

SUMMARY

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

There are risks associated with any [REDACTED]. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors” of this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a leading provider of integrated, high-performance, safety-enhanced mini-size lithium-ion batteries, dedicated to tackling the core challenges in mini-size battery materials and battery design and addressing the limitations of other currently available lithium-ion formulations and technologies. Our diverse portfolio of mini-size lithium-ion battery products largely falls under the main battery types of button batteries, cylindrical batteries, prismatic and bent batteries, modules, and others. Our batteries are adopted in multiple application scenarios, such as wearable devices, personal smart medical devices, smart educational and entertainment devices, portable energy storage battery packs, and others.

We have attracted a broad end-customer base, which primarily includes world-leading and internationally renowned smart device and consumer electronics brands, according to CIC. Our revenue attributable to such end-customers was RMB328.7 million, RMB487.3 million, RMB507.0 million and RMB288.9 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, representing 93.6%, 91.5%, 89.7% and 85.7% of our total revenue for such years/period, respectively. According to CIC, based on shipments in 2025, we ranked fourth globally and second among PRC suppliers, with a global market share of 4.1% in mini-size lithium-ion batteries for consumer smart terminals, and second globally and first among the PRC suppliers, with a global market share of 7.5% in mini-size lithium-ion batteries for wireless earphones.

OUR STRENGTHS

We believe the following advantages position us well to seize future industry opportunities and achieve sustained growth:

- Deep penetration across key end markets, with tailored products for different application scenarios;
- Independent R&D capabilities covering the entire value chain;
- Industry leading product performance with core technical barriers;
- Sustained technological innovation driven by high R&D investment;
- Global market reach and high-end customer stickiness; and
- Visionary and professional management team.

OUR STRATEGIES

We will implement the following strategies:

- Further penetrate existing applications and expanding into new applications;
- Continue to invest in R&D to consolidate technical leadership;

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- Enhance manufacturing and supply chain capabilities;
- Advancing global sales strategy; and
- Attracting and retaining global top talent.

OUR PRODUCT AND SERVICES PORTFOLIO

We offer the following primary battery types and development services, (i) button (micro/ultra-micro), (ii) cylindrical, (iii) prismatic and bent, (iv) modules, and (v) others, across the following key application scenarios:

- *Wearable devices* – Devices including smart watches, fitness bands, and smart earbuds where increased energy density is essential to extend battery life and enable enhanced features and new form factors.
- *Personal Smart Medical Devices* – Devices including hearing aids, glucose monitors, sleep aids and handheld medical tools, which require medical-grade consistency, stable high-rate performance for portable diagnostics, and optimal form factors for miniaturized skin-contact wearables.
- *Portable Energy Storage Battery Packs* – Modules and integrated packs that incorporate our batteries into sub-modules with redundant, fault-tolerant design and air-cooled safety systems, offering both standard and custom systems. We also produce customized modules for non-standard form factors or extreme operating conditions, used for residential, commercial, and industrial applications.
- *Smart Educational and Entertainment Devices* – Driven by AI toys and portable gaming, compact designs and long runtime are critical to user experience. We supply custom mini-size batteries for AI smart toys and cylindrical batteries for handheld game consoles and smart input devices such as styluses.
- *Development Services* – Customer-specific design and development, prototyping, and pilot production services for new battery products, for which we charge non-recurring engineering fees, mould fees and certification fees on a project-by-project basis. Once a product design is finalized, it transitions to standardized mass production at agreed perunit prices.
- *Others* – We also recorded certain revenue attributable to this segment from large-scale energy storage solutions, scrap material sales and batteries for atomizers.

OUR BUSINESS MODEL AND MANUFACTURING CAPABILITIES

We sell our lithium-ion battery products primarily to electronics manufacturers in various application scenarios, including OEMs and ODMs. Our core products are mini-size lithium-ion batteries, which accounted for the substantial majority of our revenue during the Track Record Period. We typically engage with customers under a make-to-order arrangement to meet their demands, at the behest of end-customers. Once the relationship is established, depending on such customer's ongoing demand, we may move to a make-to-stock basis to support on-going volume production. This approach optimizes lead times, inventory costs, and can better adapt to demand volatility across our diverse product lines.

