
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 [REDACTED] 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.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a globally leading innovative new energy technology company, primarily engaged in the research, development, production, and sales of EV batteries and ESS batteries. We aim to drive the transition from mobile and stationary fossil energy sources to sustainable alternatives, as well as creating integrated innovative solutions for new applications through advancements in electrification and intelligent technologies. As of September 30, 2024, we had established six major R&D centers and 13 battery manufacturing bases worldwide, with service outlets spanning 64 countries and regions. We have the broadest coverage of customer and end-user base globally. By the end of November 2024, our EV batteries were installed in approximately 17 million vehicles, which represents one in every three EVs worldwide, and our ESS batteries were deployed in over 1,700 projects across the globe.

Leveraging decades of extensive experience we have accumulated in the lithium-ion battery industry, we have developed proprietary full-chain and highly efficient R&D capabilities, which lead to our comprehensive and advanced matrix of products and solution. It can be applied to passenger vehicle (PV), commercial vehicle (CV), front-of-the-meter (FTM) energy storage system, behind-the-meter (BTM) energy storage system, and emerging applications such as machinery, vessels, aircraft and others. Our products effectively meet the evolving and diverse needs of global customers.

We actively participate in the development of industry standards and subject matter research in the global lithium-ion battery industry, driving the industry’s sustainable development. By the end of 2024, we are part of over 160 domestic and international industry associations, among others: the Global Battery Alliance, International Renewable Energy Agency, European Battery Alliance, and China Association of Automobile Manufacturers.

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Through our relentless efforts, we are highly recognized by global customers and widely acclaimed in the market. Our major accomplishments include:

EV Battery¹

**No. 1 Globally for
8 Consecutive Years**

36.8%

Global Market Share from Jan. to Nov. 2024

**26.8%, No. 1 in Non-China
Markets**

From Jan. to Nov. 2024

ESS Battery²

**No. 1 Globally for
3 Consecutive Years**

40.0%

Global Market Share in 2023

Select Markets³

**72% of the High-End
Passenger EV**

Market in China

80% of the E-Bus

Market in China

71% of the E-Truck

Market in China

R&D⁴

RMB66.2 Bn

Cumulative R&D Spent from 2015
to September 2024

39,792 Patents

Authorized/pending

Products

**TECHNOBEST 2024 Award,
AUTOBEST**

Shenxing battery

**The Best Inventions of 2022,
TIME Magazine**

Qilin battery

Manufacturing⁵

**Largest Globally:
646 GWh**

Annualized Production Capacity, 2024

**World's Only
3 Lighthouse Factories**

In the Lithium-ion Battery Industry

DPPB

Single-Cell Failure

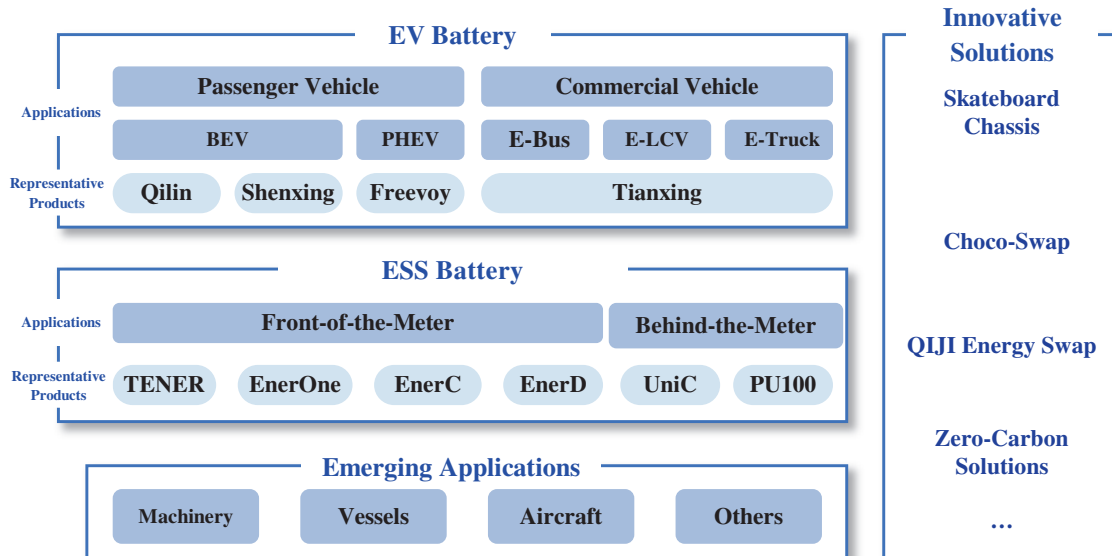
Notes:

