

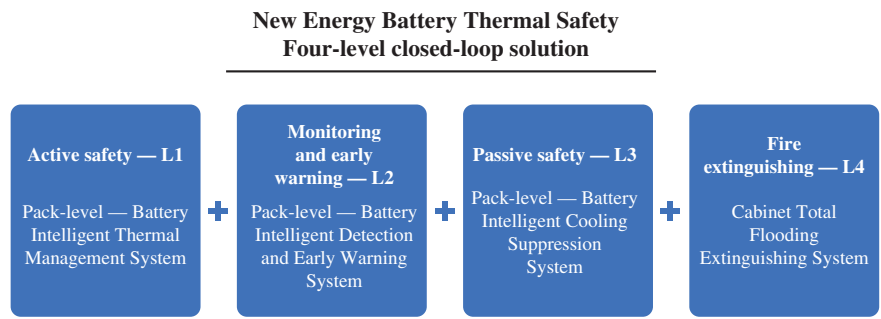
## SUMMARY

*This summary aims to give you an overview of the information contained in this document. Since it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the [REDACTED].*

*There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] 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 leading one-stop new energy battery thermal safety solutions provider in China that focuses on innovation in new energy battery thermal safety technologies that address thermal safety challenges faced by Li-ion batteries across various application scenarios. We specialise in the research, development, manufacturing and sales of new energy battery thermal safety products, offering an integrated four-level closed-loop safety solution (L1 to L4 systems) and after-sales services covering a comprehensive battery thermal safety system from pack-level thermal management to monitoring and emergency response and fire suppression capabilities, namely active safety (pack-level — Battery Intelligent Thermal Management System), monitoring and early warning (pack-level — Battery Intelligent Detection and Early Warning System), passive safety (pack-level — Battery Intelligent Cooling Suppression System) and fire extinguishing (Cabinet Total Flooding Extinguishing System). Our products are used in EV and BESS projects in China and overseas.



Our history can be traced back to 2017. In the course of our development, we have received a number of awards and recognitions with respect to our brand, business operations, products and corporate responsibility achievements. These included recognitions by the Chinese government and industry organisations, in addition to significant regulatory recognition for our products. For further details, please refer to the sections headed “History, Development and Corporate Structure” and “Business” in this document.

|   |   |
|---|---|
| <p>We are a leading one-stop new energy battery thermal safety solutions provider in China, and we are the only company among the top five market participants in this field to offer an integrated four-level closed-loop safety solution that covers L1, L2, L3 and L4.</p> |   |
| <p>New Energy Heavy-Duty Trucks<br/>Battery Intelligent Thermal Management System<br/>1st place<br/>Market share: 35.3% in 2025<br/>(In terms of revenue in the Chinese market)</p>   | <p>Electrochemical Energy Storage System<br/>Li-ion Battery Fire Prevention and Control Solutions<br/>1st place<br/>Market share: 26.3% in 2025<br/>(In terms of revenue in the Chinese market)</p> |

Sources: F&S Report

## SUMMARY

According to the F&S Report, China’s Li-ion battery thermal safety solution market is experiencing rapid expansion alongside the growth of EV and BESS applications and the tightening of safety standards. In the market for L1 (BITS) thermal management systems for new energy heavy-duty trucks, revenue generated by our L1 products recorded a CAGR of approximately 127.9% from 2023 to 2025, compared with approximately 84.7% for the overall PRC market for such systems over the same period, and our revenue market share reached approximately 35.3% in 2025, ranking first among all market participants.

In the market for L2 (BIDS) + L3 (BICS) + L4 (CTFES) fire prevention and control solutions for BESS applications, revenue generated by our products recorded a CAGR of approximately 70.2% from 2023 to 2025, compared with approximately 55.2% for the overall PRC market for such solutions, and our revenue market share reached approximately 26.3% in 2025, also ranking first.