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We use advanced equipment in manufacturing our products. For further information, please refer to “Business — Our Business Model and Manufacturing Capabilities” and “Business — Our Technology”. We have three production bases (Huizhou, Guangdong; Ganzhou, Jiangxi; and Bac Giang, Vietnam), each optimized to produce specific battery types while ensuring consistency in quality, efficiency, and compliance with regional regulations. From raw material procurement to final pack assembly, we implement end-to-end traceability and automation to meet the diverse needs of our customers — from high-volume consumer electronics orders to custom module and energy storage solutions.

OUR TECHNOLOGY

Our core technological advantages in mini-size lithium-ion batteries are deeply integrated with certain primary battery types we offer — button (micro/ultra-micro), cylindrical, and prismatic and bent batteries, as well as our solid-state/semi-solid state battery solutions. These are designed with innovations tailored to our customers’ application scenarios, at the behest of end-customers, meeting needs from high-safety, long-life hearing aids to high-power robots and drones, while meeting global standards for safety, reliability, and practicality. See “Business — Our Technology” for further details.

OUR CUSTOMERS AND SUPPLIERS

We have a diverse customer base. Our top five customers accounted for 51.7%, 45.4%, 44.1% and 43.3% of our total revenue in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. Revenues generated from our single largest customer of each year/period of the Track Record Period were RMB73.7 million, RMB78.5 million, RMB70.1 million and RMB42.8 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, representing 21.0%, 14.7%, 12.4% and 12.7% of our revenue in the respective years/period. During the Track Record Period, we maintained stable business relationships with our five largest customers in each year/period.

During the Track Record Period, purchase from our top five suppliers amounted to RMB59.2 million, RMB72.3 million, RMB91.6 million and RMB59.5 million, accounting for 43.3%, 35.4%, 38.2% and 40.2% of our total purchase in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. Procurement from our single largest supplier of each year/period of the Track Record Period were RMB18.0 million, RMB25.5 million, RMB30.3 million and RMB28.6 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, representing 13.2%, 12.5%, 12.6% and 19.3% of our total purchase in the respective years/period. During the Track Record Period, we have not encountered any shortages or delay in the supply of raw materials that led to production disruptions.

OUR SALES CHANNEL

We focus on direct sales to customers engaged in the consumer electronics industry and medical devices industry in China, supported by sales and service representatives in the U.S., Europe, Mexico, China Hong Kong, and China Taiwan. Our direct sales customers primarily include leading domestic and international OEMs and ODMs, who purchase our products and integrate them into their own end products for sale to end-customers. As of June 30, 2026, we had 30 sales personnel, whom are all based in Chinese Mainland. Each has entered into a labor contract with us. Their remuneration comprises a base salary plus sales commission. We typically enter into framework sales agreements with major customers under which they place individual purchase orders.

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OUR MARKET OPPORTUNITIES AND COMPETITION

The mini-size lithium-ion batteries market has witnessed secular growth under technology megatrends, including AI, IoT, 5G and cloud. Driven by the proliferation of miniaturization and wireless smart devices, mini-size lithium-ion batteries components have become essential to the interactions between human and devices. According to CIC, the global mini-size lithium-ion batteries reached 2,914.8 million units in 2025, and is expected to grow at a CAGR of 7.7% from 2026 to 2030, outpacing the broader lithium-ion battery market. We have captured significant market opportunities during the Track Record Period. Our revenue increased by 51.7% from RMB351.2 million in 2023 to RMB532.9 million in 2024, and further increased by 6.1% to RMB565.3 million in 2025. Our revenue increased by 18.0% from RMB285.9 million for the six months ended June 30, 2025 to RMB337.2 million for the same period in 2026. Our net profit remarkably increased by 755.0%, rising from RMB6.8 million in 2023 to RMB58.1 million in 2024, and remained at a relatively high level of RMB31.5 million in 2025. Our net profit increased by 12.1% from RMB23.5 million for the six months ended June 30, 2025 to RMB26.3 million for the same period in 2026.

