# SUMMARY

***This summary aims to give you an overview of the information contained in this document and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire document carefully before making your [REDACTED] decision. 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" in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].***

## OVERVIEW

We are a leading company in energy storage business for big-data and telecommunication industries. We focus on the design, R&D, manufacturing, and sales of energy storage batteries and systems.

As of December 31, 2024, we have served five of the world's top ten telecom operators and equipment manufacturers, nearly 30% of the world's top 100 telecom operators and equipment manufacturers, and all of China's top five telecom operators and equipment manufacturers. We have served 80% of top 10 Chinese self-owned data center companies and 90% of top 10 Chinese third-party data center companies. We have served our top five customers in 2022, 2023 and 2024 for an average of over ten years. According to Frost & Sullivan, in 2024, we ranked the first among global telecom and data center energy storage battery providers in terms of shipment volume, achieving a market share of 11.1%. According to Frost & Sullivan, in 2024, we ranked the twelfth among global energy storage battery providers in terms of added installed capacity, achieving a market share of 2.5%.

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*Notes:*

*(1) Top 100 telecom operators and equipment manufacturers are ranked based on the top telecom equipment manufacturers ranking integrated by Frost & Sullivan from multiple open sources, annual report, and research database of Frost & Sullivan, and the top 100 telecom operators ranking provided by Dgtl Infra, a platform for digital infrastructure intelligence providing data on telecom, data centers, fiber, etc. The top 100 telecom operators and equipment manufacturers are selected based on several quantifiable factors including sales revenue, market capitalization, number of subscribers, number of employees, etc.*

*(2) Based on the definition provided by China Academy of Information and Communications Technology (CAICT), self-owned data center companies are companies build, own and operate their own data centers, mainly telecom operators and cloud services providers. Top 10 Chinese self-owned data center companies are ranked based on CAICT, International Data Corporation (IDC) and research database of Frost & Sullivan. Top 10 Chinese self-owned data center companies are selected based on several quantifiable factors including sales revenue, service range, investment in research and development, etc.*

*(3) Top 10 Chinese third party data center companies are ranked based on "Top 10 Data Center Service Providers in China in 2024" launched by CAICT. Top 10 Chinese third party data center companies are selected based on factors including overall scale, capacity building, financial status, international layout, etc.*

## Our Market Opportunity

The global energy market is undergoing a profound transformation from fossil fuels to renewable energy. The evolving global trend toward electrification further drives significant collaboration among new energy, energy storage, and smart grids, promoting sustainable development of green economy and rapid growth of the global energy storage market. According to Frost & Sullivan, global energy storage cumulative installed capacity is expected to increase from 746.8 GWh in 2024 to 6,810.1 GWh in 2030.

- **Telecom base stations:** In recent years, along with the rapid global expansion of 5G telecom base stations, the upgrading and development of telecommunication technology are expected to continue to drive robust demand for infrastructure development. According to Frost & Sullivan, the cumulative number of global telecom base stations is expected to increase from 21.0 million units in 2024 to 43.9 million units in 2030, which will drive the global added installed capacity of telecom energy storage to rise from 43.9 GWh in 2024 to 100.2 GWh in 2030.

- **Data centers:** The advent of the AI era is also accelerating the industry trend towards large-scale and high-computing power data centers. According to Frost & Sullivan, the proportion of global electricity consumption by data centers is expected to increase from 4.0% in 2024 to 10.1% in 2030. During this process, driven by global pursuit of clean and secure energy source, there has been a rapid growth in market demands for energy storage products. According to Frost & Sullivan, the global added installed capacity of data center energy storage is expected to increase from 16.5 GWh in 2024 to 209.4 GWh in 2030.

## Our Journey and Strategic Evolution

Founded in 2011 in Taizhou, Jiangsu Province in China, we have demonstrated reliability and high quality of our batteries and services over the past decade. We have continually expanded our business, established a strong global reputation, and built brand influence, laying a solid foundation for our long-term sustainable development.

- **Energy storage for telecom base stations**: At the outset, we entered the energy storage sector for telecom base stations, establishing long-term cooperation relationship with leading telecom operators and equipment manufacturers in China, including China Mobile, China Unicom, China Telecom, and China Tower. We have continuously expanded our overseas presence, and have successfully entered into supply chains of many world-renowned enterprises to provide energy storage battery products for telecom base stations, including Ericsson, Vodafone, and Telenor. According to Frost & Sullivan, in 2024, we ranked first in terms of shipment volumes in the global telecom base station energy storage market. In 2024, our market share in the global telecom market reached 9.2%.

- **Energy Storage for Data Centers**: With the penetration and promotion of big data, technologies, energy storage batteries for data centers have become essential products for ensuring data security and energy security. In 2018, we keenly identified the market demands of the internet era and began establishing cooperation relationship with large tech companies and data center operators. Since 2018, we have successively collaborated with Alibaba, JD.com, Baidu, GDS, and ChinData. In 2022, we innovatively developed the first large-scale dual-function energy storage plan incorporating "backup power + power storage and management" for data centers in China, and supplied our products to the Xiong'an Urban Supercomputing Center, contributing its successful achievement of being recognized as national green data center. Up to the Latest Practicable Date, our energy storage products have been used in hundreds of data centers. According to Frost & Sullivan, in 2024, we ranked first among Chinese companies in terms of shipment volumes in the global data center energy storage market. In 2024, our market share in the global data center market reached 16.1%.

- **Electrical Energy Storage Settings:** Leveraging advanced technology and manufacturing capacity, we are committed to expanding our presence in the electrical energy storage settings, where we have successfully captured market opportunities brought up by sectors in large-scale power grid energy storage, and commercial and residential storage settings. In particular, we have participated in, as a key supplier of energy storage products and system, the development of the State Grid Zhangbei Energy Storage System Project, which started operation since 2011 as the world's largest new energy power station in terms of installed capacity integrating wind power, solar PV, energy storage systems, and intelligent power transmission as of the Latest Practicable Date. We have subsequently launched energy storage projects across China, as well as in Cambodia, Mongolia, Guinea and Central Africa. In 2016, we began developing energy storage batteries in commercial and residential settings. As a well-recognized brand, our products are sold in Europe, Africa, Asia, and 18 other countries and regions. According to Frost & Sullivan, in 2024, we are one of the leading Chinese companies in terms of shipment volume of energy storage batteries in commercial and residential settings.

## OUR PRODUCTS

During the Track Record Period, we derived revenues mainly from sales of energy storage batteries, including both lithium-ion batteries and lead-acid batteries. Our lithium-ion batteries are mainly lithium iron phosphate ("**LFP**") batteries, the products line of which includes both flexible packaging and square aluminum shell configurations. Our lead-acid batteries include absorbent glass mat batteries, gel batteries, and lead-carbon batteries. Each type of our batteries offers a comprehensive range of features and distinctive advantages, catering to our customers' diverse requirements in relation to their specific application scenarios under telecom base stations, data centers and electrical energy storage settings.

**Energy Storage Batteries for Telecom Base Station**

Our energy storage batteries for telecom base stations serve as a vital safeguard against power outages and shortages that could lead to network paralysis and communication disruptions, and therefore ensure the reliable operation of telecom base stations. Additionally, our energy storage batteries can be utilized to capitalize on the cost differences between peak and off-peak electricity rates.

**Energy Storage Batteries for Data Center**

Our energy storage batteries applied in data centers provide robust defense against the risks of power outages and shortages that can lead to network failures and service interruptions. In addition to providing emergency power during outages, our storage batteries also enable our customers to optimize the energy usage and reduce utility cost of the data centers by taking advantage of differences in electricity rates during peak and off-peak times.

**Energy Storage Batteries for Electrical Energy Storage Settings**

Our energy storage batteries for electrical energy storage settings cover both the power side and the user side. On the generation side, our energy storage batteries can store excess energy produced during low-demand periods and release it during peak times, effectively matching electricity production with consumption. On the grid side, these batteries alleviate congestion by providing additional power during high demand, preventing overload and potential outages. For user side, we provide lithium-ion energy storage batteries for the user side, including commercial and residential setting.

