**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Honbridge Holdings Limited** (the "**Company**"), you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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# HONBRIDGE HOLDINGS LIMITED
# 洪橋集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8137)**

# MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 51% EQUITY INTEREST IN THE TARGET COMPANY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Financial Adviser to the Company**

中信建投國際
CHINA SECURITIES INTERNATIONAL

**Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders**

首盛資本集團
Alpha Financial Group

A letter from the Board is set out from pages 4 to 65 of this circular. A notice convening the extraordinary general meeting ("**EGM**") of the Company to be held at Unit 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 19 November 2026 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish and in such event, the proxy form previously submitted shall be deemed to have been revoked. For the avoidance of doubt, holders of any treasury shares shall abstain from voting at general meetings in respect of any treasury shares held by them, if any.

This circular will remain on the "Latest Listed Company Information" page of the Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.8137.hk.

30 October 2026

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

| Term | Definition |
|---|---|
| "Acquisition" | the acquisition by the Company, through the WFOE Entity, of 51% of the equity interest in the Target Company contemplated under the Acquisition Agreement |
| "Acquisition Agreement" | the agreement dated 21 August 2026 entered into between the Company, Lianfengtai Technology, Geely Technology Group (as the Seller) and the Target Company in relation to the Acquisition |
| "Board" | the board of Directors |
| "Business Day" | a day (other than a Saturday, Sunday or statutory holiday in the PRC) |
| "Company" | Honbridge Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM |
| "Completion" | completion of the Acquisition in accordance with the Acquisition Agreement |
| "Conditions" | the conditions precedent to Completion |
| "connected person(s)" | has the meaning ascribed to it under the GEM Listing Rules |
| "Director(s)" | the director(s) of the Company |
| "EGM" | the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the Acquisition |
| "Enlarged Group" | the Group as enlarged by the Target Group upon Completion |
| "GEM" | the GEM of the Stock Exchange |
| "GEM Listing Rules" | the Rules Governing the Listing of Securities on GEM |
| "Group" | the Company and its subsidiaries |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |

| | |
|---|---|
| "Latest Practicable Date" | 21 October 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| "Lianfengtai Technology" | Hong Kong Lianfengtai Technology Limited (香港聯豐泰科技有限公司), a wholly-owned subsidiary of the Company incorporated in Hong Kong |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Independent Board Committee" | the independent committee of the Board comprising all independent non-executive Directors who have no material interest in the Acquisition |
| "Independent Financial Adviser" | Alpha Financial Group Limited, a corporation licensed to carry out Type 1 (Dealing in securities) and Type 6 (Advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition |
| "Independent Shareholders" | Shareholders other than (i) Mr. Li and his associates and (ii) Mr. Xu Zhihao |
| "independent third parties" | any person(s) or entity(ies) who/which is not a connected person of the Company within the meaning of the GEM Listing Rules |
| "Mr. Li" | Mr. Li Shufu (李書福), one of the controlling shareholders of the Company |
| "PRC" | the People's Republic of China |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Seller" or "Geely Technology Group" | Geely Technology Group Co., Ltd. (吉利科技集團有限公司), one of the controlling shareholders of the Company |
| "SFO" | the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended or supplemented from time to time |
| "Share(s)" | ordinary share(s) in the share capital of the Company |
| "Shareholder(s)" | holder(s) of the Share(s) |

| | |
|---|---|
| "Stock Exchange" | the Stock Exchange of Hong Kong Limited |
| "Supplementary Agreement" | the supplementary agreement dated 30 October 2026 entered into among the Company, Lianfengtai Technology, Geely Technology Group (as the Seller), the WFOE Entity and the Target Company in relation to the Acquisition |
| "Target Company" | Juneng (Jiangsu) Power Technology Co., Ltd.* (聚能（江蘇）動力科技有限公司), a company established in the PRC with limited liability |
| "Target Group" | the Target Company and its subsidiaries |
| "Target Equity" | 51% equity interest in the Target Company |
| "Valuation Date" | 30 April 2026 |
| "Valuation Report" | the valuation report dated 30 October 2026 issued by the Valuer in respect of the market value of the entire equity interest in the Target Company as at the Valuation Date, the full text of which is set out in Appendix V to this circular |
| "Valuer" | Canwin Appraisal Co., Ltd. (坤元資產評估有限公司), an independent valuer appointed by the Company |
| "WFOE Entity" | Chengdu Jushu Yuneng Enterprise Management Co., Ltd.* (成都聚樞馭能企業管理有限公司), the wholly foreign-owned enterprise established in the PRC and wholly owned by Lianfengtai Technology, through which the Company will acquire the Target Equity |
| "%" | per cent |