- 1 The rankings and market shares are based on global EV battery usage volume, according to the GGII Report. The eight consecutive years refer to 2017 to 2024, and the 2024 ranking is based on January to November statistics.
- 2 The rankings and market shares are based on global ESS battery shipment, according to the GGII Report. The three consecutive years refer to 2021 to 2023.
- 3 High-end passenger EV is defined as a vehicle priced over RMB250,000, according to the GGII Report. Market shares are calculated based on data in 2024.
- 4 The number of patents is as of September 30, 2024.
- 5 The annualized production capacity is calculated by multiplying our production capacity for the six months ended June 30, 2024, by two.

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Our Business

We are dedicated to providing best-in-class EV and ESS batteries and related solutions for global new energy applications, as outlined below:



In addition, we secure the supply of key upstream resources and materials for battery production through battery materials and recycling, and investment, development and operation of mineral resources. For details about each of our business segments, see “Business — Our Products and Solutions.”

Our Innovations

Our innovation has three strategic directions: (i) replacing mobile fossil energy sources, (ii) replacing stationary fossil energy sources and (iii) integrated innovation of new applications. We focus our efforts on innovation around battery materials and electro-chemistries, system structures, and green extreme manufacturing, as well as business model innovation. We have consistently launched new technologies, products and business models that drive the industry forward. For details, see “Business — Our Innovations.”

Our Global Presence

Our business spans the globe. We adopt a “customer-centric” approach and established various long-term and in-depth strategic partnerships with globally renowned automotive OEMs, ESS integrators, project developers or operators. By the end of 2024, nine out of the top ten global automotive OEMs by EV sales volume are our customers, according to the GGII Report. Our automotive OEM customers include BMW, Mercedes-Benz, Stellantis, Volkswagen, Ford, Toyota, Hyundai, Honda, Volvo, SAIC, Geely, NIO, Li Auto, Yutong, and Xiaomi. Our ESS customers and partners include NextEra, Synergy, Wärtsilä, Excelsior, Jupiter Power, Flexgen, China Energy Group, State Power Investment Corporation, China Huaneng Group, China Huadian Group and China National Petroleum Corporation. We further

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strengthen our collaboration with global customers through equity investments, JVs, and technology licensing. In 2023, 32.7% of our revenue was generated from overseas markets. As of September 30, 2024, we had established a global network of over 730 after-sales service stations, among which 156 are located overseas, continuously providing high-quality service to our global customers.

We have been expanding our global footprint in response to evolving customer demands. As of September 30, 2024, we operated 13 battery manufacturing bases around the world. Beyond China, we have established a manufacturing base in Thuringia, Germany, enabling us to become the world’s first battery manufacturer to obtain Volkswagen module certification and the first in Europe to receive Volkswagen cell certification. Furthermore, we are actively preparing and advancing our plant in Hungary, our JV factory with Stellantis N.V. in Spain, and our battery value chain projects in Indonesia.

To actively advance our globalization, we emphasize our efforts on overseas operational support, supply chain expansion, resources and recycling, and international talent acquisition. These efforts aim to create an efficient multinational operational structure.