**Energy Storage Batteries for Other Settings**

Our energy storage batteries for other settings primarily include UPS batteries and start-stop batteries. Our uninterruptible power supply ("**UPS**") batteries are designed to provide reliable backup power during electrical outages for critical devices like computers and servers. Our start-stop batteries are specifically designed for vehicles with start-stop functionality.

For details, see "Business — Our Products" in this document.

**SALES, MARKETING AND CUSTOMERS**

During the Track Record Period, we primarily sold directly to end customers in China and abroad. To expand the geographic coverage and consumer reach of our products, we complement our direct sales with distribution network. As of December 31, 2022, 2023, 2024, and May 31, 2025, we had 124, 114, 106 and 29 distributors, respectively, which contributed to 10.4%, 13.8%, 7.2% and 4.4% of our total revenues in 2022, 2023 and 2024, and for the five months ended May 31, 2025, respectively.

We maintain a buyer-seller relationship with our distributors. We value the management of our distributors, and maintain a good cooperative relationship with them. During the Track Record Period, to the best of our Directors' knowledge, all of our distributors were Independent Third Parties, and none were controlled by our current or former employees. For details, see "Business — Sales, Marketing and Customers — Sales and Distribution" in this document.

**Our Customers**

Leveraging our broad product portfolio featuring various technological specifications designed to serve diverse application scenarios and stringent customers' demands, as well as our rich industry experience and technological capability to capture and solve evolving practical challenges that our customers may encounter in their energy storage needs, we have established and retained long-term relationship with customers with leading industry positions in China and overseas.

The major customers of our energy storage batteries used for telecom base stations are leading telecom operators and equipment manufacturers, including China Mobile, China Unicom, China Telecom, China Tower, Ericsson, Vodafone, and Telenor. The major customers of our energy storage batteries used for data centers are data center operators, such as Alibaba, JD.com, Baidu, Chindata, and GDS. The major customers of our energy storage batteries used for electrical energy storage settings are power stations, power grids, commercial and household users.

In 2022, 2023 and 2024, and the five months ended May 31, 2025, our five largest customers in each period during the Track Record Period contributed 54.2%, 46.1%, 38.4% and 34.0%, respectively, to our total revenues in the same year. The revenue contribution of our five largest customers decreased during the Track Record Period, primarily due to the growth in revenue contribution from the sales of batteries used in data centers while our largest customers were mainly telecommunication companies. The average selling price of batteries sold to our top five customers decreased as a result of declined raw material prices and their reduced market demand for our energy storage batteries, resulting in the decreased revenue generated from our five largest customers. Additionally, heightened market competition led to increased supplier participation in the supply chains of certain major telecommunication customers, resulting in the declined revenue from our top five customers. Our single largest customer in each year/period during the Track Record Period contributed 24.3%, 21.3%, 13.1% and 10.2%, respectively, to our total revenues in the same year/period.

To the best knowledge of our Directors, each of our five largest customers in each year/period during the Track Record Period was an Independent Third Party. For details, see "Business — Sales, Marketing and Customers — Our Customers" in this document.

## SUPPLIERS

We purchase almost all of our raw materials and key components from third-party suppliers in China, including lithium iron phosphate, lead alloy, and lead ingots. We have established stable relationships with our suppliers, enabling us to secure a consistent supply of raw materials at competitive prices. This helps ensure our ability to produce and deliver high quality products on time, meeting the needs of our customers.

During the Track Record Period, purchase from our top five suppliers amounted to RMB1,273.1 million, RMB1,243.7 million, RMB1,541.4 million and RMB801.8 million, accounting for 42.3%, 43.8%, 47.9% and 50.3% of our total purchase for the corresponding years, respectively. To the best knowledge of our Directors, each of our five largest suppliers in each year/period during the Track Record Period was an Independent Third Party. During the Track Record Period, our single largest supplier amounted to 17.5%, 16.5%, 20.6% and 25.4% of our total purchase amount for the corresponding year in 2022, 2023 and 2024, and the five months ended May 31, 2025, respectively. For details, see "Business — Suppliers" in this document.

## OUR STRENGTHS

Our strengths include:

- Global leading storage battery company in data center and telecom industries;
- R&D capabilities in high safety, cost efficiency and superior performance;
- Outstanding manufacturing and operational capabilities;
- High-quality customer base with trust and loyalty to our brand; and
- An experienced and visionary management team.

## OUR STRATEGIES

Our strategies include:

- Further enhance and expand our energy storage business with customer-centric approach;
- Further develop our data center business;
- Continue to invest in R&D; and
- Expand our global presence.

## BUSINESS ACTIVITIES WITH CUSTOMERS IN RELEVANT REGIONS

During the Track Record Period, we had sold our Chinese-origin lithium-ion batteries and lead-acid batteries directly to our customers in the Relevant Regions. To our best knowledge, customers purchased our batteries mainly to be used for telecom base stations in Relevant Regions. We believe these customers determined to choose our products mainly due to their recognition on our product qualities and market reputation.

The revenue generated from such sales to the Relevant Regions was approximately RMB59.2 million, RMB84.0 million, RMB90.0 million and RMB8.0 million, representing approximately 1.5%, 2.0%, 2.0% and 0.4% of our total revenue in 2022, 2023 and 2024 and the five months ended May 31, 2025, respectively.

However, none of the Relevant Regions was a Comprehensively Sanctioned Country and none of our customers located in the Relevant Regions were identified on the Specially Designated Nationals and Blocked Persons List maintained by OFAC or the relevant restricted parties lists maintained by the European Union, Australia and the United Nations. While certain customers were listed on the Entity List maintained by the BIS, all products sold to our customers were Chinese-origin lithium-ion battery and lead-acid battery products that does not subject to the EAR.

Based on above mentioned factors, and as advised by our International Sanctions Legal Adviser, our Directors believe that we are not subject to sanctions risk that could have a material adverse effect on our transactions involving the Relevant Regions during the Track Record Period, and our Directors do not foresee any material adverse effect to our business or operations for continuing our business in relation to the Relevant Regions. Based on the above, nothing has come to the attention of the Joint Sponsors that would cause them to cast reasonable doubt on the views of our International Sanctions Legal Adviser and our Directors. For more details, please refer to the sections headed "Risk Factors — Risks Relating to Our Business and Industry — We could be adversely affected as a result of any sales we make to certain countries that are, or become subject to, sanctions administered by the United States, the European Union, the United Kingdoms, the United Nations, Australia and other relevant sanctions authorities" and "Business — Business Activities with Customers in the Relevant Regions" in this document.

## SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this document.

## Summary of Our Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the years/periods indicated.

| | For the year ended December 31, | | | | | | For the five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | | | | | | | *(unaudited)* | | | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| Revenues | 4,072,480 | 100.0 | 4,259,777 | 100.0 | 4,498,522 | 100.0 | 1,394,185 | 100.0 | 1,866,608 | 100.0 |
| Cost of sales | (3,382,884) | (83.1) | (3,393,009) | (79.7) | (3,747,639) | (83.3) | (1,119,099) | (80.3) | (1,588,050) | (85.1) |
| **Gross profit** | **689,596** | **16.9** | **866,768** | **20.3** | **750,883** | **16.7** | **275,086** | **19.7** | **278,558** | **14.9** |
| Other income and gains | 50,614 | 1.2 | 77,718 | 1.8 | 115,584 | 2.6 | 37,727 | 2.7 | 40,533 | 2.2 |
| Selling and marketing expenses | (100,255) | (2.5) | (151,785) | (3.6) | (138,043) | (3.1) | (50,102) | (3.6) | (53,254) | (2.9) |
| Administrative expenses | (126,516) | (3.1) | (162,748) | (3.8) | (156,470) | (3.5) | (50,506) | (3.6) | (45,672) | (2.4) |
| Research and development expenses | (100,676) | (2.5) | (112,803) | (2.6) | (110,478) | (2.5) | (44,089) | (3.2) | (55,249) | (3.0) |
| Impairment losses on financial and contract assets, net | (22,607) | (0.6) | (6,347) | (0.1) | (19,181) | (0.4) | 3,908 | 0.3 | (10) | 0.0 |
| Other expenses | (21,467) | (0.5) | (34,145) | (0.8) | (20,169) | (0.4) | (5,663) | (0.4) | (11,556) | (0.6) |
| Finance costs | (49,372) | (1.2) | (30,005) | (0.7) | (19,842) | (0.4) | (5,626) | (0.4) | (12,002) | (0.6) |
| Share of profits and losses of an associate | (647) | (0.0) | (475) | (0.0) | 428 | 0.0 | 296 | 0.0 | 32 | 0.0 |
| **Profit before tax** | **318,670** | **7.8** | **446,178** | **10.5** | **402,712** | **9.0** | **161,031** | **11.5** | **141,380** | **7.6** |
| Income tax expense | (37,645) | (0.9) | (60,975) | (1.5) | (49,381) | (1.1) | (21,339) | (1.5) | (4,677) | (0.8) |
| **Profit for the year** | **281,025** | **6.9** | **385,203** | **9.0** | **353,331** | **7.9** | **139,692** | **10.0** | **126,703** | **6.8** |
| Attributable to: | | | | | | | | | | |
| Owners of the parent | 281,019 | 6.9 | 385,203 | 9.0 | 353,331 | 7.9 | 139,692 | 10.0 | 126,703 | 6.8 |
| Non-controlling interests | 6 | 0.0 | – | – | – | – | – | – | – | – |

## Revenues

### *Revenues by Application Scenario*

During the Track Record Period, we derived revenues from sales of our products, which include lithium-ion battery and lead-acid battery to our customers. We also generated revenues from others, which primarily represented sales of waste including lead slag, used batteries, and electricity sales during the Track Record Period. Revenues increased from RMB4,072.5 million in 2022 to RMB4,259.8 million in 2023 and further increased to RMB4,498.5 million in 2024, and our revenues increased from RMB1,394.2 million in the five months ended May 31, 2024 to RMB1,866.6 million in the five months ended May 31, 2025, which was primarily due to the increase in revenues from sales of batteries used in data centers driven by the growing demand for data storage and processing capabilities. For details, see "Financial Information — Year to Year Comparison of Results of Operations" and "Financial Information — Period to Period Comparison of Results of Operations" in this document.

The following table sets forth a breakdown of our revenues by application scenario for the years/periods indicated.

| | Year Ended December 31, | | | | | | Five Months Ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | | | | | | | (unaudited) | | | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| Telecom base Station | 2,640,989 | 64.8 | 2,464,004 | 57.8 | 2,299,367 | 51.1 | 746,772 | 53.6 | 792,785 | 42.5 |
| Data center | 764,815 | 18.8 | 899,942 | 21.1 | 1,391,898 | 31.0 | 397,000 | 28.4 | 872,947 | 46.7 |
| Electrical energy storage settings | 302,443 | 7.4 | 487,977 | 11.5 | 450,840 | 10.0 | 132,366 | 9.5 | 68,696 | 3.7 |
| Other settings[1] | 281,906 | 7.0 | 339,863 | 8.0 | 261,105 | 5.8 | 86,570 | 6.2 | 80,555 | 4.3 |
| Others[2] | 82,327 | 2.0 | 67,991 | 1.6 | 95,312 | 2.1 | 31,477 | 2.3 | 51,625 | 2.8 |
| **Total** | **4,072,480** | **100.0** | **4,259,777** | **100.0** | **4,498,522** | **100.0** | **1,394,185** | **100.0** | **1,866,608** | **100.0** |

*Notes:*

*(1) Primarily include uninterruptible power supply ("**UPS**") batteries and start-stop batteries.*

*(2) Primarily include sales of waste including lead slag, used batteries, and electricity sales.*

The revenue we generated from sales of batteries used in telecom base stations decreased from 2022 to 2024. Such decrease in revenue from 2022 to 2024 was mainly due to (i) the decrease in our average selling price resulting from reduced cost of raw materials, namely LFP, which was RMB621.0/kWh, RMB675.3/kWh and RMB568.3/kWh in 2022, 2023 and 2024, respectively, representing a CAGR of negative 4.3% from 2022 to 2024, and (ii) the decrease in our sales volume, which was 4,252,809kWh, 3,648,862kWh and 4,046,291kWh in 2022, 2023 and 2024, respectively, representing a CAGR of negative 2.5 % from 2022 to 2024, mainly resulting from the slowdown in the construction of new 5G telecom base stations in China. According to Frost & Sullivan, the construction of new 5G telecom base stations in China was 15.3 GWh, 14.9 GWh and 12.8 GWh in 2022, 2023 and 2024, respectively. As we generated the majority of our revenue of batteries used for telecom base stations from our sales in China, which amounted to 76.7%, 69.2% and 71.8% of total revenue of batteries used in telecom base stations in 2022, 2023 and 2024, respectively, our sales volume of batteries used for telecom base stations decreased from 2022 to 2024. The slowdown in the construction of new 5G telecom base stations further intensified the market competition in the telecom energy storage battery market, resulting in our declined revenue generated from the sales of batteries used in telecom base stations. The sales volume of our batteries used in telecom base stations decreased from 2022 to 2023, mainly due to the slowdown in the construction of new telecom base stations in China. Our sales volume of batteries used in telecom base stations slightly increased from 2023 to 2024, mainly because we adopted competitive marketing strategies and reduced our average selling price of batteries used in telecom base stations in 2024 to promote our sales. The revenue we generated from sales of batteries used in telecom base stations increased from RMB746.8 million in the five months ended May 31, 2024 to RMB792.8 million in the five months ended May 31, 2025. The increase is primarily related to increased sales volume of lithium-ion batteries, as a result of increased market demand for telecom base stations.

*Sales Volume*

During the Track Record Period, changes in sales volume of batteries were primarily influenced by the demand dynamics within the industries where our batteries are applied, as well as by the performance and competitive positioning of our batteries. Specifically, fluctuations in sales volume were driven by the following key factors:

- *downstream demand*, which is closely linked to the broader industry trends. See also "Industry Overview — Overview of the Global and China Energy Storage Market — Supply-demand Dynamics of Energy Storage Battery Products" in this document;

- *our expansion strategy*, particularly in the data center and electrical energy storage markets, which contributed to an increase in battery sales as we targeted these growing sectors. See also "Business — Our Strategies — Further Develop Our Data Center Business" in this document; and

- *our global efforts to enhance market penetration*, including expanding partnerships and establishing a stronger international presence. See also "Business — Our Strategies — Expand Our Global Presence" in this document.

*Average Selling Price*

The average selling price of our batteries was collectively influenced by multiple factors, including：

- Raw material costs: the average selling price of batteries was mainly affected by fluctuations in the market price of key raw materials, such as the market price of lithium carbonate and lead ingots. For example, the lithium carbonate price has declined over the past two years, enabling us to lower the selling price of lithium-ion batteries while maintaining profitability.

- Market price of lithium-ion and lead-acid batteries: the average selling price of our batteries was primarily determined by the market prices of lithium-ion and lead-acid batteries, which were largely affected by raw material costs as well as supply-demand dynamics in the market. During the Track Record Period, the movement of our average selling price was generally in line with the market price trends.

- Our pricing strategy: in addition to the market prices of raw materials and lithium-ion and lead-acid batteries, we adopt a pricing strategy based on our development strategy, business objectives, and market competition to maintain our leading position.