From 2023 to 2025, average market unit prices for L1 thermal safety systems for new energy commercial vehicles in China decreased from approximately RMB9,900 per unit in 2023 to approximately RMB9,800 per unit in 2024 and RMB8,300 per unit in 2025, while average market unit prices for BESS L2-L4 thermal safety solutions decreased from approximately RMB45,800 per unit in 2023 to approximately RMB32,800 per unit in 2024 and RMB31,100 per unit in 2025. Over the same period, the AUPs of our L1 (BITS) products for EV applications were approximately RMB10,000, RMB10,000 and RMB9,000 per unit for FY2023, FY2024 and FY2025, respectively, and the AUPs of our L2 (BIDS) + L3 (BICS) + L4 (CTFES) products for BESS applications were approximately RMB47,000, RMB34,000 and RMB39,000 per unit for the corresponding years.

Our Directors believe that our ability to maintain AUPs for our EV and BESS products and solutions above overall market levels while achieving higher-than-market CAGRs and first-ranked revenue market shares in both the EV and BESS segments, despite overall industry price pressure, reflects customers’ recognition of the value and performance of our Li-ion battery thermal safety solutions and the competitiveness of our products and solutions among similar providers in China.

### DESCRIPTION OF BUSINESS MODEL

Our business focuses on the research, development, manufacture and sales of new energy battery thermal safety products, offering an integrated four-level closed-loop safety solution and after-sales services covering active safety (pack-level — Battery Intelligent Thermal Management System), monitoring and early warning (pack-level — Battery Intelligent Detection and Early Warning System), passive safety (pack-level — Battery Intelligent Cooling Suppression System) and fire extinguishing (Cabinet Total Flooding Extinguishing System).

The table below sets out a breakdown of our revenue by application during the Track Record Period.

|                 | FY2023               |              | FY2024               |              | FY2025               |              |
|-----------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
|                 | <i>(RMB million)</i> | %            | <i>(RMB million)</i> | %            | <i>(RMB million)</i> | %            |
| EV (L1)         | 103.3                | 44.1         | 180.0                | 46.5         | 536.5                | 58.6         |
| BESS (L2+L3+L4) | 131.1                | 55.9         | 206.8                | 53.5         | 379.5                | 41.4         |
| <b>Total</b>    | <b>234.4</b>         | <b>100.0</b> | <b>386.8</b>         | <b>100.0</b> | <b>916.0</b>         | <b>100.0</b> |

## SUMMARY

We mainly sell our products and solutions directly to commercial EV OEMs, in particular manufacturers of heavy-duty trucks, and BESS integrators, focusing on application scenarios where new energy battery thermal runaway risks are particularly pronounced. In the early stages of customer engagement, our sales, thermal management products solutions and fire prevention and control product solutions departments work together to understand our customers' products and battery platforms, application scenarios and safety requirements, and to propose technical routes and solution architectures that integrate our L1 to L4 products with our customers' existing systems. For key accounts, we typically seek to establish multi-platform or multi-project cooperation arrangements and embed our L1 to L4 solutions as preferred or standard configurations on our customers' EV models and BESS project pipelines.

Our project acquisition process generally begins with technical communication and solution design, followed by product customisation, production and delivery once customers confirm technical proposals and commercial terms. For certain EV projects, we primarily adopt a product supply model under which we supply L1 products to our customers' production plants according to their schedules and our customers install our products into EV platforms or battery packs, while for most BESS projects we adopt a turnkey project model under which we provide on-site installation of L2 to L4 products, commissioning and acceptance testing, followed by after-sales services, troubleshooting support and, where agreed, spare parts supplies and technical support for connected monitoring functions. We collect and analyse operating data and feedback from our customers to improve our products and solutions.

We have implemented intelligent and digitised manufacturing management, including automation of assembly processes, on-line process monitoring and data-driven quality control, and adopted platform-based designs with increased commonality of core components to enhance production flexibility, shorten product changeover time and improve overall manufacturing efficiency and cost structure.

We organise our core products and solutions into four levels, designated as L1 to L4, which together form an integrated thermal safety architecture for various application scenarios of new energy battery systems.