The global consumer mini-size lithium-ion battery industry is relatively concentrated. According to CIC, based on shipments in 2025, the respective top five suppliers of mini-size lithium-ion batteries for consumer smart terminals and mini-size lithium-ion batteries for wireless earphones accounted for 27.6% and 37.8% of the global market, respectively. We generally compete with other large-scale consumer mini-size lithium-ion battery manufacturers. See “Industry Overview” for more details on our competitive landscape, industry growth drivers and development trends.

SUMMARY OF KEY FINANCIAL INFORMATION

This summary of key financial information set forth below has derived from, and should be read in conjunction with, our historical financial information, including the accompanying notes, set forth in the Accountants’ Report set out in Appendix I to this document, as well as the information set forth in “Financial Information” of this document. Our historical financial information was prepared in accordance with HKFRS Accounting Standards.

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Selected Items from Consolidated Statements of Profit or Loss

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

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)									
	(in thousands, except for percentages)									
Revenue	351,162	100.0	532,859	100.0	565,349	100.0	285,852	100.0	337,163	100.0
Cost of sales	(249,408)	(71.0)	(346,606)	(65.0)	(384,184)	(68.0)	(192,274)	(67.3)	(226,807)	(67.3)
Gross profit	101,754	29.0	186,253	35.0	181,165	32.0	93,578	32.7	110,356	32.7
Other income	13,068	3.7	26,060	4.9	18,294	3.2	10,665	3.7	4,004	1.2
Selling expenses	(15,367)	(4.4)	(22,991)	(4.3)	(22,488)	(4.0)	(12,602)	(4.4)	(11,193)	(3.3)
Administrative expenses . . .	(24,203)	(6.9)	(37,559)	(7.0)	(51,390)	(9.1)	(21,457)	(7.5)	(26,771)	(7.9)
Research and development costs	(38,095)	(10.8)	(54,339)	(10.2)	(93,504)	(16.5)	(44,522)	(15.5)	(47,862)	(14.2)
(Impairment loss)/reversal of impairment loss of trade and other receivables . . .	(398)	(0.1)	(444)	(0.1)	29	0.0	53	0.0	1	0.0
Profit from operations	36,759	10.5	96,980	18.2	32,106	5.7	25,715	9.0	28,535	8.5
Finance costs	(3,044)	(0.9)	(3,168)	(0.6)	(3,551)	(0.6)	(2,295)	(0.8)	(1,402)	(0.5)
Changes in the carrying amount of redemption liabilities	(26,185)	(7.5)	(26,201)	(4.9)	—	—	—	—	—	—
Profit before taxation	7,530	2.1	67,611	12.7	28,555	5.1	23,420	8.2	27,133	8.0
Income tax	(735)	(0.2)	(9,515)	(1.8)	2,901	0.5	73	0.0	(788)	(0.2)
Profit for the year/period . .	6,795	1.9	58,096	10.9	31,456	5.6	23,493	8.2	26,345	7.8

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The following table sets forth the breakdown of our revenue by geographical location for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)									
	(in thousands, except for percentages)									
Chinese Mainland	252,432	71.9	396,450	74.4	401,970	71.1	207,424	72.6	213,243	63.3
Asia (excluding Chinese Mainland)	91,646	26.1	128,428	24.1	145,655	25.8	70,149	24.5	81,756	24.2
Europe ⁽¹⁾	6,190	1.8	4,875	0.9	10,534	1.9	5,926	2.1	37,083	11.0
Others ⁽²⁾	894	0.2	3,106	0.6	7,190	1.2	2,353	0.8	5,081	1.5
Total	351,162	100.0	532,859	100.0	565,349	100.0	285,852	100.0	337,163	100.0