For our lithium-ion batteries, the average selling price decreased from RMB979.2/kWh to RMB698.6/kWh from 2023 to 2024, and it decreased from RMB841.1/kWh to RMB595.1/kWh from the five months ended May 31, 2024 to the five months ended May 31, 2025, primarily due to the decreases in the market price of lithium-ion batteries and the price of raw materials. According to Frost & Sullivan, the market price of lithium-ion batteries decreased from RMB1.09/Wh in 2023 to RMB0.63/Wh in 2024, and it decreased from RMB0.69/Wh to RMB0.54/Wh from the five months ended May 31, 2024 to the five months ended May 31, 2025, and the market price of lithium carbonate decreased from RMB272.3 thousand per ton in 2023 to RMB95.9 thousand per ton in 2024, and it decreased from RMB109.1 thousand per ton to RMB74.8 thousand per ton from the five months ended May 31, 2024 to the five months ended May 31, 2025. The average selling price of our lithium-ion batteries stayed relatively stable at RMB948.3/Wh in 2022 and RMB979.2 in 2023, generally in line with the market trend.

For our lead-acid batteries, the average selling price remained relatively stable at RMB506.7/kWh and RMB509.5/kWh in 2023 and 2024. According to Frost & Sullivan, despite rising raw materials costs of lead ingots, the market price of lead-acid batteries remained relatively stable at RMB0.51/Wh and RMB0.54/Wh in 2023 and 2024, respectively. Given the relatively stable market price of lead-acid batteries, it is our business decision not to increase in our selling price of lead-acid batteries to maintain and promote leading market share in the energy storage business for big data and telecommunication industries, especially the lead-acid batteries applied in data centers, despite of the increased raw material costs. The average selling price of our lead-acid batteries remained relatively stable at RMB490.3/Wh and RMB506.7/Wh in 2022 and 2023, generally in line with the market trend. The average selling price for our lead-acid batteries increased from RMB496.0/kWh in the five months ended May 31, 2024 to RMB520.5/kWh in the five months ended May 31, 2025, primarily as a result of (i) our improved recognition of our brand awareness and product quality and (ii) an increase in raw material costs, particularly the prices of lead ingots and battery casings, which is in line with industry trend, according to Frost & Sullivan.

In addition, we have set up a price adjustment mechanism in contracts with major customers that allows us to adjust the price of our batteries based on the price fluctuations of the main raw materials, such as LFP, lead ingots and graphite, during specified period to partially offset the fluctuation in raw material costs. During the Track Record Period, RMB66.6 million, RMB453.0 million, RMB256.5 million and RMB85.6 million of revenue generated from the sales of lithium-ion battery, and RMB296.8 million, RMB150.4 million, RMB608.4 million and RMB56.9 million of revenue generated from the sales of lead-acid battery was adjusted based on our price adjustment mechanism in 2022, 2023, 2024 and the five months ended May 31, 2025, respectively. For details, see "Business — Sales, Marketing and Customers — Pricing" in this document.

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

| | For the year ended December 31, | | | | | | For the five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Sales volume *(kWh)* | Average selling price *(RMB/kWh)* | Sales volume *(kWh)* | Average selling price *(RMB/kWh)* | Sales volume *(kWh)* | Average selling price *(RMB/kWh)* | Sales volume *(kWh)* | Average selling price *(RMB/kWh)* | Sales volume *(kWh)* | Average selling price *(RMB/kWh)* |
| Telecom base station | 4,252,809 | 621.0 | 3,648,862 | 675.3 | 4,046,291 | 568.3 | 1,272,619 | 586.8 | 1,484,726 | 534.0 |
| Data center | 1,397,252 | 547.4 | 1,636,033 | 550.1 | 2,656,366 | 524.0 | 757,797 | 523.8 | 1,655,325 | 527.4 |
| Electrical energy storage settings | 329,448 | 918.0 | 482,182 | 1,012.0 | 597,686 | 754.3 | 157,956 | 838.0 | 86,450 | 794.6 |
| Other settings* | 613,421 | 459.6 | 739,265 | 459.7 | 546,812 | 477.5 | 198,543 | 436.0 | 150,357 | 535.8 |

*Note:*

* *Primarily include UPS batteries and start-stop batteries.*

### *Revenues by Product*

Revenues were primarily derived from sale of lithium-ion batteries and lead-acid batteries during the Track Record Period. While maintaining and promoting our leading market positions in offering lead-acid batteries and solutions for customers leveraging our outstanding quality, strong technological strength, and industry expertise, we invested in the expansion of lithium-ion batteries in response to growing market demand for more efficient and environmentally friendly energy storage products. The following table sets forth a breakdown of our revenues by product for the years/periods indicated.

| | For the year ended December 31, | | | | | | For the five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| Lithium-ion battery | 1,568,531 | 38.5 | 1,854,556 | 43.5 | 1,495,978 | 33.3 | 435,600 | 31.2 | 457,479 | 24.5 |
| Lead-acid battery | 2,421,622 | 59.5 | 2,337,230 | 54.9 | 2,907,232 | 64.6 | 927,108 | 66.5 | 1,357,504 | 72.7 |
| Others* | 82,327 | 2.0 | 67,991 | 1.6 | 95,312 | 2.1 | 31,477 | 2.3 | 51,625 | 2.8 |
| **Total** | **4,072,480** | **100.0** | **4,259,777** | **100.0** | **4,498,522** | **100.0** | **1,394,185** | **100.0** | **1,866,608** | **100.0** |

*Note:*

* *Primarily include sales of waste including lead slag, used batteries, and electricity sales.*

The revenue contribution of our lithium-ion battery increased from 38.5% in 2022 to 43.5% in 2023, mainly due to the increase in demand of lithium-ion batteries and our effort of expanding the market of our lithium-ion batteries. The revenue contribution decreased from 43.5% in 2023 to 33.3% in 2024, primarily due to (i) a decrease in the absolute amount of revenues from lithium-ion batteries, which decreased from RMB1,854.6 million in 2023 to RMB1,496.0 million in 2024, and (ii) an increase in the absolute amount of revenues from lead-acid batteries from RMB2,337.2 million in 2023 to RMB2,907.2 million in 2024. The revenue contribution of our lithium-ion batteries decreased from 31.2% in the five months ended May 31, 2024 to 24.5% in the five months ended May 31, 2025, primarily due to an increase in the absolute amount of revenues from lead-acid batteries from RMB927.1 million in the five months ended May 31, 2024 to RMB1,357.5 million in the five months ended May 31, 2025 as a result of the strong growth in lead-acid battery sales driven by increasing market demand from data centers, while revenues from lithium-ion batteries remained relatively stable in respective periods.

The decrease in revenue generated in lithium-ion batteries from 2023 to 2024 was driven by decrease in our average selling price. The average selling price decreased from RMB979.2/kWh in 2023 to RMB698.6/kWh in 2024, primarily due to the decreases in the market price of lithium-ion batteries and the price of raw materials. According to Frost & Sullivan, the market price of lithium-ion batteries decreased from RMB1.09 per Wh in 2023 to RMB0.63 per Wh in 2024, and the market price of lithium carbonate decreased from RMB272.3 thousand per ton in 2023 to RMB95.9 thousand per ton in 2024. The sales volume of lithium-ion batteries increased from 1,894.0 MWh in 2023 to 2,141.5 MWh in 2024, primarily due to increase in demand of our lithium-ion batteries. The revenue increased from RMB435.6 million in the five months ended May 31, 2024 to RMB457.5 million in the five months ended May 31, 2025 primarily due to an increase in sales volume from 517,875 kWh in the five months ended May 31, 2024 to 768,679 kWh in the five months ended May 31, 2025, as a result of increased market demand for our lithium-ion batteries.