Our L1 (BITS) thermal management systems are liquid cooling and heating units designed to maintain batteries within suitable operating temperatures and to support thermal uniformity among different battery cells. Effective thermal management is a basic part of battery safety, as suitable temperatures support battery performance, reduce thermal stress and help extend battery life.

Our L2 (BIDS) detection and alarm systems specifically designed for battery packs, consist mainly of composite detectors for Li-ion battery thermal safety. These devices are designed to provide early sensing and early warning for potential thermal runaway events so that protective actions can be taken as early as practicable. We consider early detection to be critical because Li-ion battery thermal runaway can progress from early-stage self-heating to complete combustion within minutes, leaving limited time for intervention.

Our L3 (BICS) cooling suppression systems are designed for battery packs to suppress thermal runaway, limit thermal propagation by cooling once a thermal runaway event has occurred and prevent the battery from catching fire. L3 systems are intended to work in combination with L1 and L2, so that if preventive and early detection measures are not sufficient to avoid an event, suppression measures can help reduce its impact. We consider pack-level suppression to be essential for mitigating the

## SUMMARY

consequences of thermal runaway events that are not prevented by L1 thermal management systems and that, whether or not detected by the L2 system at an early stage, are not properly addressed, which may result in thermal runaway escalating into thermal propagation or a fire.

Our L4 (CTFES) solutions provide system-level protection at the EV platform and BESS level. L4 solutions coordinate L2 monitoring and L3 suppression within a unified thermal safety and extinguishing architecture, integrated with total-flooding extinguishing equipment explosion suppression and pressure relief devices, to manage and control thermal runaway if it escalates into a system-wide event.

For details, please refer to the sections headed “Business — Our Products and Solutions” and “Business — Our Business” in this document.

### COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors: (i) mechanism-based platform technology and full-chain R&D capability; (ii) participation in over 35 Li-ion battery thermal safety standards supported by an experienced R&D and management team; (iii) a strong customer base among commercial EV OEMs, in particular manufacturers of heavy-duty trucks, and BESS integrators; and (iv) a stable and reliable supply chain. For details, please refer to the section headed “Business — Our Competitive Strengths” in this document.

### BUSINESS STRATEGIES

We aim to develop our business in a measured way, focusing on areas where we have application experience and technical capabilities. To achieve this objective, we have formulated the following major business strategies:

- (i) enhance technology innovation capabilities through continuous mechanism-based R&D;
- (ii) strengthen our position in the PRC Li-ion battery thermal safety market and our role in industry standard-setting;
- (iii) optimise our manufacturing capacity, cost structure and supply management; and
- (iv) expand overseas markets and support the application of thermal safety standards.

For details, please refer to the section headed “Business — Our Strategies” in this document.

### OUR CUSTOMERS AND SUPPLIERS

Our customers mainly include leading PRC commercial EV OEMs, in particular manufacturers of heavy-duty trucks, and BESS integrators. Our five largest customers for each year during the Track Record Period accounted for approximately 50.92%, 49.62% and 64.74%, respectively, of our total revenue for the respective year. Sales to our largest customer for each year during the Track Record Period accounted for approximately 31.46%, 12.89% and 28.43% of our total revenue for the respective year.

## SUMMARY

Our suppliers mainly provide us with compressors, heater, water pumps, condensers, fans, coolers and suppressing agents. Our five largest suppliers for each year during the Track Record Period accounted for approximately 22.40%, 25.06% and 33.87%, respectively, of our total purchases for the respective years. Our largest supplier for each year during the Track Record Period accounted for approximately 6.12%, 7.88% and 13.33%, of our total purchases for the respective year.