* *The English translation of the Chinese name is for identification purposes only and should not be regarded as the official English translation of such name.*

*In this circular, the terms "associate", "close associate", "core connected person", "controlling Shareholder", "subsidiary", "substantial Shareholder" and "treasury shares" shall have the meanings given to such terms in the GEM Listing Rules, unless the context otherwise requires.*

*Certain figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as the percentage equivalents may not be an arithmetic sum of such figures. Any discrepancy in any table between totals and sums of amounts listed in this circular is due to rounding.*

# HONBRIDGE HOLDINGS LIMITED
# 洪橋集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8137)**

*Executive Directors:*
Mr. Xu Zhihao
Mr. Xu Bing
Mr. Chen Shengjie
Ms. Gu Wenting

*Independent non-executive Directors:*
Dr. Wang Jiwei
Mr. Wang Baogang
Mr. Huang Yongzhong

*Registered office:*
P.O. Box 31119
Grand Pavilion, Hibiscus Way
802 West Bay Road
Grand Cayman
KY1–1205
Cayman Islands

*Head office and principal place of business in Hong Kong:*
Unit 5402, 54th Floor
Central Plaza
18 Harbour Road, Wanchai
Hong Kong

30 October 2026

*To the Shareholders*

Dear Sir or Madam,

## MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 51% EQUITY INTEREST IN THE TARGET COMPANY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

### 1. INTRODUCTION

References are made to the announcements dated 21 August 2026 and 30 October 2026 in relation to, among other matters, the Acquisition and the adjustment of the consideration under the Acquisition. The purpose of this circular is to provide Shareholders with, among others, (a) further details of the Acquisition; (b) information on the Group, the Seller and the Target Group; (c) the financial information of the Group; (d) the accountants' report and

management discussion and analysis of the Target Group; (e) the unaudited pro forma financial information of the Enlarged Group; (f) the Valuation Report; (g) the letter from the Independent Board Committee; (h) the letter from the Independent Financial Adviser; (i) the notice convening the EGM; and (j) other information required under the GEM Listing Rules.

## 2. THE ACQUISITION

On 21 August 2026 (after trading hours), the Company entered into the Acquisition Agreement with Lianfengtai Technology, Geely Technology Group and the Target Company, pursuant to which Geely Technology Group has conditionally agreed to sell, and the Company has conditionally agreed to acquire through the WFOE Entity, 51% of the equity interest in the Target Company for the Consideration of RMB424.8 million (or its equivalent in HK$) which is subsequently amended as RMB382.5 million by the Supplementary Agreement as set out in the announcement dated 30 October 2026.

| | |
|---|---|
| **Date** | 21 August 2026 (after trading hours) |
| **Parties** | (i) the Company;<br><br>(ii) Lianfengtai Technology;<br><br>(iii) Geely Technology Group (as the "**Seller**"); and<br><br>(iv) the Target Company.<br><br>Under the Acquisition Agreement, the Company and Lianfengtai Technology are required to establish a wholly foreign-owned enterprise in the PRC through which the Company will acquire the Target Equity, procure such entity to complete the requisite foreign exchange registration for foreign direct investment and procure it to become a party to the Acquisition Agreement as the purchaser.<br><br>As at the Latest Practicable Date, the WFOE Entity had been established and had become a party to the Acquisition Agreement as the purchaser. Accordingly, the WFOE Entity has assumed all rights and obligations of the purchaser under the Acquisition Agreement. |
| **Target Equity** | 51% equity interest in the Target Company, corresponding to RMB510 million of its registered capital, which has been fully paid. |

As at the Latest Practicable Date, the Seller owns 70.07% of the equity interest in the Target Company and the remaining 29.93% is owned by other shareholders who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are independent third parties.