Revenues from sales of lead-acid batteries increased from RMB2,337.2 million in 2023 to RMB2,907.2 million in 2024, primarily due to the increase in sales volume of lead-acid batteries from 4,612.3 MWh in 2023 to 5,705.7 MWh in 2024. The growth in sales volume of lead-acid batteries outpaced the growth in sales volume of lithium-ion batteries in 2024, primarily due to the market demand of lead-acid batteries, particularly for batteries used in data centers. According to Frost & Sullivan, the added installed capacity of global data center energy storage increased from 13.1 GWh in 2023 to 16.5 GWh in 2024, representing a CAGR of 26.0%. Currently, lead-acid batteries, with their relatively mature technology and high safety levels compared to other battery types, are suitable for multiple application scenarios in data centers. As a result, lead-acid batteries accounted for more than 85.0% of the total added installed capacity of global data center energy storage in 2024. However, driven by renewable energy initiatives, and advancements in technology, the proportion of lithium-ion batteries in the added installed capacity of the global data center energy storage market is expected to rise, according to Frost & Sullivan. Revenues from sales of lead-acid batteries increased from RMB927.1 million in the five months ended May 31, 2024 to RMB1,357.5 million in the five months ended May 31, 2025. The increase was due to (i) an increase in sales volume from 1,869.2 MWh in the five months ended May 31, 2024 to 2,608.2 MWh in the five months ended May 31, 2025, as a result of growing demand; (ii) an increase in average selling price from RMB496.0/kWh in the five months ended May 31, 2024 to RMB520.5/kWh in the five months ended May 31, 2025, as a result of (i) improved recognition of our brand awareness and product quality and (ii) an increase in raw material costs, particularly the prices of lead ingots and battery casings, which is in line with industry trend, according to Frost & Sullivan.

The following table sets forth the average selling price and sales volume by product for the years indicated. The sales volume of lithium-ion batteries showed steady growth over the years. The sales volume of lithium-ion batteries increased from 1,654.1 MWh in 2022 to 1,894.0 MWh in 2023, and further to 2,141.5 MWh in 2024. The sales volume of our lead-acid batteries decreased from 4,938.9 MWh in 2022 to 4,612.3 MWh in 2023, and increased from 4,612.3 MWh in 2023 to 5,705.7 MWh in 2024. This growth in absolute sales volume from 2022 to 2024 reflects the increasing demand for our batteries over the period. The average selling price of lithium-ion batteries decreased from RMB979.2/kWh in 2023 to RMB705.6/kWh in 2024 due to the decrease in price of major raw materials. According to Frost & Sullivan, such fluctuation is generally in line with the market trend.

| | For the year ended December 31, | | | | | | For the five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | 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 |
| | *(kWh)* | *(RMB/kWh)* | *(kWh)* | *(RMB/kWh)* | *(kWh)* | *(RMB/kWh)* | *(kWh)* | *(RMB/kWh)* | *(kWh)* | *(RMB/kWh)* |
| Lithium-ion battery | 1,654,073 | 948.3 | 1,894,000 | 979.2 | 2,141,497 | 698.6 | 517,875 | 841.1 | 768,679 | 595.1 |
| Lead-acid battery | 4,938,858 | 490.3 | 4,612,342 | 506.7 | 5,705,658 | 509.5 | 1,869,222 | 496.0 | 2,608,179 | 520.5 |

For details, see "Financial Information — Year to Year Comparison of Results of Operations" and "Financial Information — Period to Period Comparison of Results of Operations" in this document.

### *Revenues by Region*

During the Track Record Period, we primarily derived revenues from sales to customers in mainland China. We have continuously expanded our overseas presence, and have successfully entered into supply chains of many world-renowned enterprises to provide energy storage batteries for telecom base stations. We also have launched electrical energy storage projects in overseas countries/regions. The following table sets forth a breakdown of revenues by regions and major country for the years/periods indicated:

| | For the year ended December 31, | | | | | | For the five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | | | | | | | *(unaudited)* | | | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| **Mainland China** | 3,394,555 | 83.4 | 3,330,829 | 78.2 | 3,608,974 | 80.2 | 1,031,967 | 74.1 | 1,546,929 | 82.9 |
| **Asia Pacific excluding mainland China** | | | | | | | | | | |
| Malaysia | 8,284 | 0.2 | 10,217 | 0.2 | 98,553 | 2.2 | 38,979 | 2.8 | 36,713 | 2.0 |
| Indonesia | 55,310 | 1.4 | 37,668 | 0.9 | 91,481 | 2.0 | 39,161 | 2.8 | 25,864 | 1.4 |
| India | 792 | – | 135,746 | 3.2 | 80,603 | 1.8 | 16,498 | 1.2 | 32,497 | 1.7 |
| Vietnam | 65,894 | 1.6 | 88,106 | 2.1 | 70,199 | 1.6 | 19,972 | 1.4 | 33,169 | 1.8 |
| Others[1] | 55,547 | 1.4 | 74,896 | 1.8 | 70,712 | 1.5 | 33,987 | 2.4 | 38,816 | 2.0 |
| **Subtotal** | **185,827** | **4.6** | **346,633** | **8.2** | **411,548** | **9.1** | **148,597** | **10.6** | **167,059** | **8.9** |
| **EMEA** | | | | | | | | | | |
| Sweden | 186,915 | 4.6 | 125,100 | 2.9 | 120,375 | 2.7 | 36,942 | 2.6 | 62,891 | 3.4 |
| Norway | 32,444 | 0.8 | 89,001 | 2.1 | 75,770 | 1.7 | 49,571 | 3.6 | 9,335 | 0.5 |
| Egypt | 7,628 | 0.2 | 29,305 | 0.7 | 26,585 | 0.6 | 19,390 | 1.4 | – | – |
| South Africa | 46,364 | 1.1 | 42,814 | 1.0 | 20,291 | 0.5 | 18 | – | 14,016 | 0.8 |
| Finland | 81,162 | 2.0 | 61,422 | 1.4 | 17,520 | 0.4 | 9,881 | 0.7 | 2,568 | 0.1 |
| Others[2] | 81,093 | 2.0 | 166,149 | 3.9 | 134,867 | 2.9 | 58,938 | 4.2 | 30,594 | 1.6 |
| **Subtotal** | **435,606** | **10.7** | **513,791** | **12.0** | **395,408** | **8.8** | **174,740** | **12.5** | **119,404** | **6.4** |
| **Other Regions** | | | | | | | | | | |
| Brazil | 24,406 | 0.6 | 33,167 | 0.8 | 47,610 | 1.1 | 23,664 | 1.7 | 11,497 | 0.6 |
| Guatemala | 10,381 | 0.2 | 7,103 | 0.2 | 10,210 | 0.2 | 9,542 | 0.7 | – | – |
| Others[3] | 21,705 | 0.5 | 28,254 | 0.7 | 24,772 | 0.6 | 5,675 | 0.4 | 21,719 | 1.2 |
| **Subtotal** | **56,492** | **1.3** | **68,524** | **1.6** | **82,592** | **1.9** | **38,881** | **2.8** | **33,216** | **1.8** |
| **Total** | **4,072,480** | **100.0** | **4,259,777** | **100.0** | **4,498,522** | **100.0** | **1,394,185** | **100.0** | **1,866,608** | **100.0** |

*Notes:*

*(1) mainly include Hong Kong SAR, Pakistan and Kazakhstan, and Singapore.*

*(2) mainly include UAE, Romania, and Mauritius.*

*(3) mainly include Peru, Mexico, Uruguay and Colombia.*

### Gross Profit and Gross Profit Margin

During the Track Record Period, we derived gross profits from batteries used in telecom base stations, data centers, electrical energy storage settings and other settings. Gross profit margins during the Track Record Period were influenced by several factors:

- **Raw Material Costs**: The fluctuation in the price of raw materials, particularly lead ingots, significantly impacted gross profit margins. Increased raw material costs in 2024 were a primary contributor to the decline in gross profit margins for various application scenarios.

- **Pricing Strategy**: To maintain and promote market leadership, we adopted competitive pricing strategies. This included maintaining a relatively stable average selling price for lead-acid batteries in line with prevailing market trends, which affected gross profit margins.