Notes:

- (1) Mainly comprising Finland, Denmark, Switzerland and the Netherlands. In particular, revenue generated from Finland accounted for 0.3%, 0%, 0.1%, 0.1% and 7.1% of our total revenue in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.
- (2) Mainly comprising the United States of America and Tanzania. In particular, revenue generated from the United States of America accounted for 0.2%, 0.5%, 1.1%, 0.6% and 1.5% of our total revenue in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

The following table sets forth the breakdown of our revenue by main application scenarios for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(unaudited)									
	(in thousands, except for percentages)									
Wearable devices	268,772	76.5	417,937	78.4	427,099	75.5	211,506	74.1	227,218	67.4
Personal smart medical devices	28,275	8.1	46,813	8.8	61,138	10.8	28,986	10.1	39,960	11.9
Portable energy storage battery packs	27,881	7.9	33,383	6.3	25,473	4.5	16,392	5.7	13,438	4.0
Smart educational and entertainment devices . . .	–	–	410	0.1	2,168	0.4	353	0.1	1,147	0.3
Development services	4,200	1.2	1,672	0.3	12,325	2.2	5,341	1.9	38,071	11.3
Others ⁽¹⁾	22,034	6.3	32,644	6.1	37,146	6.6	23,274	8.1	17,329	5.1
Total	351,162	100.0	532,859	100.0	565,349	100.0	285,852	100.0	337,163	100.0

Note:

- (1) Mainly comprising revenue generated from large energy storage solutions, scrap material sales and batteries for atomizers. See “Business — Standardized and Customized Products” and “Business — Revenue from Development Services” for further details.

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The following table sets forth the revenue and corresponding percentage breakdown by our major product types for the years/periods indicated:

	For the year ended December 31,						For the six months ended June 30,	
	2023		2024		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in millions)							
Button	243.2	70.3	342.7	64.8	345.3	62.8	166.6	56.3
Cylindrical	66.4	19.2	113.5	21.5	112.7	20.5	59.6	20.1
Prismatic	9.9	2.9	33.9	6.4	62.1	11.3	56.3	19.0
Modules	26.4	7.6	38.7	7.3	30.0	5.5	9.5	3.2
Bent	–	–	–	–	–	–	3.8	1.3

Gross Profit and Gross Margin

The following table sets forth the breakdown of our gross profit and gross margin by main application scenarios for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)						(unaudited)			
Wearable devices	76,149	28.3	136,271	32.6	115,300	27.0	60,056	28.4	53,867	23.7
Personal smart medical devices	10,492	37.1	29,319	62.6	31,892	52.2	14,446	49.8	20,851	52.2
Portable energy storage battery packs	(258)	(0.9)	1,082	3.2	783	3.1	209	1.3	(586)	(4.4)
Smart educational and entertainment devices	–	–	92	22.4	(481)	(22.2)	119	33.7	(282)	(24.6)
Development services	4,150	98.8	1,545	92.4	12,136	98.5	5,274	98.7	29,352	77.1
Others ⁽¹⁾	11,221	50.9	17,944	55.0	21,535	58.0	13,474	57.9	7,154	41.3
Total/Overall	<u>101,754</u>	29.0	<u>186,253</u>	35.0	<u>181,165</u>	32.0	<u>93,578</u>	32.7	<u>110,356</u>	32.7

Note:

- (1) Mainly comprising large energy storage solutions, scrap material sales and batteries for atomizers.