### SUMMARY OF KEY OPERATIONAL AND FINANCIAL INFORMATION

#### Summary of consolidated statements of profit or loss and other comprehensive income

The following sets out selected items of our consolidated statements of profit or loss and other comprehensive income for the Track Record Period which are extracted from the Accountants’ Report set out in Appendix I to this document:

|   | Year ended 31 December                  |                      |                         |                      |                        |                     |
|---|---|----------------------|-------------------------|----------------------|------------------------|---------------------|
|   | 2023                                    |                      | 2024                    |                      | 2025                   |                     |
|   | <i>Amount</i>                           | <i>%</i>             | <i>Amount</i>           | <i>%</i>             | <i>Amount</i>          | <i>%</i>            |
|   | <i>(RMB’000, except for percentage)</i> |                      |                         |                      |                        |                     |
| Revenue   | 234,414                                 | 100.0                | 386,774                 | 100.0                | 916,018                | 100.0               |
| Cost of sales   | <u>(188,508)</u>                        | <u>(80.4)</u>        | <u>(353,557)</u>        | <u>(91.4)</u>        | <u>(772,015)</u>       | <u>(84.3)</u>       |
| <b>Gross profit</b>                                     | <b>45,906</b>                           | <b>19.6</b>          | <b>33,217</b>           | <b>8.6</b>           | <b>144,003</b>         | <b>15.7</b>         |
| Other income and gains                                  | 13,705                                  | 5.8                  | 16,491                  | 4.3                  | 18,665                 | 2.0                 |
| Selling expenses  | (35,847)                                | (15.3)               | (39,966)                | (10.3)               | (34,677)               | (3.8)               |
| Administrative expenses                                 | (39,234)                                | (16.7)               | (40,021)                | (10.3)               | (50,302)               | (5.5)               |
| Research and development expenses                       | (66,777)                                | (28.5)               | (45,620)                | (11.8)               | (49,736)               | (5.4)               |
| Impairment losses on financial and contract assets, net | (100)                                   | (0.0)                | (4,291)                 | (1.1)                | (7,751)                | (0.8)               |
| Fair value losses on redemption liabilities             | (9,091)                                 | (3.9)                | (15,098)                | (3.9)                | (39,101)               | (4.3)               |
| Other expenses and losses                               | (306)                                   | (0.1)                | (131)                   | (0.0)                | (103)                  | (0.0)               |
| Finance costs   | <u>(4,050)</u>                          | <u>(1.7)</u>         | <u>(6,892)</u>          | <u>(1.8)</u>         | <u>(9,565)</u>         | <u>(1.0)</u>        |
| <b>Loss before tax</b>                                  | <b>(95,794)</b>                         | <b>(40.9)</b>        | <b>(102,311)</b>        | <b>(26.5)</b>        | <b>(28,567)</b>        | <b>(3.1)</b>        |
| Income tax expense                                      | <u>—</u>                                | <u>—</u>             | <u>—</u>                | <u>—</u>             | <u>—</u>               | <u>—</u>            |
| <b>Loss for the year</b>                                | <b><u>(95,794)</u></b>                  | <b><u>(40.9)</u></b> | <b><u>(102,311)</u></b> | <b><u>(26.5)</u></b> | <b><u>(28,567)</u></b> | <b><u>(3.1)</u></b> |

#### Non-HKFRS Measure Adjusted Net Profit/Loss for the Year

To supplement our consolidated financial statements presented in accordance with the HKFRS, we use a non-HKFRS measure, adjusted profit/loss for the year, which is not required by, nor presented in accordance with, the HKFRS. We believe that such an adjustment measure facilitates comparisons of operating performance from period to period and company to company by eliminating items that our management does not consider to be indicative of our operating performance.

## SUMMARY

We believe that this adjustment method provides useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted profit/loss for the year may not be comparable to similarly titled measures presented by other companies. The use of such non-HKFRS measures have limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analyses of, our results of operations or financial position as reported under the HKFRS. We defined adjusted net profit/loss for the year as profit/loss for the year adjusted by adding back (i) equity-settled share-based payment expenses, and (ii) fair value losses on financial liabilities at FVTPL, to profit/loss for the year.