Upon Completion, the WFOE Entity, the Seller and such other shareholders will hold 51%, 19.07% and 29.93%, respectively, of the equity interest in the Target Company. The Target Company will become a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group. Any subsequent transfer of all or any part of the Target Equity by the WFOE Entity to a person other than an existing shareholder of the Target Company will be subject to applicable PRC laws and the articles of association of the Target Company, including the rights of first refusal of the other shareholders of the Target Company on the same terms.

**Consideration (the "Consideration") and basis of Consideration**

RMB382.5 million (or its equivalent in HK$), which is intended to be financed by loans from the Seller (and/or its associate(s)); as at the Latest Practicable Date, the detailed terms of the proposed loans from the Seller, including their tenure, interest rate and security arrangements, remained under negotiation and had not been finalised; the said financing arrangement, if it materialises, will constitute a connected transaction, in respect of which, the Company will comply with the reporting, announcement, circular and/or other requirements under the GEM Listing Rules (if needed) as and when appropriate. Please refer to the paragraph headed "Financing of the Consideration" below on page 58.

The Consideration represents approximately 51.0% of the RMB750.0 million, being the approximate mid-point of the appraised values of RMB629.1 million under the asset-based approach and RMB833.0 million under the market approach of the entire equity interest in the Target Company as at the Valuation Date, as set out in the Valuation Report.

The Consideration was determined after arm's length negotiations among the parties to the Acquisition Agreement with reference to, among other things, the Valuation Report.

**Payment terms**

The WFOE Entity shall pay the Consideration within six (6) months after both Completion and receipt of a payment notice from the Seller (or such shorter period as may be required by applicable laws and regulations).

**Conditions precedent ("Conditions")**

Completion is conditional upon the satisfaction or waiver (where applicable) of, among other things, the following Conditions:

(a) the WFOE Entity having been duly established under PRC laws and having obtained its business licence;

(b) the Stock Exchange having confirmed that it has no further comments on the relevant announcement(s) and/or circular(s), where applicable, and all requisite approvals and/or authorisations of the boards of directors and/or general meetings of the relevant parties in respect of the Acquisition having been obtained;

(c) all existing shareholders of the Target Company, other than the Seller, having waived their rights of first refusal in respect of the Target Equity;

(d) the registration of the transfer of the Target Equity having been completed and the Target Company having obtained its updated business licence;

(e) the representations and warranties of the Seller and the Target Company remaining true, complete and accurate, and the Seller and the Target Company having performed their respective obligations under the Acquisition Agreement without any event of default having occurred;

(f) the Target Company having obtained and maintained all approvals, licences and permits required under PRC laws in respect of its business and assets prior to Completion;

(g) the Company, Lianfengtai Technology and the WFOE Entity being satisfied with the results of their legal, financial and business due diligence on the Target Company, its shareholders, directors, supervisors, legal representative and senior management;

(h) the Seller and/or the Target Company having given all notices and obtained all third-party consents and/or approvals required under the relevant contracts as a result of the change in shareholding of the Target Company, and there being no binding contractual restriction on such change;

(i) no material adverse change having occurred in respect of the Target Group, and its core business assets and key professional and technical personnel having remained stable; and

(j) there being no legal proceeding, contract, agreement or other arrangement that would prohibit, restrict or otherwise materially adversely affect the Acquisition, or impose any material restriction or condition on it.

**Completion**

Completion shall take place on the fifth Business Day after the fulfilment or waiver of the Conditions, or on such other date as may be agreed. The WFOE Entity may waive any of the Conditions, providing that any such waiver will not dispense with any approval or requirement that must be obtained or complied with under applicable laws and regulations or the GEM Listing Rules.

As at the Latest Practicable Date, all the Conditions had been fulfilled, except for (i) the approval of the Acquisition by the Independent Shareholders at the EGM; (ii) the waiver by the other existing shareholders of the Target Company of their rights of first refusal in respect of the Target Equity; and (iii) the completion of the registration of the transfer of the Target Equity and the obtaining by the Target Company of its updated business licence.