Our Financial Performance

We have achieved steady growth and outstanding financial performance over the years. For the years ended December 31, 2022 and 2023, our revenue was RMB328.6 billion and RMB400.9 billion, respectively. For the nine months ended September 30, 2024, our revenue was RMB259.0 billion. During this period, our profitability continued to improve, with net profit consistently increasing. For the years ended December 31, 2022 and 2023, our net profit was RMB33.5 billion and RMB47.3 billion, respectively, representing a year-on-year growth of 41.5%. For the nine months ended September 30, 2023 and 2024, our net profit was RMB32.5 billion and RMB38.8 billion, representing a period-on-period growth of 19.2%. Our net profit margin for the years ended December 31, 2022 and 2023, as well as the nine months ended September 30, 2024, was 10.2%, 11.8% and 15.0%, respectively. In the same periods, our ROE was 24.7%, 24.7% and 22.1%, respectively.

We have consistently maintained a robust cash flow position. The net cash flow generated from operating activities for the years ended December 31, 2022 and 2023, as well as for the nine months ended September 30, 2024, was RMB61.2 billion, RMB92.8 billion, and RMB67.4 billion, respectively.

Our Sustainability Initiatives

We actively promote the United Nations Sustainable Development Goals. As a member of the United Nations Global Compact (“UNGC”), we fully support its ten principles across four key areas: human rights, labor, environment, and anti-corruption. We have established a sustainability governance structure that integrates these principles into our daily operations, ensuring the effective advancement of our sustainability efforts.

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Meanwhile, we continuously enhance the transparency of our external communications, conveying our sustainability values and concepts to a broader range of stakeholders. As of the Latest Practicable Date, we had published annual Corporate Social Responsibility and/or ESG reports for six consecutive years and Carbon Emission Accounting reports for three consecutive years. We conduct regular identification and analysis of material ESG topics, and conduct a review of material topic results of the previous year in accordance with the latest ESG regulations and policies, while also considering external stakeholder focus and industry practices.

We consider climate change and carbon emissions as essential factors for our sustainable development. In 2023, we released our “Zero Carbon Strategy” setting clear carbon neutrality goals: achieving carbon neutrality by 2025 in our core operations and by 2035 across the value chain. We continue to enhance our ecosystem and biodiversity protection strategies, formulating and publishing our “Biodiversity Commitment” and “Forest Resource Conservation Commitment.” Adhering to a philosophy of seamlessly integrating business development with social responsibility, we actively participate in community development, educational support, disaster relief, environmental protection, and social welfare initiatives. Through dedicated charitable funds and financial donations, we fulfill our corporate citizenship responsibilities and promote social value cocreation.

We continuously enhance our ESG practice and have achieved steady improvement of ESG rating in recent years. We successfully maintain industry-wide leading positions in various mainstream ESG ratings.

COMPETITIVE STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth:

- Competitive full-chain R&D moat built on our profound experience and unique methodology;
- Comprehensive and advanced product matrix, continuously trendsetting the industry;
- Multi-Dimensional expansion, creating a dominant position in emerging areas;
- Pioneering Zero Carbon practice, building Zero Carbon ecosystem; and
- Leading global footprint with unparalleled capabilities.

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GROWTH STRATEGIES

Guided by the three strategic directions and four innovative systems, we drive the development of our business. We are committed to revolutionary battery technology innovation and large-scale commercial deployment, continuously expanding the applications of EV and ESS batteries. Through integrated innovation and zero-carbon solutions, we aim to reduce society’s dependence on fossil fuels and contribute to global sustainable development.

Our three strategic directions center around *Electrochemical Energy Storage + Renewable Energy Generation*, *EV Battery + NEV*, and *Electrification +Intelligentization*. Innovation is in our DNA and serves as the driving force behind our sustainable development. Guided by our three strategic directions, we have established four innovative systems: “Battery Materials and Electro-chemistries Innovation,” “System Structure Innovation,” “Green Extreme Manufacturing Innovation,” and “Business Model Innovation” to support our business development. We promote the four innovative systems through “open innovation.”