The table below reconciles our non-HKFRS adjusted net profit/loss for the periods indicated with our net profit/loss presented in accordance with the HKFRS:

|   | <b>Year Ended 31 December</b> |                        |                      |
|---|-------------------------------|------------------------|----------------------|
|   | <b>2023</b>                   | <b>2024</b>            | <b>2025</b>          |
|   | <i>(RMB'000)</i>              |                        |                      |
| <b>Loss for the year</b>                    | (95,794)                      | (102,311)              | (28,567)             |
| <b>Add:</b>                                 |                               |                        |                      |
| Equity-settled share-based payment expenses | 112                           | 31                     | 11,768               |
| Fair value losses on redemption liabilities | 9,091                         | 15,098                 | 39,101               |
|   | <u>          </u>             | <u>          </u>      | <u>          </u>    |
| <b>Adjusted profit/(loss) for the year</b>  |                               |                        |                      |
| <b>(Non-HKFRS measure)</b>                  | <b><u>(86,591)</u></b>        | <b><u>(87,182)</u></b> | <b><u>22,302</u></b> |

We recorded an adjusted net loss of RMB86.6 million in FY2023, a net loss of RMB87.2 million in FY2024, and a net profit of RMB22.3 million in FY2025 under adjustments by the non-HKFRS measure.

### Summary of combined statements of financial position

The table below sets out the principal components of our assets and liabilities as at the dates indicated:

|                                       | <b>Year Ended 31 December</b> |             |             |
|---------------------------------------|-------------------------------|-------------|-------------|
|                                       | <b>2023</b>                   | <b>2024</b> | <b>2025</b> |
|                                       | <i>(RMB'000)</i>              |             |             |
| Total non-current assets              | 73,057                        | 68,034      | 73,846      |
| Total current assets                  | 272,290                       | 477,477     | 830,413     |
| Total assets                          | 345,347                       | 545,511     | 904,259     |
| Total current liabilities             | 288,162                       | 821,871     | 1,189,117   |
| Net current liabilities               | (15,872)                      | (344,394)   | (358,704)   |
| Total assets less current liabilities | 57,185                        | (276,360)   | (284,858)   |
| Net liabilities                       | (199,373)                     | (301,653)   | (318,452)   |

## SUMMARY

We recorded net liabilities of RMB199.4 million, RMB301.7 million and RMB318.5 million as at 31 December 2023, 2024 and 2025 respectively, which was primarily due to an increase in redemption liabilities that arose from redemption rights granted to our [REDACTED]. We had net losses of RMB95.8 million, RMB102.3 million and RMB28.6 million in FY2023, FY2024 and FY2025 respectively, which had led to our position of net liabilities during the Track Record Period that were partially offset by an increase in our trade and bills receivables.

Our net current liabilities increased from RMB15.9 million as at 31 December 2023 to RMB344.4 million as at 31 December 2024, which were primarily due to a substantial increase in (i) redemption liabilities of RMB281.8 million; (ii) interest-bearing bank and other borrowings of RMB134.3 million; and (iii) trade and bill payables of RMB106.3 million, partially offset by asset increases of (i) inventories of RMB75.2 million; and (ii) trade and bill receivables of RMB104.7 million.

Our net current liabilities increased slightly from RMB344.4 million as at 31 December 2024 to RMB358.7 million as at 31 December 2025, primarily due to liability increases in (i) trade and bill payables of RMB265.1 million, (ii) interest-bearing bank and other borrowings of RMB81.9 million, and (iii) redemption liabilities of RMB39.1 million which were partially offset by asset increases in (i) trade and bill receivables of RMB330.3 million, and (ii) cash and cash equivalents of RMB18.5 million.

Our Directors are of the view that we have sufficient financial resources to operate for at least the next 12 months from the date of this document, and there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on our ability to continue operations. Please refer to the sections headed “Financial Information — Net Current Liabilities” and “Financial Information — Working Capital Sufficiency” in this document. Our Directors are also of the view that our net liability position as at 31 December 2026 is expected to be improved taking into account that our redemption liabilities will automatically be re-classified to equity before [REDACTED].