- **Product Mix and Market Dynamics**: Changes in the structure of products sold, shifts in demand across application scenarios, and competitive market conditions influenced gross profit margins. For example, aligning prices with market trends in electrical energy storage settings led to lower margins.

- **Operational Efficiency and Economies of Scale**: Improvements in production efficiency and economies of scale in 2023 positively impacted gross profit margins. Investments in advanced technologies and automation helped reduce manufacturing costs, particularly in telecom base stations and data center applications.

We recorded a decrease in overall gross profit margin from 20.3% in 2023 to 16.7% in 2024 and from 19.7% in the five months ended May 31, 2024 to 14.9% in the five months ended May 31, 2025, primarily due to (i) a decrease of revenue contribution from lithium-ion batteries, the product category with a higher gross profit margin and (ii) the fluctuation of price of raw materials. In particular, to preserve relationships with our customers and take effort to maintain and promote our position as a leader in the market, we strategically maintained a relatively stable average selling price for lead-acid batteries, which is also in line with prevailing market price, to respond to this fluctuation in raw material price, resulting in decrease in gross profit margin. Such factor primarily contributed to the decrease in our gross profit margin. For details of the movement of our gross profit and gross profit margin by application scenario and by product, see "Financial Information — Year to Year Comparison of Results of Operations" and "Financial Information — Period to Period Comparison of Results of Operations" in this document. The following table sets forth a breakdown of gross profits and gross profit margins by application scenario for the years/periods indicated.

| | For the year ended December 31, | | | | | | For the five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin |
| | | | | | | | (unaudited) | | | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| Telecom base station | 424,570 | 16.1 | 578,421 | 23.5 | 470,349 | 20.5 | 164,766 | 22.1 | 133,451 | 16.8 |
| Data center | 130,812 | 17.1 | 169,946 | 18.9 | 191,110 | 13.7 | 61,600 | 15.5 | 119,857 | 13.7 |
| Electrical energy storage settings | 68,602 | 22.7 | 81,453 | 16.7 | 40,447 | 9.0 | 30,010 | 22.7 | 4,970 | 7.2 |
| Other settings[(1)] | 58,876 | 20.9 | 31,439 | 9.3 | 46,181 | 17.7 | 15,476 | 17.9 | 15,875 | 19.7 |
| Others[(2)] | 6,736 | 8.2 | 5,509 | 8.1 | 2,796 | 2.9 | 3,234 | 10.3 | 4,405 | 8.5 |
| **Total** | **689,596** | **16.9** | **866,768** | **20.3** | **750,883** | **16.7** | **275,086** | **19.7** | **278,558** | **14.9** |

*Notes:*

*(1) Primarily include UPS batteries and start-stop batteries.*

*(2) Primarily include sales of waste including lead slag, used batteries, and electricity sales.*

Gross profit margin of sales of lithium-ion batteries decreased from 27.2% in the five months ended May 31, 2024 to 18.3% in the five months ended May 31, 2025. This decrease was primarily driven by intensified market competition, which led to lower average selling prices. The gross profit margin of lithium-ion batteries decreased from 22.9% in 2023 to 20.6% in 2024, primarily due to a decrease in the gross profit margin of batteries used in electrical energy storage settings. In response to the competitive landscape in the electrical energy storage market, we aligned the average selling prices of our batteries used in electrical energy storage settings with the market price, resulting in the decrease in gross profit margin of lithium-ion batteries. Gross profit margin of sales of lead-acid batteries slightly decreased from 16.6% in the five months ended May 31, 2024 to 14.0% in the five months ended May 31, 2025, primarily due to the average selling price of lead-acid batteries increasing at a slower pace than the unit cost. The gross profit margin of lead-acid batteries decreased from 18.7% in 2023 to 15.1% in 2024, driven by an increase in lead ingot prices, which account for approximately 60% of production costs. From 2022 to 2023, the gross profit margin of lithium-ion batteries improved from 18.5% to 22.9%, benefiting from economies of scale, strategic pricing, and favorable raw material trends. Similarly, the gross profit margin of lead-acid batteries increased from 16.2% in 2022 to 18.7% in 2023, reflecting our cost-reduction efforts, supply chain optimization, and higher average selling prices.

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

| | For the year ended December 31, | | | | | | For the five months ended May 31, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin | Gross profit | Gross profit margin |
| | | | | | | | (unaudited) | | | |
| | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* | *RMB'000* | *%* |
| Lithium-ion battery | 289,409 | 18.5 | 424,400 | 22.9 | 307,693 | 20.6 | 118,280 | 27.2 | 83,940 | 18.3 |
| Lead-acid battery | 393,451 | 16.2 | 436,859 | 18.7 | 440,394 | 15.1 | 153,572 | 16.6 | 190,213 | 14.0 |
| Others* | 6,736 | 8.2 | 5,509 | 8.1 | 2,796 | 2.9 | 3,234 | 10.3 | 4,405 | 8.5 |
| **Total** | **689,596** | **16.9** | **866,768** | **20.3** | **750,883** | **16.7** | **275,086** | **19.7** | **275,558** | **14.9** |

*Note:*

* *Primarily include sales of waste including lead slag, used batteries, and electricity sales.*

For details, see "Financial Information — Year to Year Comparison of Results of Operations" and "Financial Information — Period to Period Comparison of Results of Operations" in this document.

**Other Item of the Consolidated Statements of Profit or Loss**

Impairment losses on financial and contract assets, net represented net impairment losses on financial and contract assets, including trade and bills receivables, other receivables and contract assets. Impairment losses on financial and contract assets, net increased from RMB6.3 million in 2023 to RMB19.2 million in 2024, due to the increase in impairment of trade and bills receivables in line with our increasing trade and bills receivables balance as of December 31, 2024. For other year-to-year comparison of impairment losses on financial and contract assets, see "Financial Information — Year to Year Comparison of Results of Operations" in this document.

**Profit for the Year/Period**

During the Track Record Period, the fluctuation of net profit was primarily due to the change in revenues generated from sales of batteries and our ability to control cost of sales in response to the fluctuations in prices of key raw materials and other expenses.

Our net profit increased by 27.0% from RMB281.0 million in 2022 to RMB385.2 million in 2023, driven by the increase in market demand and our economies of scale. Net profit decreased from RMB385.2 million in 2023 to RMB353.3 million in 2024, and from RMB139.3 million in the five months ended May 31, 2024 to RMB126.7 million in the five months ended May 31, 2025, mainly due to the decrease in average selling price and gross profit margin. To maintain and promote our position as a leader in the market, we strategically accepted more competitive pricing terms, which is also in line with the prevailing market price according to Frost & Sullivan. Such factor primarily contributed to the decrease in our net profit margin.

**Summary of Our Consolidated Balance Sheets**

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated.

| | As of December 31, | | | As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Total non-current assets | 1,047,929 | 1,382,574 | 1,520,511 | 1,490,542 |
| Total current assets | 2,989,424 | 2,945,328 | 3,640,419 | 4,122,920 |
| Total current liabilities | 2,150,605 | 1,790,864 | 2,316,153 | 2,694,792 |
| Net current assets | 838,819 | 1,154,464 | 1,324,266 | 1,428,128 |
| Total assets less current liabilities | 1,886,748 | 2,537,038 | 2,844,777 | 2,918,670 |
| Total non-current liabilities | 158,620 | 451,877 | 457,316 | 458,198 |
| Net assets | 1,728,128 | 2,085,161 | 2,387,461 | 2,460,472 |
| Total equity | 1,728,128 | 2,085,161 | 2,387,461 | 2,460,472 |

Net current assets increased from RMB838.8 million as of December 31, 2022 to RMB1,154.5 million as of December 31, 2023, which was primarily due to the increase in restricted cash from RMB228.7 million to RMB303.5 million, the decrease in interest-bearing bank and other borrowings from RMB944.8 million as of December 31, 2022 to RMB410.5 million as of December 31, 2023, partially offset by the decrease in trade and bills receivables from RMB1,862.2 million as of December 31, 2022 to RMB1,609.3 million as of December 31, 2023.