**Termination**

The Acquisition Agreement may be terminated in any of the following circumstances:

(1) by mutual agreement of the parties;

(2) if the Conditions have not been fulfilled or waived within twelve (12) months after the date of the Acquisition Agreement and the parties have not agreed to extend such period, any party may terminate the Acquisition Agreement;

(3) if the WFOE Entity fails to pay the Consideration in accordance with the Acquisition Agreement and fails to remedy such default within 15 days following written notice from the Company, the Seller may terminate the Acquisition Agreement;

(4) if any representation or warranty of the Seller or the Target Company is untrue, inaccurate or misleading in any material respect, or if the Seller or the Target Company materially breaches its obligations under the Acquisition Agreement and fails to remedy such breach within 15 days following written notice from the Company, Lianfengtai Technology or the WFOE Entity, the Company, Lianfengtai Technology or the WFOE Entity may terminate the Acquisition Agreement;

(5) if any representation or warranty of the WFOE Entity is untrue, inaccurate or misleading in any material respect, or if the WFOE Entity materially breaches its obligations under the Acquisition Agreement and fails to remedy such breach within 15 days following written notice from the Seller or the Target Company, the Seller or the Target Company may terminate the Acquisition Agreement;

(6) prior to Completion:

(i) if force majeure or other circumstances not attributable to any party prevent the purpose of the Acquisition Agreement from being achieved for more than three (3) months, any party may terminate the Acquisition Agreement; or

(ii) if a court accepts a bankruptcy petition against any party, or if any party has its registration or business licence revoked, is ordered to cease business or otherwise loses its actual capacity to perform the Acquisition Agreement, the other parties may terminate the Acquisition Agreement.

## BASIS OF CONSIDERATION

The Consideration was determined after arm's length negotiations among the parties to the Acquisition Agreement with reference to the appraised market value of the entire equity interest in the Target Company as at the Valuation Date according to the Valuation Report prepared by the Valuer, and other factors including the historical financial performance and recent development, the disposal of the high-voltage battery business, the net asset value and the original acquisition cost of the Target Company and the payment terms of the transaction.

### Valuation

According to the Valuation Report prepared by the Valuer, the market value of the entire equity interest in the Target Company as at the Valuation Date was RMB833.00 million (the "**Valuation**").

The Valuation Report was prepared in accordance with the PRC asset valuation standards. In preparing the Valuation Report, the Valuer reviewed, among other things, the audited financial information of the Target Group as at the Valuation Date, its historical operating information, information relating to its assets and liabilities, relevant industry and market information, publicly available information obtained from the Hithink RoyalFlush, iFinD financial database and other information provided by the Company and the Target Company.

### The Valuer

Independence: the Valuer is an independent third-party asset valuation firm. It has no any interest in the Target Company, the parties to the Acquisition, the Company or any of its connected persons.

Qualifications of the firm: the Valuer holds an asset valuation practising certificate and a certificate qualifying it to carry out valuations in connection with securities and futures related business, in each case issued by the finance department, and is professionally qualified to undertake enterprise value valuations.

Qualifications of the signing valuer: the signing valuer holds a Certified Public Valuer (CPV) professional qualification certificate issued by the China Appraisal Society, has many years of professional experience in enterprise mergers and acquisitions and in the valuation of equity interests, and has led a number of merger, acquisition and reorganisation valuation projects.

There was no limitation on the scope of the Valuer's work that would have a material effect on its valuation conclusion. The Valuer was able to obtain the principal documents and the financial and operating information required for the Valuation, and management interviews and verification of information were carried out in the ordinary course.

**Valuation Methodology**

According to Article 14 of the *Provisions on M&A of Domestic Enterprises by Foreign Investors* (Order No. 10 [2006] of the Six Ministries and Commissions, as amended in 2009) issued by the Ministry of Commerce of the PRC, the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, the State Taxation Administration of the PRC, and the State Administration for Industry and Commerce of the PRC, parties to a merger or acquisition shall base the transaction price on the valuation results of the equity value to be transferred or the assets to be sold, as conducted by an asset appraisal institution. The parties may agree to select an asset appraisal institution established in accordance with the law within the territory of China. International standard appraisal methods shall be adopted for asset appraisal. Transferring equity or selling assets at a price significantly lower than the appraisal results to transfer capital overseas in a disguised form is prohibited. The Valuer engaged for this valuation is an asset appraisal institution established in accordance with the laws of the PRC, and as such, the preparation of the Valuation Report must comply with the requirements of relevant domestic laws, standards, and guidelines in the PRC.