CUSTOMERS AND SUPPLIERS

Our EV battery customers primarily consist of domestic and international automotive OEMs. Our ESS battery customers and partners mainly comprise ESS integrators and ESS project developers and operators. In 2022, 2023 and the nine months ended September 30, 2024, our revenue from the five largest customers in each year/period accounted for 35.3%, 36.8% and 37.4% of our total revenue in the year/period, respectively; and revenue from our largest customer in each year/period accounted for 11.6%, 12.5% and 15.4% of our total revenue in the year/period, respectively.

During the Track Record Period, our purchases from the five largest suppliers in each year/period accounted for 21.3%, 20.3% and 17.1% of our total purchases in the respective year/period; and purchases from our largest supplier in each year/period accounted for 5.4%, 5.3% and 5.9% of our total purchases in the respective year/period.

To the best knowledge of our Directors, none of our Directors, their respective associates or any Shareholder who owns more than 5% of the issued share capital of our Company immediately following the completion of the [REDACTED] had any interest in our five largest customers and suppliers during the Track Record Period.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountants’ Report as set out in Appendix I to this document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with the International Financial Reporting Standards (“IFRSs”).

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Summary of Consolidated Statements of Profit or Loss

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

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue	RMB'000	% of revenue
	<i>(Unaudited)</i>							
Revenue	328,593,988	100.0	400,917,045	100.0	294,677,251	100.0	259,044,749	100.0
Cost of sales	(270,629,780)	(82.4)	(323,982,130)	(80.8)	(237,675,466)	(80.7)	(194,352,590)	(75.0)
Gross profit	57,964,208	17.6	76,934,915	19.2	57,001,785	19.3	64,692,159	25.0
Research and development expenses	(15,510,453)	(4.7)	(18,356,108)	(4.6)	(14,875,734)	(5.0)	(13,073,136)	(5.0)
Administrative and other operating expenses	(8,103,787)	(2.5)	(10,526,439)	(2.6)	(8,217,842)	(2.8)	(8,488,817)	(3.3)
Selling expenses	(2,519,230)	(0.8)	(3,042,744)	(0.8)	(2,642,679)	(0.9)	(2,608,018)	(1.0)
Other income	7,047,244	2.1	14,883,428	3.7	10,131,710	3.4	14,081,544	5.4
Other gains and losses, net	1,285,908	0.4	410,724	0.1	(95,445)	(0.0)	(1,014,030)	(0.4)
Impairment losses	(3,973,175)	(1.2)	(6,107,968)	(1.5)	(3,096,622)	(1.1)	(7,543,427)	(2.9)
Finance costs	(2,132,375)	(0.6)	(3,446,516)	(0.9)	(2,317,681)	(0.8)	(2,966,060)	(1.1)
Share of results of associates and joint ventures, net	2,614,517	0.8	3,745,762	0.9	1,307,678	0.4	2,712,745	1.0
Profit before income tax	36,672,857	11.2	54,495,054	13.6	37,195,170	12.6	45,792,960	17.7
Income tax expense	(3,215,713)	(1.0)	(7,153,019)	(1.8)	(4,650,152)	(1.6)	(6,987,231)	(2.7)
Profit for the year/period	33,457,144	10.2	47,342,035	11.8	32,545,018	11.0	38,805,729	15.0
Profit for the year/period attributable to:								
Owners of the Company	30,729,164	9.4	44,702,249	11.1	31,174,229	10.6	36,073,548	13.9
Non-controlling interests	2,727,980	0.8	2,639,786	0.7	1,370,789	0.5	2,732,181	1.1

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Revenue

During the Track Record Period, our revenue was derived primarily from EV batteries, ESS batteries, battery materials and recycling, and battery mineral resources. The following table sets forth the breakdown of our revenue by product type for the years/periods indicated.