Net current assets increased to RMB1,324.3 million as of December 31, 2024, which was primarily due to increase in trade and bills receivables from RMB1,606.6 million to RMB2,318.3 million, increase in financial assets at fair value through profit or loss from nil to RMB86.0 million and increase in prepayments, other receivables and other assets from RMB63.9 million to RMB85.3 million.

Net current assets increased to RMB1,428.1 million as of May 31, 2025, which was primarily due to increase in inventories from RMB513.5 million to RMB773.8 million, increase in cash and cash equivalents from RMB395.2 million to RMB616.9 million, and increase in prepayments, other receivables and other assets from RMB85.3 million to RMB127.0 million.

Net current assets increased to RMB1,446.2 million as of June 30, 2025, which was primarily due to (i) an increase in inventories from RMB773.8 million to RMB881.3 million, (ii) an increase in debt investments at fair value through other comprehensive income from RMB2.2 million to RMB14.9 million, and (iii) an increase in prepayments, other receivables and other assets from RMB127.0 million to RMB130.6 million.

Net assets amounted to RMB1,728.1 million, RMB2,085.2 million, RMB2,387.5 million and RMB2,460.5 million as of December 31, 2022, 2023, 2024, and May 31, 2025, respectively. In 2022, net assets increased to RMB1,728.1 million, primarily due to total comprehensive income of RMB281.0 million and the issuance of shares amounting to RMB385.5 million. In 2023, net assets increased by RMB357.1 million to RMB2,085.2 million, driven by total comprehensive income of RMB385.2 million, partially offset by a dividend distribution of RMB48.4 million. In 2024, net assets increased by RMB302.3 million to RMB2,387.5 million, mainly due to total comprehensive income of RMB353.3 million and a share-based compensation reserve of RMB22.5 million, offset by a dividend distribution of RMB73.8 million. In the five months ended May 31, 2025, net assets increased by RMB78.7 million to RMB2,466.2 million, mainly due to total comprehensive income of RMB132.4 million.

**Summary of Our Statements of Cash Flows**

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

| | Year Ended December 31, | | | Five Months Ended May 31, | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2024** | **2025** |
| | *RMB'000* | *RMB'000* | *RMB'000* | *(unaudited) RMB'000* | *RMB'000* |
| **Net cash flows generated from operating activities** | **15,375** | **907,214** | **261,379** | **(11,951)** | **375,503** |
| **Net cash flows used in investing activities** | **(55,708)** | **(338,316)** | **(154,484)** | **(59,135)** | **(33,860)** |
| **Net cash flows generated from/(used in) financing activities** | **184,080** | **(376,137)** | **(203,783)** | **(140,415)** | **(123,107)** |
| **Net increase/(decrease) in cash and cash equivalents** | **143,747** | **192,761** | **(96,888)** | **(211,501)** | **218,536** |
| **Cash and cash equivalents at beginning of year** | **99,032** | **270,264** | **479,582** | **479,582** | **395,234** |
| Effect of foreign exchange rate changes, net | 27,485 | 16,557 | 12,540 | 4,053 | 3,170 |
| Cash and cash equivalents included in assets of a disposal group classified as held for sale | – | 542 | – | 145 | – |
| **Cash and cash equivalents at end of year** | **270,264** | **479,582** | **395,234** | **272,134** | **616,940** |

### Key Financial Ratios

The table below sets forth key financial ratio as of the dates indicated.

| | For the year ended/ As of December 31, | | | For the five months ended/ As of May 31, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| Gross Profit Margin[(1)] | 16.9% | 20.3% | 16.7% | 14.9% |
| Net Profit Margin[(2)] | 6.9% | 9.0% | 7.9% | 6.8% |
| Debt to Asset Ratio[(3)] | 57.2% | 51.8% | 53.7% | 56.2% |
| Current Ratio[(4)] | 1.4 | 1.6 | 1.6 | 1.5 |
| Return on Equity[(5)] | 20.2% | 20.2% | 15.8% | 5.2% |
| Gearing Ratio[(6)] | 58.2% | 34.5% | 39.6% | 45.6% |
| Quick Ratio[(7)] | 1.1 | 1.4 | 1.4 | 1.2 |

*Notes:*

*(1) Gross profit margin is calculated using gross profit divided by revenues for the year/period and multiplied by 100%.*

*(2) Net profit margin is calculated using profit and total comprehensive income for the year divided by revenues for the year/period and multiplied by 100%.*

*(3) Debt to asset ratio is calculated using total liabilities divided by total assets as of the end of the year/period and multiplied by 100%.*

*(4) Current ratio is calculated using current assets divided by current liabilities as of the end of the year/period.*

*(5) Return on equity is calculated using net profit for the year divided by the average of total equity as of the beginning and ending of the year/period and multiplied by 100%.*

*(6) Gearing ratio is calculated using total debt (including bank and other borrowings, and lease liabilities) divided by shareholders' equity as of the end of the year/period and multiplied by 100%.*

*(7) Quick ratio is calculated using total current assets less inventories divided by total current liabilities as of the end of the year/period.*

## COMPETITIVE LANDSCAPE

According to Frost & Sullivan, the global energy storage battery market is competitive. Within the global energy storage battery industry, we participated in the global telecom and data center energy storage battery market, as well as the global electrical energy storage market. In 2024, the total global added installed capacity for energy storage batteries in telecom and data center application reached 60.4 GWh, with the top five players holding a combined market share of approximately 40.7%. Our group achieved a shipment volume of 6.7 GWh, ranking the first among global telecom and data center energy storage battery providers, with the market share of 11.1%.

The global electrical energy storage market is characterized by a relatively fragmented competitive landscape, with more than 10,000 existing and startup companies in the industry, covering products including energy storage batteries, battery management systems, power conversion system, etc. For details, see "Industry Overview" in this document.

## RISK FACTORS

Our business and the **[REDACTED]** involve certain risks, many of which are beyond of our control. For details, see "Risk Factors" in this document. A summary of key risk factors is set forth below. Any of the following developments may have a material and adverse effect on our business, financial condition, results of operations and prospects:

- Our business is affected by conditions in the energy storage industry; in particular, potential adverse development of the supply-demand dynamics of energy storage industry may significantly affect the price and market demand of our product.

- We may not be able to derive the desired benefits from our research and development efforts, and keep up with the latest technological development and industry trends, which may negatively affect our competitiveness and profitability.

- We operate in a competitive industry and many of our competitors may be more established, resourceful or adaptive, we may not be able to effectively compete with other industry players.

- We are exposed to price fluctuations of raw materials, and we may not be able to adjust our prices to fully offset the increased costs of raw materials, which will adversely affect our profit margins, result of operations and financial condition.

- The average selling price of our products may face downward pressure because of decline in raw material prices and decreasing trend of market prices of batteries, which will adversely affect our profit margins, result of operations and financial condition.

You should read the entire section headed "Risk Factors" in this document before you decide to **[REDACTED]** in the **[REDACTED]**.

## IMPACT OF THE COVID-19 PANDEMIC

In 2022, there was a resurgence of the COVID-19 pandemic including the highly transmissible Delta and Omicron variants in China and across the world, which had adversely affected the economy. Due to the more stringent requirement and limited supply in freight, and relevant policies affecting the movement of products between regions, we recorded relatively higher transportation costs in 2022. However, our business and results of operations had not been materially affected by the COVID-19 pandemic, during the Track Record Period.

For further information on the risk of the COVID-19 pandemic, see the section headed "Risk Factors – Risks Relating to Our Business and Our Industry – We face risks related to health epidemics, natural disasters and other catastrophic events, which could have a material adverse effect on our business and results of operations." in this document.