Further, pursuant to the relevant provisions of the *Asset Appraisal Law of the People's Republic of China* and the *Asset Valuation Practice Standards — Enterprise Value*, where the subject of valuation satisfies the conditions for the application of multiple valuation methods, it is a requirement under such legal provisions and practice standards common industry practice within the asset valuation profession to adopt two or more valuation methods, so that the results derived under different valuation approaches may be cross-verified and the differences between the calculation results may be comprehensively analyzed to arrive at a reasonable valuation conclusion.

The Valuer considered the applicability of the asset-based approach, the market approach and the income approach, and adopted both the asset-based approach and the market approach.

The income approach was not adopted, principally because the Target Company had recorded negative operating cash flows in recent years. Although its production capacity had gradually resumed and its operations had improved since September 2025, its proposed expansion of production lines and development of new battery cells, battery packs, electric drive systems and electronic control systems remained at an early planning stage. The management of the Target Company was therefore unable to prepare

sufficiently supported and reliable forecasts of its future revenue, costs, capital expenditure and cash flows. Therefore, the income approach was not applicable to this valuation.

Under the asset-based approach, the Valuer referred to the standalone balance sheet of the Target Company as at the Valuation Date and arrived at a reasonable value for its on-balance sheet assets and liabilities and for its identifiable off-balance sheet assets and liabilities. The Valuer considered the asset-based approach as appropriate since the various assets and liabilities of the Target Company can be reasonably identified based on its accounting policies and business operations, it is feasible to select appropriate and specific valuation methods for each asset and liability, and the conditions for implementing these valuation methods are fulfilled.

Under the market approach, the Valuer adopted the guideline public company method rather than the comparable transaction method, principally because sufficient information regarding comparable transactions was not available in the market and it could not be determined whether the relevant transaction prices had been affected by non-market factors. The Valuer assessed the value of the Target Company by analysing the operating and financial information of comparable listed companies and comparing and adjusting the relevant valuation multiples, having regard to the differences between the comparable companies and the Target Company.

The Valuer adopted the price-to-book ratio ("**P/B**") as the applicable valuation multiple. The P/B multiple was considered appropriate because the Target Company operates a capital-intensive manufacturing business and its principal assets comprise production facilities, machinery, equipment and inventories. Revenue-based multiples were not adopted, principally because the Target Company's historically low capacity utilisation, and the differences in product mix and pricing between the Target Company and the comparable companies, would result in substantial dispersion in the adjusted multiples. Earnings-based multiples were not adopted because the Target Company had been loss-making and had recorded negative operating cash flows. The enterprise value to capacity ratio ("**EV/GWh**") was also not adopted because differences in battery specifications and downstream applications could result in significant differences in value among companies with similar production capacity.

**Application of the Asset-based Approach**

The valuation results under the asset-based approach as at the Valuation Date were as follows (all in RMB'0,000):

| Item | Book Value<br>A | Appraised Value<br>B | Increase/ (Decrease)<br>C=B−A | Rate of increase/ (decrease) (%)<br>D=C/ A×100 |
|---|---|---|---|---|
| **I. Current assets** | 29,302.06 | 29,302.06 | 0.00 | 0.00 |
| **II. Non-current assets** | 34,595.36 | 59,815.54 | 25,220.18 | 72.90 |
| of which: Long-term equity investment | 89.96 | (3,316.07) | (3,406.03) | (3,786.16) |
| Fixed assets | 26,335.39 | 48,853.60 | 22,518.21 | 85.51 |
| Construction in progress | 402.48 | 327.43 | (75.05) | (18.65) |
| Right-of-use assets | 6,943.72 | 10,046.49 | 3,102.77 | 44.68 |
| Intangible assets | 229.63 | 3,821.53 | 3,591.90 | 1,564.21 |
| of which: other intangible assets | 229.63 | 3,821.53 | 3,591.90 | 1,564.21 |
| Long-term deferred expenses | 511.63 | 0.00 | (511.63) | (100.00) |
| Other non-current assets | 82.56 | 82.56 | 0.00 | 0.00 |
| **Total Assets** | **63,897.42** | **89,117.60** | **25,220.18** | **39.47** |
| III. Current liabilities | 25,070.07 | 25,070.07 | 0.00 | 0.00 |
| IV. Non-current liabilities | 1,219.37 | 1,141.04 | (78.33) | (6.42) |
| **Total Liabilities** | **26,289.44** | **26,211.11** | **(78.33)** | **(0.30)** |
| **Total Shareholders' Equity** | **37,607.98** | **62,906.49** | **25,298.51** | **67.27** |