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Sales Volume and Average Selling Price

The following table sets forth the breakdown of the sales volume and average selling price of our products and services by main application scenarios for the years/periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
		RMB		RMB		RMB		RMB		RMB
	<i>(sales volume in thousands)</i>									
Wearable devices	58,029	4.6	100,355	4.2	114,534	3.7	55,707	3.8	53,140	4.3
Personal smart medical devices	1,655	17.1	3,070	15.2	4,208	14.5	2,001	14.5	2,876	13.9
Portable energy storage battery packs	403	69.2	619	53.9	394	64.7	277	59.1	456	29.4
Smart educational and entertainment devices	-	-	37	11.1	277	7.8	31	11.2	102	11.2
Development services ⁽¹⁾ .	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Others ⁽²⁾	2,183	12.0	4,205	8.2	3,993	9.3	2,673	8.7	1,462	17.2

Note:

- (1) Due to differences in the scope, complexity and customization requirements of individual development projects, the sales volume and average selling price of development services are not indicative of any general volume or pricing trend. During the Track Record Period, the average revenue generated per development project generally ranged from RMB0.1 million to RMB6.3 million.
- (2) Mainly comprising large energy storage solutions, scrap material sales and batteries for atomizers.

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Non-HKFRS Measure

To supplement our consolidated financial information, which is presented in accordance with HKFRS, we also use adjusted net profit (non-HKFRS measure) as an additional financial measure, which is not required by, or presented in accordance with HKFRS. We believe this non-HKFRS measure facilitates comparisons of operating performance from year to year or period to period by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as our management. However, such non-HKFRS financial measure presented by us may not be directly comparable to similar measures presented by other companies. The use of this non-HKFRS measure should not be considered as a substitute for an analysis of our results of operations or financial condition as reported under HKFRS.

We define adjusted net profit (non-HKFRS measure) as profit for the year/period adjusted by adding back (i) equity-settled share-based payment expenses, (ii) changes in the carrying amount of redemption liabilities and (iii) [REDACTED], net of income tax. The following table reconciles our adjusted net profit (non-HKFRS measure) with the nearest measure presented in accordance with HKFRS for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(unaudited)				
	(RMB in thousands)				
Profit for the year/period	6,795	58,096	31,456	23,493	26,345
Add:					
– Equity-settled share-based payment expenses ⁽¹⁾	3,971	1,304	845	396	445
– Changes in the carrying amount of redemption liabilities ⁽²⁾	26,185	26,201	–	–	–
– [REDACTED] ⁽³⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Income tax	–	–	(1,494)	–	(402)
Adjusted net profit for the year/period (non-HKFRS measure)	36,951	85,601	40,764	23,889	29,066

Notes:

- (1) Equity-settled share-based payment expenses mainly represent the non-cash employee benefit expenses incurred in connection with our awards granted to management and key employees. Such expenses in any specific period are not expected to result in future cash payments.
- (2) Changes in the carrying amount of redemption liabilities relate to the redemption rights granted to investors in historical financings. Such redemption rights were terminated on January 1, 2025 and therefore the redemption liabilities recognized have been reclassified to equity since then. See Note 24 to “Appendix I — Accountants’ Report” to this document for details.
- (3) [REDACTED] relate to our [REDACTED].

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Selected Items from Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountants’ Report included in Appendix I to this document:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB	RMB	RMB	RMB
	<i>(in thousands)</i>			
Total current assets	349,177	506,934	585,544	639,665
Total non-current assets	368,461	382,922	404,243	426,252
Total current liabilities	562,379	665,841	321,272	346,489
Total non-current liabilities	50,471	58,718	52,536	78,323
Net current (liabilities)/assets	(213,202)	(158,907)	264,272	293,176
Net assets	104,788	165,297	615,979	641,105

Our net current liabilities decreased from RMB213.2 million as of December 31, 2023 to RMB158.9 million as of December 31, 2024, mainly due to (i) an increase in trade and other receivables of RMB107.5 million, (ii) an increase in other investments of RMB64.0 million, and (iii) an increase in pledged bank deposits of RMB15.3 million, partially offset by (i) an increase in trade and other payables of RMB73.8 million, (ii) an increase in redemption liabilities of RMB26.2 million, and (iii) a decrease in cash and cash equivalents of RMB37.3 million.