For details of our financial position, please refer to the section headed “Financial Information — Statements of Financial Position” in this document. In addition, please refer to the Accountants’ Report in Appendix I to this document for details of our consolidated statements of changes in equity.

### Summary of combined statements of cash flows

The table below sets out selected items of our key combined cash flows for the Track Record Period:

|  | <b>Year Ended 31 December</b> |             |             |
|--|-------------------------------|-------------|-------------|
|  | <b>2023</b>                   | <b>2024</b> | <b>2025</b> |
|  | <i>(RMB’000)</i>              |             |             |
| Net cash flows from/(used in) operating activities   | (63,463)                      | (135,994)   | 35,931      |
| Net cash flows used in investing activities          | (30,347)                      | (9,455)     | (194)       |
| Net cash flows from/(used in) financing activities   | 85,073                        | 151,366     | (17,245)    |
| Net increase/(decrease) in cash and cash equivalents | (8,737)                       | 5,917       | 18,492      |
| Opening balance of cash and cash equivalents         | 18,654                        | 9,917       | 15,834      |
| Closing balance of cash and cash equivalents         | 9,917                         | 15,834      | 34,326      |

For further details regarding our cash flows, please refer to the section headed “Financial Information — Liquidity and Capital Resources — Overview” in this document.

## SUMMARY

### KEY FINANCIAL RATIOS

The following table sets out certain financial ratios relating to our Group for the periods indicated:

|                                | Year ended 31 December |      |      |
|--------------------------------|------------------------|------|------|
|                                | 2023                   | 2024 | 2025 |
|                                |                        | (%)  |      |
| Gross profit margin            | 19.6                   | 8.6  | 15.7 |
| Current ratio ( <i>times</i> ) | 0.94                   | 0.58 | 0.70 |
| Quick ratio ( <i>times</i> )   | 0.72                   | 0.41 | 0.58 |

### [REDACTED] STATISTICS

All statistics in the table below are based on the assumptions that (i) the Share Subdivision has been completed, (ii) the [REDACTED] has been completed and [REDACTED] H Shares have been issued pursuant to the [REDACTED], (iii) [REDACTED] Shares have been issued and are outstanding following the completion of the [REDACTED]; and (iv) [REDACTED] Shares will be converted into H Shares upon the completion of the [REDACTED]:

| Item   | Based on an<br>[REDACTED] of<br>HK\$[REDACTED]<br>per Share | Based on an<br>[REDACTED] of<br>HK\$[REDACTED]<br>per Share |
|--|---|---|
| [REDACTED] of our Shares <sup>(1)</sup>  | [REDACTED]  | [REDACTED]  |
| [REDACTED] of our H Shares <sup>(2)</sup>  | [REDACTED]  | [REDACTED]  |
| [REDACTED] consolidated net tangible assets of the Group<br>attributable to owners of our Company per Share <sup>(3)</sup> | [REDACTED]  | [REDACTED]  |

*Notes:*

- (1) The calculation of [REDACTED] is based on [REDACTED] H Shares expected to be issued pursuant to the [REDACTED] and a total of [REDACTED] Shares in issue immediately upon completion of the [REDACTED] (taking into account the completion of the Share Subdivision), assuming the [REDACTED] is not exercised.
- (2) The calculation of [REDACTED] of our H Shares is based on [REDACTED] H Shares expected to be in issue immediately upon completion of the [REDACTED] (taking into account the completion of the Share Subdivision), comprising (i) [REDACTED] H Shares expected to be issued pursuant to the [REDACTED], assuming the [REDACTED] is not exercised and (ii) [REDACTED] H Shares to be converted from Unlisted Shares upon the completion of the [REDACTED].
- (3) The unaudited [REDACTED] adjusted consolidated net tangible assets attributable to owners of the parent per Share is calculated after making the adjustments referred to in Appendix II to this document, and based on [REDACTED] Shares in issue, assuming the Share Subdivision, [REDACTED] and the conversion of certain Unlisted Shares had taken place on that date.