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(Unaudited)							
EV batteries	236,593,497	72.0	285,252,917	71.2	212,604,509	72.1	175,542,789	67.8
ESS batteries	44,980,277	13.7	59,900,522	14.9	41,699,132	14.2	46,418,980	17.9
Battery materials and recycling	26,031,514	7.9	33,602,284	8.4	24,740,746	8.4	18,820,505	7.3
Battery mineral resources	4,508,633	1.4	7,734,151	1.9	5,967,306	2.0	4,526,676	1.7
Others ⁽¹⁾	16,480,067	5.0	14,427,171	3.6	9,665,558	3.3	13,735,799	5.3
Total	328,593,988	100.0	400,917,045	100.0	294,677,251	100.0	259,044,749	100.0

Note:

- (1) Primarily including revenue generated from (i) sales of raw materials and scrap materials, and (ii) provision of research and development services.

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Gross Profit and Gross Profit Margin

The following table sets forth the breakdown of our gross profit and gross profit margin by product type for the years/periods indicated.

	For the year ended December 31,				For the nine months ended September 30,			
	2022		2023		2023		2024	
	<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>	
	<i>margin</i>	<i>margin</i>	<i>margin</i>	<i>margin</i>	<i>margin</i>	<i>margin</i>	<i>margin</i>	<i>margin</i>
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	<i>(Unaudited)</i>							
EV batteries	33,418,887	14.1	51,705,338	18.1	37,257,642	17.5	42,613,384	24.3
ESS batteries	6,282,252	14.0	11,174,430	18.7	8,540,818	20.5	13,199,740	28.4
Battery materials and recycling	5,525,484	21.2	3,824,539	11.4	3,705,242	15.0	2,091,643	11.1
Battery mineral resources . .	551,787	12.2	1,536,261	19.9	1,008,439	16.9	263,973	5.8
Others	12,185,798	73.9	8,694,347	60.3	6,489,644	67.1	6,523,419	47.5
Total	<u>57,964,208</u>	17.6	<u>76,934,915</u>	19.2	<u>57,001,785</u>	19.3	<u>64,692,159</u>	25.0

Our gross profit increased by 32.7% from RMB58.0 billion in 2022 to RMB76.9 billion in 2023, and increased by 13.5% from RMB57.0 billion for the nine months ended September 30, 2023 to RMB64.7 billion for the nine months ended September 30, 2024. Our gross profit margin increased from 17.6% in 2022 to 19.2% in 2023, and further increased from 19.3% for the nine months ended September 30, 2023 to 25.0% for the nine months ended September 30, 2024. Our gross profit margin showed continued growth during the Track Record Period, mainly because (i) the unit economics of our battery products remained stable while increasing, driven by the scaled commercial application of our innovative products, such as Qilin battery and Shenxing battery, which gained wide customer recognition following their market launch; and (ii) the average selling price of our battery products was reduced in response to decrease in the cost of raw materials including lithium carbonate. This, combined with our stable and improving unit economics, led to the consequent increase of our gross profit margin.

Profits for the Year/Period

Our profit for the year increased by 41.5% from RMB33.5 billion in 2022 to RMB47.3 billion in 2023. Our profit for the period increased by 19.2% from RMB32.5 billion for the nine months ended September 30, 2023 to RMB38.8 billion for the nine months ended September 30, 2024. For details, see “Financial Information — Period-to-Period Comparison of Results of Operations.”

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Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,		As of September 30,
	2022	2023	2024
	<i>RMB'000</i>		
Current assets	387,734,858	449,788,002	466,764,516
Non-current assets	213,217,495	267,380,039	271,470,488
Total assets	600,952,353	717,168,041	738,235,004
Current liabilities	295,761,421	287,001,071	281,070,698
Non-current liabilities	128,281,771	210,283,820	193,863,663
Total liabilities	424,043,192	497,284,891	474,934,361
Net current assets	91,973,437	162,786,931	185,693,818
Net assets	176,909,161	219,883,150	263,300,643

For details of the fluctuation in key items of our consolidated statements of financial position and net current assets during the Track Record Period, see “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position.”