Our net current position changed from net current liabilities of RMB158.9 million as of December 31, 2024 to net current assets of RMB264.3 million as of December 31, 2025, mainly due to (i) the termination of our investors’ redemption rights in 2025, following which our redemption liabilities were reclassified to equity and we no longer had any redemption liabilities as of December 31, 2025, and (ii) an increase in cash and cash equivalents of RMB77.0 million, partially offset by an increase in trade and other payables.

Our net current assets increased from RMB264.3 million as of December 31, 2025 to RMB293.2 million as of June 30, 2026, mainly due to (i) an increase in cash and cash equivalents of RMB98.8 million, (ii) an increase in inventories and contract costs of RMB26.1 million and (iii) an increase in pledged bank deposits of RMB22.2 million, partially offset by (i) a decrease in other investments of RMB92.6 million, (ii) an increase in trade and other payables of RMB24.2 million and (iii) an increase in current taxation of RMB3.4 million.

Our net assets increased from RMB104.8 million as of December 31, 2023 to RMB165.3 million as of December 31, 2024 and further to RMB616.0 million as of December 31, 2025, primarily attributable to profit for the year, equity-settled share-based payments recognised in equity and, in particular during 2025, the reclassification of redemption liabilities to equity following the termination of the relevant redemption rights on January 1, 2025, which was partially offset by dividends declared in 2025. Our net assets further increased to RMB641.1 million as of June 30, 2026, primarily attributable to our profit for the period.

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Selected Items from Consolidated Statements of Cash Flows

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

	Year ended December 31			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB	RMB	RMB	RMB	RMB
	(in thousands)			(unaudited)	
Net cash generated from operating activities	32,269	84,930	188,106	136,385	54,529
Net cash (used in)/generated from investing activities . .	(70,146)	(113,347)	(104,268)	(55,722)	31,955
Net cash generated from/(used in) financing activities	1,985	(9,795)	(4,757)	(11,939)	18,104
Net (decrease)/increase in cash and cash equivalents .	(35,892)	(38,212)	79,081	68,724	104,588
Cash and cash equivalents at the beginning of the year/period	167,587	132,723	95,418	95,418	172,458
Effect of foreign exchange rate changes	1,028	907	(2,041)	(428)	(5,814)
Cash and cash equivalents at the end of the year/period	<u>132,723</u>	<u>95,418</u>	<u>172,458</u>	<u>163,714</u>	<u>271,232</u>

Key Financial Ratios

	Year ended/as of December 31,			Six months ended/as of June 30,
	2023	2024	2025	2026
Gross margin ⁽¹⁾	29.0%	35.0%	32.0%	32.7%
Net profit margin ⁽²⁾	1.9%	10.9%	5.6%	7.8%
Current ratio ⁽³⁾	0.6	0.8	1.8	1.8
Inventory and other contract cost turnover ⁽⁴⁾	5.0	6.0	5.3	4.8
Debt ratio ⁽⁵⁾	28.4%	32.5%	37.8%	39.9%
Return on equity ⁽⁶⁾	7.0%	43.4%	8.5%	4.2%

Notes:

- (1) Gross margin is calculated using gross profit divided by revenue for the year/period and multiplied by 100%.
- (2) Net profit margin is calculated using net profit for the year/period divided by revenue for the year/period and multiplied by 100%.

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- (3) Current ratio is calculated by dividing current assets by current liabilities as of the relevant date.
- (4) Inventory and other contract cost turnover is calculated as cost of sales divided by the average of the beginning and ending balance of inventories and other contract costs for the year/period.
- (5) Debt ratio is calculated by dividing total debt, defined as total liabilities minus redemption liabilities, by total assets as of the relevant date.
- (6) Return on equity is calculated by dividing profit for the year/period attributable to the equity shareholders of our Company by the average balance of equity attributable to equity shareholders of our Company.