Under the asset-based approach, the appraised value of the entire equity interest in the Target Company was approximately RMB629.06 million, representing an increase of approximately RMB252.99 million, or approximately 67.27%, over its book value of approximately RMB376.08 million as at the Valuation Date.

**Key quantitative parameters and calculation process for major assets**

The asset-based approach determines the value of the entity being valued by arriving at a reasonable value for its on-balance sheet assets and liabilities and for its identifiable off-balance sheet assets and liabilities, by reference to the standalone balance

sheet of that entity as at the Valuation Date. It proceeds on the premise that all factors of production are replaced: an appropriate method is selected for each individual asset within the scope of the valuation according to its particular circumstances, the value of each such asset is assessed separately, those values are then aggregated and the appraised value of the relevant liabilities is deducted to arrive at the appraised value of total shareholders' equity. The formula is as follows:

Appraised value of total shareholders' equity = ∑ Appraised value of each individual asset – ∑ Appraised value of each individual liability

The valuation methods adopted for the major categories of assets were as follows:

***(i) Cash and cash equivalents***

The appraised value of Renminbi bank deposits is their verified book value. The appraised value of foreign currency bank deposits is the amount arrived at by converting the verified foreign currency deposit balances into Renminbi at the middle exchange rate announced by the People's Bank of China on the Valuation Date. The appraised value of other cash and cash equivalents is their verified book value.

***(ii) Receivable-type current assets***

Receivable-type current assets comprise trade receivables, receivables financing, prepayments, other receivables and similar items. Their appraised value is determined, following an analysis of ageing and verification of the underlying rights, by reference to the estimated recoverable amount or the estimated realisable value of the corresponding rights. Provisions for bad debts made by the Target Company in accordance with applicable regulations are valued at nil.

***(iii) Inventories***

Inventories comprise raw materials, finished goods, revolving materials in stock, work in progress and similar items. An appropriate valuation method is adopted for each type of inventory according to its characteristics.

The appraised value of raw materials and revolving materials in stock is their verified book value.

The appraised value of finished goods with a longer inventory age is their net realisable value. As externally purchased accessories and similar items were acquired recently and their market prices have not changed significantly, their appraised value is their verified book value.

The appraised value of work in progress that has been held for a long time or that is unsuitable for use in production is its net realisable value. For other work in progress, book value comprises the materials invested together with allocable labour and

manufacturing costs; as the accounting treatment of materials, labour and expenses was verified to be broadly reasonable, and as any potential profit is uncertain given the low degree of completion, the appraised value of such work in progress is its verified book value.

Provisions for inventory write-down made by the Target Company in accordance with applicable regulations are valued at nil.

***(iv) Other current assets***

Other current assets comprise value-added tax input tax credits available for deduction. Their appraised value is their verified book value.

***(v) Long-term equity investment***

The appraised value of the equity investment in the wholly-owned subsidiary is the share of the appraised shareholders' equity of that subsidiary attributable to the entity being valued.

***(vi) Building-type fixed assets***

The building-type fixed assets within the scope of the valuation comprise industrial plants, ancillary buildings and similar assets. Having regard to the purpose of the valuation, the cost approach was adopted. The appraised value of these buildings does not include the appraised value of the corresponding land use rights.

Under the cost approach, the appraised value is arrived at by taking the total cost that would be required, under current conditions, to re-acquire or construct a new building identical to the building being valued, and deducting all depreciation suffered by that building. In this valuation, the condition rate method was used to determine the various forms of depreciation suffered. The formula is as follows:

Appraised value = Replacement cost × Comprehensive condition rate

*1) Determination of replacement cost*

Replacement cost comprises construction and installation costs, preliminary and other expenses, construction fees, accrued interest and development profit, with individual items included or excluded according to the particular circumstances of the asset being valued.