Summary of Consolidated Statements of Cash Flow

The following table sets forth a summary of our consolidated cash flow statements for the years/periods indicated.

	For the year ended December 31,		For the nine months ended September 30,	
	2022	2023	2023	2024
	<i>RMB'000</i>			
	<i>(Unaudited)</i>			
Net cash generated from operating activities	61,208,844	92,826,125	52,653,692	67,443,601
Net cash used in investing activities	(64,139,843)	(29,187,763)	(19,937,130)	(47,894,482)
Net cash generated from/(used in) financing activities	82,266,431	14,716,362	14,850,658	(20,495,680)
Net increase/(decrease) in cash and cash equivalents .	79,335,432	78,354,724	47,567,220	(946,561)
Cash and cash equivalents at beginning of the year/period	75,505,735	157,629,318	157,629,318	238,165,487
Effect of exchange rate changes	2,788,151	2,181,445	1,928,721	(2,265,022)
Cash and cash equivalents at the end of the year/period .	<u>157,629,318</u>	<u>238,165,487</u>	<u>207,125,259</u>	<u>234,953,904</u>

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KEY FINANCIAL RATIOS

The following table set forth our key financial ratios as of the dates or for the years/periods indicated.

	For the year ended/as of December 31,		For the nine months ended/as of September 30,
	2022	2023	2024
Net profit margin	10.2%	11.8%	15.0%
Return on equity (ROE) ⁽¹⁾	24.7%	24.7%	22.1%
Current ratio ⁽²⁾	1.3	1.6	1.7
Quick ratio ⁽³⁾	1.1	1.4	1.5
Debt-to-asset ratio ⁽⁴⁾	70.6%	69.3%	64.3%
Interest-bearing debt ratio ⁽⁵⁾	16.8%	17.6%	17.6%
Operating cash flow conversion ratio ⁽⁶⁾ .	1.8	2.0	1.7

Notes:

- (1) Return on equity (ROE) is calculated by dividing the profit attributable to owners of the Company for the year/period by the average of equity attributable to owners of the Company at the beginning and the end of the respective year/period. For the nine months ended September 30, 2024, ROE is annualized by multiplying the number by 4/3.
- (2) The current ratio is calculated as current assets divided by current liabilities as of the relevant date.
- (3) The quick ratio is defined as current assets minus inventories, divided by current liabilities as of the relevant date.
- (4) The debt-to-asset ratio is calculated by dividing the total liabilities by the total assets as of the relevant date.
- (5) The interest-bearing debt ratio is calculated as interest-bearing debt divided by total assets as of the relevant date.
- (6) Operating cash flow conversion ratio is defined as the ratio of the cash flow generated from operating activities during the year/period over the profit for the same year/period.

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, including (i) risks relating to our industry and business, (ii) risks relating to financial, accounting and tax matters, (iii) risks relating to our operations, (iv) risks relating to government regulations, and (v) risks relating to the [REDACTED], which are set out in the section headed “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include, but are not limited to: (i) the demand in the end markets of our industry is constantly changing. If we are unable to respond effectively to these changes, our business, results of operations and financial condition will be materially and adversely affected, (ii) if we fail to maintain technology leadership in the battery industry, our operating results may be adversely affected, (iii) we face risks of changing new energy industry policies, (iv) our business faces competition, (v) we may face risks if there are quality issues with our products, (vi) if we are unable to retain our

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existing customers or attract new customers, our business, financial condition and results of operations could be materially and adversely affected, (vii) we face uncertainties and risks in overseas manufacturing and operations, and (viii) price fluctuation and inadequate supply of materials and equipment for our production could adversely affect our business, financial condition and results of operations.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in our business, financial condition and results of operations since September 30, 2024, which is the end date of the years/period reported on in the Accountants’ Report as set out in Appendix I to this document, and there is no event since September 30, 2024 which would materially affect the information in the Accountants’ Report as set out in Appendix I to this document.