RISK FACTORS

Our business and the [REDACTED] involve certain risks, which are set out in the section headed “Risk Factors.” You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include:

- Fluctuations in demand in the downstream markets of our battery products may materially and adversely affect our business, results of operations and financial condition.
- Inadequate supply of materials and equipment for our production could adversely affect our business, financial condition and results of operations.
- We may not be able to derive the desired benefits from our research and development efforts, which may negatively affect our competitiveness and profitability, and lead to decrease in the demand for our products.
- The mini-size battery industry is competitive. Our failure to successfully compete could materially and adversely affect our market position and market share.
- Our future success depends on the timely development, introduction, marketing and selling of new battery products and technologies, which we might not be able to achieve. The development of new and more complex products and technologies can also increase our research and development expenses and cost of sales, and adversely affect our overall profitability.
- If we are unable to retain existing customers and attract new customers, our business, financial condition and results of operations will be adversely affected.
- Our success depends on our ability to protect our intellectual property rights. Intellectual property infringement by and disputes with third parties may adversely affect our business, financial condition and results of operations.

OUR CONTROLLING SHAREHOLDERS AND ACTING-IN-CONCERT AGREEMENTS

As of the Latest Practicable Date, Mr. Chen, Mr. Xu, Zhuhai Jiwang, Huizhou Jiwang, Shenzhen Mic-Power, Zhuhai Micro Energy, Zhuhai Mic-Power and Zhuhai Jiyi constitute a group of Controlling Shareholders before [REDACTED] and control the exercise of approximately 55.12% of the voting rights at the general meeting of the Company. Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the group of Controlling Shareholders will hold approximately [REDACTED]% of the issued share capital of our Company, and will remain as a group of Controlling Shareholders.

For further details, please refer to the section headed “Relationship with Controlling Shareholders”.

SUMMARY

OUR PRE-[REDACTED] INVESTORS

From August 2019 to November 2022, our Company underwent several rounds of Pre-[REDACTED] with our Pre-[REDACTED] Investors, which include, among others, Plum Ventures and CITIC Jinshi (as defined in “History, Development and Corporate Structure — Major Shareholding Changes of our Company”). For further details, see “History, Development and Corporate Structure — Pre-[REDACTED]”.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the [REDACTED] Committee for the granting of the [REDACTED] of, and permission to [REDACTED] (i) our H Shares to be issued pursuant to the [REDACTED] (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]) and (ii) the H Shares to be converted from our existing [REDACTED] Shares. We applied on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules.

[REDACTED]

All statistics presented in the table below are based on the assumption that the [REDACTED] is not exercised:

	Based on minimum indicative [REDACTED] of [REDACTED]	Based on maximum indicative [REDACTED] of [REDACTED]
Market capitalization of our Shares after completion of the [REDACTED] ⁽¹⁾	HK\$[REDACTED] million	HK\$[REDACTED] million
Unaudited [REDACTED] adjusted net tangible asset value per Share ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of market capitalization is based on [REDACTED] Shares expected to be in issue immediately after completion of the [REDACTED], including [REDACTED] Shares to be converted into H Shares and [REDACTED] H Shares to be issued pursuant to the [REDACTED], assuming the [REDACTED] is not exercised.
- (2) The unaudited [REDACTED] net tangible assets per Share is arrived at after the adjustments referred to in the notes set out in the Appendix II to this Document and on the basis that [REDACTED] Shares were in issue assuming that the [REDACTED] had been completed on June 30, 2026 but takes no account of any Shares which may be allotted and issued upon the exercise of the [REDACTED]. For the purpose of this unaudited [REDACTED] adjusted net tangible assets per Share, the amounts stated in Renminbi are converted into Hong Kong dollars at the rate of HK\$1.00 to RMB[0.8648].

DIVIDEND POLICY

During the Track Record Period, we declared and paid dividends of RMB15.0 million in 2025 out of distributable profits. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend payout ratio. Any declaration and payment as well as the amount of dividends will be subject to our Articles of Association and applicable laws and regulations. For details, please see “Financial Information — Dividend Policy.”