*2) Determination of condition rate*

For buildings, the condition rate is determined using both the age-life method and the condition grading scoring method, and a weighted average of the two is taken to arrive at the comprehensive condition rate. The formula is as follows:

Comprehensive condition rate $K = A_1 \times K_1 + A_2 \times K_2$

where $A_1$ and $A_2$ are the weighting factors, $K_1$ is the condition rate derived under the age-life method, and $K_2$ is the condition rate derived under the condition grading assessment.

***(vii) Equipment-type fixed assets***

Having regard to the purpose of the valuation, the relevant conditions, the characteristics of the equipment being valued and the information collected, the cost approach was adopted. Under the cost approach, the value of an asset is determined on the basis of reconstructing or replacing it: the reconstruction or replacement cost of the asset being valued is taken as the starting point, from which the relevant depreciation (comprising physical deterioration, functional obsolescence and economic obsolescence) is deducted. In this valuation, the condition rate method was used to determine the physical deterioration suffered by the equipment being valued. The formula is as follows:

Appraised value = Replacement cost – Physical deterioration – Functional obsolescence – Economic obsolescence = Replacement cost × Condition rate – Functional obsolescence – Economic obsolescence

In addition, the appraised value of idle equipment and equipment pending disposal is its orderly liquidation value. Components, parts, installation materials and similar items that form part of a single item of equipment but are listed separately in the detailed schedule are taken into account in valuing the corresponding equipment.

Provisions for impairment made by the Target Company in accordance with applicable regulations are valued at nil.

***(viii) Construction in progress***

The cost approach was adopted. On verification, the secondary fit-out and decoration of the research institute were disposed of after the Valuation Date and have been included in the valuation of equipment. Save for those items, the market prices of the remaining equipment have not changed significantly and their appraised value is their verified book value.

*(ix) Right-of-use assets*

A. The appraised value of right-of-use assets in respect of leased plants and vehicles is their verified book value.

B. Land use rights were valued as follows.

As recent transactions in comparable types of land in the area in which the land parcel being valued is located were available, and as the market approach directly reflects local land price levels, the market approach was adopted.

C. The valuation methodology adopted and the selection of parameters were as follows.

Under the market approach, the price of the land parcel being valued is determined by applying the principle of substitution: the land parcel being valued is compared with recent transactions in comparable land, and the known prices of those transactions are adjusted for differences in transaction circumstances, transaction date, term of use and property conditions in order to arrive at the price of the land parcel being valued as at the Valuation Date. The formula is as follows:

Appraised land price $V = V_1 \times A \times B \times C \times D$

Where:

V — value of the land use right of the parcel being valued

$V_1$ — price of the comparable transaction

A — transaction condition index of the parcel being valued divided by that of the comparable transaction

B — transaction date index of the parcel being valued divided by the transaction date adjustment index of the comparable transaction

C — term of use index of the parcel being valued divided by that of the comparable transaction

D — property condition index of the parcel being valued divided by that of the comparable transaction

D. Determination of appraised value

Land unit price = Appraised land price

Appraised value of land = Land unit price × Land area × (1 + Deed tax rate)

*(x) Intangible assets — other intangible assets*

In the case of purchased software recorded in the books, as the software is in normal use and under maintenance and market prices for such software were available as at the Valuation Date, its appraised value is determined by reference to its purchase price, having regard to its technical condition.

In the case of patent rights not recorded in the books, the prevailing asset valuation standards and related regulations provide that the basic methods for valuing intangible assets are the cost approach, the market approach and the income approach. As the future revenue to be generated by the products to which the patents relate can be reasonably forecast, and as the discount rate corresponding to the level of revenue risk can be reasonably estimated, the income approach was adopted, having regard to the asset being valued, the purpose of the valuation and the information collected. The formula is as follows:

$$V = \sum_{i=1}^{n} \frac{A_i}{(1+r)^i}$$

Where:

V — value of the intangible asset being valued

$A_i$ — net income of the intangible asset in year i

r — discount rate

n — income-producing period

Having regard to the purpose of the valuation and the particular circumstances of the asset being valued, the valuer selected the relief-from-royalty method in order to determine the appraised value of the asset by reference to the contribution made by the intangible assets. Under the relief-from-royalty method, the future expected income of the asset being valued is determined by reference to the contribution of the intangible asset to profits, taking revenue as the base and applying an appropriate royalty rate. In this valuation, the income-producing period was determined by analysing the technical and economic performance of the intangible assets together with their legal life and other factors, and the discount rate was determined by analysis using the risk build-up method.