## SUMMARY

### DIVIDENDS

We have not declared or paid any dividends during the Track Record Period. The decision of whether or not to pay a dividend, and of what amount, is based on our results of operations, cash flows, financial condition, capital requirements and other factors the Directors may consider relevant. Although currently we do not have a formal dividend policy, any dividend distribution will also be subject to the approval of the Shareholders in the Shareholders’ meeting and compliance with our Articles of Association and relevant regulatory requirements. PRC Company Law stipulates that, with respect to the distribution of any future profits, we are obliged to allocate 10% of our net profits to a statutory reserve fund until the amount of the fund has surpassed 50% of our registered share capital, to meet potential losses. If that statutory reserve has insufficient funds to cover losses in previous years, current profits shall be made up to cover that loss, before the remainder can be set aside. We will therefore only be able to declare dividends after (i) all of our historically accumulated losses have been made up; and (ii) we have allocated sufficient net profits to the statutory fund up to the required 50% of our registered share capital.

### FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range), after deducting the [REDACTED] fees and expenses payable by us in the [REDACTED] and assuming no exercise of the [REDACTED].

We currently intend to apply these [REDACTED] in the following manner:

- approximately [REDACTED]% or HK\$[REDACTED] million will be used to enhance our R&D capabilities for battery thermal safety solutions;
- approximately [REDACTED]% or HK\$[REDACTED] million will be used to expand our production capacity and enhance our factory capabilities;
- approximately [REDACTED]% or HK\$[REDACTED] million will be used to enhance our talent pool, management capabilities and infrastructure in the Chinese Mainland;
- approximately [REDACTED]% or HK\$[REDACTED] million will be used for repaying certain sums due of our existing bank borrowings; and
- approximately [REDACTED]% or HK\$[REDACTED] million will be used for working capital and general corporate purposes.

For details of our future plans and [REDACTED], please refer to the section headed “Future Plans and [REDACTED]” in this document.

### RISK FACTORS

Our business faces risks including those set out in the section headed “Risk Factors” in this document. As different [REDACTED] may have different interpretations and criteria when determining the significance of a risk, you should read the section headed “Risk Factors” in this document in its entirety before you decide to [REDACTED] in the [REDACTED].

## SUMMARY

A summary of some of these risk factors is set out below and any of the following developments may have a material and adverse effect on our business, financial condition and results of operations:

- We rely on the market demand for our products and solutions from their downstream end markets. Any slowdown or decrease in downstream demand may have a material impact on our financial conditions.
- We may not be able to achieve our desired goals from our R&D efforts, which may negatively affect our competitiveness and profitability.
- Technological changes in the Li-ion batteries industry could render our products and solutions uncompetitive or obsolete, which cannot be accurately predicted nor fully mitigated despite our best efforts in R&D.
- We are exposed to risk of delay or defaults in payments by our customers which may materially and adversely affect our financial position.
- We derived a significant portion of our revenue from a limited number of customers during the Track Record Period and may continue to be exposed to the risk of customer concentration subsequent to the Track Record Period.
- We may be unable to secure new sales or retain existing customers in the future.
- We recorded net current liabilities and net liabilities during the Track Record Period.

### COMPETITIVE LANDSCAPE

According to the F&S Report, the Li-ion battery thermal safety solutions market in China is large and highly competitive, and remains in a phase of rapid development, evolving from a foundational stage dominated by L1 thermal management systems towards a stage centred on L2 and L3 monitoring, early warning and suppression solutions, with L4 fire-extinguishing systems forming a multi-tier safety system.