[REDACTED]

Assuming the [REDACTED] is not exercised, an [REDACTED] of HK\$[REDACTED] per [REDACTED] (which is the mid-point of the [REDACTED]) and

SUMMARY

the full payment of the discretionary [REDACTED], if any, we expect to incur approximately RMB[REDACTED] (equivalent to HK\$[REDACTED]) of [REDACTED] (including (i) [REDACTED]-related expenses, including but not limited to commissions, fees, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee, amounting to approximately RMB[REDACTED], and (ii) fees and expenses of legal advisors and accountants amounted to approximately RMB[REDACTED] and other fees and expenses relating to the [REDACTED], including but not limited to the [REDACTED] fees, amounting to approximately RMB[REDACTED]), accounting for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED]. Approximately RMB[REDACTED] of our [REDACTED] is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately RMB[REDACTED] is expected to be deducted from equity upon [REDACTED]. During the Track Record Period, we incurred [REDACTED] of approximately RMB14.7 million, of which (i) approximately RMB[REDACTED] was charged to the consolidated statements of profit or loss and other comprehensive income, and (ii) approximately RMB[REDACTED] was directly attributable to the [REDACTED] of our [REDACTED] and will be deducted from equity upon the [REDACTED]. The estimate of [REDACTED] above is the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

FUTURE PLANS AND [REDACTED]

The [REDACTED] from the [REDACTED] that we will receive, after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] will be:

	[REDACTED] (in HK\$ million)	
	(a) Assuming the [REDACTED] is not exercised at all	(b) Assuming the [REDACTED] is exercised in full
Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the [REDACTED])	[REDACTED]	[REDACTED]
Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED])	[REDACTED]	[REDACTED]
Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the [REDACTED])	[REDACTED]	[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED] of between HK\$[REDACTED] and HK\$[REDACTED] per H Share) and that the [REDACTED] is not exercised, in line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to enhance our R&D capabilities. We intend to deploy the [REDACTED] to strengthen our R&D infrastructure, and focus on high-end application development;
- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to expand our production capabilities through the construction of new production lines. We plan to increase production capacity to meet the increasing market demand;
- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used to repay existing bank borrowings; and
- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for working capital and general corporate uses.

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For details, please see “Future Plans and [REDACTED].”

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we were not a party to any actual or threatened material legal or administrative proceedings, and had not been and were not involved in any material non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our business, financial condition, or results of operations as a whole. As confirmed by our PRC Legal Advisor, our business operations had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

Resolution of Historical Patent Proceedings involving VARTA

Between 2020 and 2022, we were involved in cross-jurisdictional patent proceedings with VARTA Microbattery GmbH (“**VARTA**”) in relation to certain historical models of partially sealed metal-casing button batteries (the “**Patent Proceedings**”). Following a settlement between the parties in June 2022, all related proceedings have been dismissed with prejudice or otherwise withdrawn. No finding of infringement was made against us in any relevant proceedings, and no further claims, demands or legal proceedings have been initiated by VARTA against us since the settlement. We do not consider these historical legal proceedings to have had any material adverse impact on our business operations, financial performance or customer relationships during the Track Record Period. As advised by the U.S. Legal Advisor, the Patent Proceedings have been fully and finally resolved, and the likelihood of any re-opening of such historical claims by VARTA against us is low. For further details, see “Business — Legal Proceedings and Compliance — Resolution of Historical Patent Proceedings involving VARTA.”

For details of the senior management personnel responsible for overseeing the R&D department and our internal control measures relating to intellectual property rights, including the Directors’ and Sponsor’s views on the adequacy and effectiveness of such measures, see “Business — Research and Development — R&D Team” and “Business — Intellectual Property.”

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our business, financial condition and results of operations since June 30, 2026, which is the end date of the period reported on in the Accountants’ Report in Appendix I to this document, and there is no event since June 30, 2026 which would materially affect the information as set out in the Accountants’ Report in Appendix I to this document. During the six months ended June 30, 2026, we have commenced mass production of bent batteries for smart rings and large-scale deliveries are expected to commence in the second half of 2026.