**DIVIDEND**

As of the Latest Practicable Date, we do not have a dividend policy. Our Board may declare dividends in the future after taking into account factors, including results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. No dividend may be declared or paid other than out of our profits and reserves lawfully available for distribution, including share premium. Our earning per share was RMB0.85, RMB1.08, RMB0.99 and RMB0.35 in 2022, 2023, 2024 and the five months ended May 31, 2025, respectively. We declared dividend of nil, RMB0.135, RMB0.206, and RMB0.170 per ordinary share for the years ended December 31, 2022, 2023, 2024 and the five months ended May 31, 2025, respectively, all of which had been paid in full. For details, see Note 11 to the Accountant's Report set out in Appendix I to this document.

Our ability to declare and pay dividends will depend on the availability of dividends received from group companies in the PRC and other jurisdictions. Pursuant to PRC laws, dividends shall be paid only out of the net profit calculated according to PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRSs. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits as the statutory common reserve fund until the cumulative amount of the statutory common reserve fund reaches 50% or more of such enterprises' registered capital, if any, to fund its statutory common reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

## OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Yang, father of Dr. Yang (chairman of the Board, executive Director and chief executive officer), is able to exercise approximately 78.29% voting rights in our Company through (i) 138,310,000 Shares directly held by him; (ii) 109,590,000 Shares held by Shuangdeng Investment; (iii) his control of 19,000,000 Shares of Taizhou Heying through controlling Taizhou Hanfu; and (iv) his control of 13,600,000 Shares of Taizhou Hexin through controlling Taizhou Hanfu. Taizhou Hechuang is the general partner of each of Taizhou Heying and Taizhou Hexin and the general partner of Taizhou Hechuang is Taizhou Hanfu. Immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Yang will be directly and indirectly entitled to exercise approximately **[REDACTED]**% voting rights in our Company. In addition, Shuangdeng Investment is owned by Mr. Yang and his spouse, Ms. Qian Wuzhen（錢五珍）as to 80% and 20%, respectively, thus Ms. Qian Wuzhen is deemed to be interested in all Shares held by Shuangdeng Investment by virtue of the SFO. Therefore, Mr. Yang, Ms. Qian Wuzhen, Shuangdeng Investment, Taizhou Hanfu, Taizhou Hechuang, Taizhou Heying and Taizhou Hexin will be regarded as a group of Controlling Shareholders under the Listing Rules upon the **[REDACTED]**.

## PRE-[REDACTED] INVESTMENTS

We have entered into financing agreements with our Pre-**[REDACTED]** Investors. For details, see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investment" in this document.

## CONNECTED TRANSACTIONS

We have entered into and are expected to continue with certain transactions after the completion of the **[REDACTED]** which will constitute partially-exempt continuing connected transactions under Chapter 14A of Listing Rules upon **[REDACTED]**. See "Connected Transactions" and "Waivers from Strict Compliance with the Listing Rules — Partially-exempt Continuing Connected Transactions" in this document for further details.

## PREVIOUS APPLICATION FOR LISTING

Our Company submitted an application for listing on Shenzhen Stock Exchange on June 28, 2023 and withdrawn the application on April 9, 2024 (the "**A-Share Listing Application**"). With regard to the A-Share Listing Application, our Company has addressed enquiries received from the Shenzhen Stock Exchange which were primarily disclosure-based. As advised by our PRC Legal Advisor and based on relevant applicable rules and regulations, we, may at our sole and absolute discretion, withdraw our listing application at any time during the A-Share Listing Application and the withdrawal of the A-Share Listing Application did not constitute contravention of regulatory requirements applicable to the A-Share Listing Application. As confirmed by the Directors, (a) there was no disputes or disagreements between the Company and any professional parties engaged for the previous A-Share Listing Application; (b) there was no material matters in relation to the previous A-Share Listing Application which would affect the Company's suitability for **[REDACTED]**; and (c) there was no other matters in relation to the previous A-Share Listing Application that need to be brought to the Exchange's attention.

## [REDACTED] STATISTICS

All statistics in this table are based on the assumption that (1) the **[REDACTED]** has been completed and **[REDACTED] [REDACTED]** are issued pursuant to the **[REDACTED]**; and (2) the **[REDACTED]** is not exercised.

| | **Based on the [REDACTED] of HK$[REDACTED]** | **Based on the [REDACTED] of HK$[REDACTED]** |
|---|---|---|
| **[REDACTED]** of our Shares[(1)] | HK$**[REDACTED]** | HK$**[REDACTED]** |
| Unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share as of May 31, 2025[(2)(3)] | HK$**[REDACTED]** | HK$**[REDACTED]** |

*(1) The calculation of **[REDACTED]** is based on **[REDACTED]** total issued Shares immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).*

*(2) The unaudited **[REDACTED]** adjusted consolidated net tangible assets attributable to owners of the parent per Share is arrived at by dividing the unaudited **[REDACTED]** adjusted net tangible assets by **[REDACTED]** Shares, being the number of shares in issue assuming that the **[REDACTED]** had been completed on May 31, 2025, without taking account of the exercise of the **[REDACTED]**.*

*(3) No other adjustment has been made to the unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions entered into subsequent to May 31, 2025.*

## FUTURE PLAN AND USE OF [REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]**, after deducting **[REDACTED]**, fees and estimated expenses payable by us in connection with the **[REDACTED]**, and assuming the **[REDACTED]** is not exercised and an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative price range stated in this document.

We intend to use the net **[REDACTED]** from the **[REDACTED]** for the following purposes: (i) approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for the construction of a lithium-ion batteries production facility in Southeast Asia; (ii) approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, is intended to be used to fund the establishment of a research and development center; (iii) approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, is intended to be used to strengthen our overseas sales and marketing so that we can enhance our global presence and boost our international sales; and (iv) approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]**, will be used to provide funding for working capital and other general corporate purposes. For details, see "Future Plans and Use of **[REDACTED]**" in this document.

**[REDACTED]**

**[REDACTED]** represent professional fees, **[REDACTED]**, and other fees incurred in connection with the **[REDACTED]**.

As of May 31, 2025, **[REDACTED]** in an aggregate of RMB**[REDACTED]** were incurred and charged to our consolidated statement of profit or loss, and RMB**[REDACTED]** will be deducted from equity upon the **[REDACTED]**. We expect an additional **[REDACTED]** of approximately RMB**[REDACTED]** (HK$**[REDACTED]**), of which approximately RMB**[REDACTED]** (HK$**[REDACTED]**) will be charged to our consolidated statements of profit or loss after May 31, 2025, and the remaining balance of approximately RMB**[REDACTED]** (HK$**[REDACTED]**) is expected to be deducted from equity. The **[REDACTED]** above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

We expect to incur a total of RMB**[REDACTED]** (HK$**[REDACTED]**) of **[REDACTED]**, including (1) **[REDACTED]**-related expenses, which include **[REDACTED]** and **[REDACTED]**, of approximately RMB**[REDACTED]** (HK$**[REDACTED]**), and (2) non-**[REDACTED]** related expenses of approximately RMB**[REDACTED]** (HK$**[REDACTED]**), which include (i) fees and expenses of legal advisors and the Reporting Accountant of approximately RMB**[REDACTED]** (HK$**[REDACTED]**) and (ii) other fees and expenses of approximately RMB**[REDACTED]** (HK$**[REDACTED]**), assuming the **[REDACTED]** is not exercised and based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**) (being the mid-point of the **[REDACTED]** stated in the document). Our **[REDACTED]** as a percentage of gross **[REDACTED]** is **[REDACTED]**%, at an **[REDACTED]** of HK$**[REDACTED]** per Share, and assuming the **[REDACTED]** is not exercised.

**RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE**

Subsequent to the Track Record Period, our financial and operating performance generally maintained the trends observed in 2024. We expect a decrease in our net profit in 2025, primarily due to lower average selling prices and elevated costs and expenses associated with our expected growth in sales volume.

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since May 31, 2025 (being the date on which the latest audited consolidated financial information of our Company was prepared) and there is no event since May 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this document.