Special Dividend Distribution for 2024

Our Special Dividend and Interests Distribution Plan for 2024 was reviewed and approved at the First Extraordinary General Meeting of 2024 held on December 26, 2024. A cash dividend of RMB12.30 (tax inclusive) per 10 Shares was to be paid to all the then Shareholders based on our share capital of 4,387,474,934 Shares, which excludes the 15,991,524 Shares repurchased in the dedicated account for repurchased securities. This special dividend distribution was completed in January 2025.

[REDACTED]

The statistics in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] H Shares are newly issued in the [REDACTED], (ii) the [REDACTED] for the [REDACTED] are not exercised, and (iii) [REDACTED] Shares are issued and outstanding following the completion of the [REDACTED]:

	Based on the [REDACTED] of HK\$[REDACTED] per H Share
[REDACTED] of our H Shares.	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share ⁽¹⁾	RMB[REDACTED]

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Notes:

- (1) The unaudited [REDACTED] adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the section headed “Unaudited [REDACTED] Financial Information” in Appendix II to this document and on the basis that [REDACTED] Shares were in issue, assuming that the [REDACTED] had been completed on September 30, 2024 but does not take into account of any Shares which may be allotted and issued by our Company pursuant to the [REDACTED], any Shares that may be issued by our Company pursuant to the exercise of options or the vesting of restricted shares or other awards that have been or may be granted from time to time under the Share Schemes or any Shares which may be issued or repurchased by our Company after the Latest Practicable Date.
- (2) No adjustment has been made to the unaudited [REDACTED] adjusted consolidated net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to September 30, 2024. For the calculation of the unaudited [REDACTED] adjusted consolidated net tangible assets per Share, see “Unaudited [REDACTED] Financial Information” in Appendix II to this document.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and at the [REDACTED] of HK\$[REDACTED] per Share, assuming that the [REDACTED] is not exercised.

We currently intend to apply these [REDACTED] for the following purposes:

- Approximately [REDACTED]% or HK\$[REDACTED] will be used to advance the construction of Phase I and II of our Hungary project; and
- Approximately [REDACTED]% or HK\$[REDACTED] will be used for working capital and other general corporate purposes.

For further information relating to our future plans and [REDACTED] from the [REDACTED], see “Future Plans and [REDACTED]” in this document.

OUR LISTING ON THE CHINEXT OF THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since 2018, our Company has been listed on the ChiNext of the Shenzhen Stock Exchange. As of the Latest Practicable Date, we had no instances of material non-compliance 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 enquiries, there was no material matter that should be brought to the [REDACTED]’ attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisors are of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to disagree with the Directors’ confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

WAIVERS AND EXEMPTIONS

DIVIDENDS

– 14 –

SUMMARY

After the completion of the [REDACTED], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory and regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Our Shareholders may approve any declaration of dividends.

According to applicable laws in mainland China and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: recovery of the losses incurred in the previous year; allocations to the statutory reserve equivalent to 10% of our profit after tax; allocations to a discretionary common reserve of certain percentage of our profit after tax that are approved by Shareholders’ general meeting.

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK\$[REDACTED] (based on an [REDACTED] of HK\$[REDACTED] per Share), representing approximately [REDACTED]% of the estimated [REDACTED] from the [REDACTED] assuming no Shares are issued pursuant to the [REDACTED]. The [REDACTED] expenses consist of (i) [REDACTED]-related expenses, including [REDACTED], of approximately HK\$[REDACTED], and (ii) non-[REDACTED]-related expenses of approximately HK\$[REDACTED], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK\$[REDACTED], and (b) other fees and expenses of approximately HK\$[REDACTED]. During the Track Record Period, we did not incur any [REDACTED] expenses. After the Track Record Period, approximately HK\$[REDACTED] is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. We do not believe any of the above fees or expenses are material or are unusually high for our Group. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.