We face competition from companies focusing on one or more stages of the thermal safety chain. However, we consider that we are well-positioned to compete effectively in the Li-ion battery thermal safety solutions market in China and that our strengths will distinguish us from our competitors. For further information, please refer to the section headed “Business — Our Competitive Strengths” in this document. Our competitive position is supported by our mature technical systems and system integration capabilities as well as our ongoing investments in R&D. According to the F&S Report, in 2025 we ranked first in China’s Li-ion battery thermal safety solution market as a whole and in (i) Li-ion battery thermal management systems (L1) for new energy heavy-duty trucks and (ii) fire prevention and control solutions for Li-ion batteries in BESS (L2+L3+L4), in terms of revenue. For details of the EV and BESS industries, please refer to the section headed “Industry Overview” in this document.

### [REDACTED]

Since the establishment of our Group, we have engaged certain [REDACTED] to successfully raise funds for the development of our business. For details of the background of these [REDACTED] and the principal terms of the [REDACTED], please refer to the section headed “History, Development and Corporate Structure” in this document.

## SUMMARY

### **[REDACTED] EXPENSES**

Our [REDACTED] mainly include sponsor fees, [REDACTED] commissions, professional fees paid to legal advisers, auditors and other professional advisers for services rendered in relation to the [REDACTED] and the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED] range as stated in this document), the estimated total [REDACTED] expenses for the [REDACTED] would be approximately RMB[REDACTED] million (equivalent to HK\$[REDACTED] million), accounting for approximately [REDACTED]% of our gross [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED]-related expenses of RMB[REDACTED] million (equivalent to HK\$[REDACTED] million), professional fees for the Sole Sponsor, our legal advisers and reporting accountants of RMB[REDACTED] million (equivalent to HK\$[REDACTED] million) and other fees and expenses of RMB[REDACTED] million (equivalent to HK\$[REDACTED] million). An estimated amount of RMB[REDACTED] million (equivalent to HK\$[REDACTED] million) for our [REDACTED] expenses is expected to be expensed through the statement of profit or loss and an estimated amount of RMB[REDACTED] million (equivalent to HK\$[REDACTED] million) is expected to be recognised directly as a deduction from equity upon the [REDACTED]. During the Track Record Period, we had not incurred any [REDACTED] expenses.

### **CONTROLLING SHAREHOLDERS**

As at the Latest Practicable Date, (i) Mr. Li, Jiafeng Lihe, Shanghai Yanhang LLP, Shanghai Changyan LLP and Shanghai CY LLP are directly interested in 9.63%, 56.15%, 6.42%, 4.01% and 4.01% of the issued share capital of our Company, respectively; (ii) Mr. Li is the sole general partner of each of Jiafeng Lihe, Shanghai Yanhang LLP, Shanghai Changyan LLP and Shanghai CY LLP; and (iii) Ms. Cao is the spouse of Mr. Li and held approximately 1%, 65.82% and 39.33% of the partnership interests in Jiafeng Lihe, Shanghai Changyan LLP and Shanghai CY LLP as a limited partner, respectively. As such, Mr. Li, Ms. Cao, Jiafeng Lihe, Shanghai Yanhang LLP, Shanghai Changyan LLP and Shanghai CY LLP are a group of our Controlling Shareholders who collectively control the voting rights in approximately 80.22% of the issued share capital of our Company as at the Latest Practicable Date.

Immediately following the completion the [REDACTED], Mr. Li, Ms. Cao, Jiafeng Lihe, Shanghai Yanhang LLP, Shanghai Changyan LLP and Shanghai CY LLP will be able to control the voting rights in approximately [REDACTED]% of the Shares (assuming the [REDACTED] is not exercised). Therefore, Mr. Li, Ms. Cao, Jiafeng Lihe, Shanghai Yanhang LLP, Shanghai Changyan LLP and Shanghai CY LLP will be regarded as a group of Controlling Shareholders upon [REDACTED]. For further details about our Controlling Shareholders, please refer to the section headed “Relationship with our Controlling Shareholders” in this document.

### **NO MATERIAL ADVERSE CHANGE**

Our Directors have confirmed that, up to the date of this document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since 31 December 2025, being the end date of the periods reported on in the Accountants’ Report set out in Appendix I to this document, and there had been no event since 31 December 2025, that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.