securities of our Company, if any, is [REDACTED] or admitted to trading nor is any [REDACTED] or permission to [REDACTED] being or proposed to be sought; and

(h) all necessary arrangements have been made to enable the H Shares to be admitted into CCASS for clearing and settlement.

O. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance on the exemption provided in section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) a copy of each of the material contracts referred to in "Statutory and General Information — 2. Further Information about the business of our Business — A. Summary of Material Contracts" in Appendix IV to this Document; and

(ii) the written consents referred to in "Statutory and General Information — Other Information — 6. Consents" in Appendix IV to this Document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and **www.eaglerise.cn** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the accountant's report from Rongcheng (Hong Kong) CPA Limited, the text of which is set out in Appendix I to this Document;

(c) the audited consolidated financial statements of our Group for the Track Record Record;

(d) the report from Rongcheng (Hong Kong) CPA Limited on the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this Document;

(e) the industry report issued by Frost & Sullivan referred to in "Industry Overview" in this Document;

(f) the PRC legal opinion issued by Global Law Office, our PRC Legal Advisor, in respect of, among other things, certain general corporate matters and property interests matters of our Group;

(g) the material contracts referred to in "Statutory and General Information — 2. Further Information about the business of our Business — A. Summary of Material Contracts" in Appendix IV to this Document;

(h) the written consents referred to in "Statutory and General Information — 5. Other Information — H. Consents of Experts" in Appendix IV to this Document;

(i) the contracts and appointment letters referred to in the section headed "3. Further Information About Our Directors and Substantial Shareholders — A. Particulars of Directors' Contracts and Appointment Letters" in Appendix IV to this Document; and

(j) the PRC Company Law, Securities Law, and the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.