In the case of trademark rights not recorded in the books, as they carry no well-known trademark premium and generate no independent brand premium income, and as they are used principally for business filing purposes, their appraised value is determined by reference to the trademark registration fee.

*(xi) Long-term deferred expenses*

Long-term deferred expenses represent the unamortised balance of expenditure on plant purification facility works, power works and similar items. On verification, all of the related assets were disposed of after the Valuation Date and have been included in the valuation of equipment; their appraised value is accordingly nil.

*(xii) Other non-current assets*

Other non-current assets comprise prepayments for equipment. As each of these assets carries a corresponding value or right after the Valuation Date, their appraised value is their verified book value.

*(xiii) Liabilities*

Liabilities comprise current liabilities and non-current liabilities. Current liabilities comprise accounts payable, receipts in advance, contract liabilities, employee benefits payable, other payables, non-current liabilities due within one year and other current liabilities. Non-current liabilities comprise lease liabilities and deferred revenue. Verification was carried out by reconciling the subsidiary ledgers to the general ledger, circularising confirmations in respect of larger balances and examining original vouchers and other supporting documents. On verification, all liabilities other than deferred revenue represent actual liabilities to be borne, and their appraised value is their verified book value. Income-related deferred revenue was found not to require payment after the Valuation Date and is accordingly valued at nil; the appraised value of the remaining asset-related deferred revenue is its verified book value.

**Analysis of the valuation adjustments under the asset-based approach**

(i) The long-term equity investment was written down by RMB34.0603 million, a decrease of 3,786.16%, mainly because the Company uses the cost approach for measurement, and thus the operating losses have not been reflected in the book value of the relevant long-term equity investments.

(ii) Building-type fixed assets were revalued upwards by RMB72.3423 million, an increase of 35.86%, because the economic useful life of the buildings is longer than the depreciation period adopted for accounting purposes.

(iii) Equipment-type fixed assets were revalued upwards by RMB152.8398 million, an increase of 247.99%. This was because based on the cost approach adopted against the equipment-type fixed assets in this valuation, the upward revaluation objectively reflects the current replacement market conditions for similar assets having considered that such assets remain in normal use and are within their economic useful lives and that the management of the Target Company had no current replacement plans.

The Valuer is aware that full impairment provisions had been made against certain equipment-type fixed assets purchased before July 2022 (the time when the management of the Target Company first noticed indications of impairment of the equipment-type fixed assets currently in use) in respect of which indications of impairment had arisen due to their calculated recoverable amount being lower than their carrying amount at that time, no reversal of impairment had been recognized in relation to the aforesaid equipment-type fixed assets by the management of the Target Company.

Notwithstanding the above, having considered that (i) the equipment-type fixed assets are currently in normal and continuous use, with all functional indicators operating normally and continuing to deliver their intended operating efficiency, they are still being able to meet the Target Company's existing needs of business operation; (ii) the Target Company currently has no plans for equipment renewal, technological upgrade or replacement within the remaining reasonable period of use of such assets; (iii) the operating performance and business prospects of the Target Company have improved in view of the expansion of the electric two-wheeler market as driven jointly by the replacement cycle arising from the new national standards and natural growth of the industry and the recovery of the Target Company's production capacity to normal levels and the Target Company's broadened customer coverage following its completion of supplier qualification with leading domestic enterprises in the small-power battery sector; and (iv) following completion of the Acquisition, the Target Company's existing solutions can be integrated with the Group's technological capabilities and supply chain resources to jointly develop a broader product portfolio covering multiple application scenarios, including passenger vehicles and light electric vehicles, and to further expand into the domestic three-wheeler market and overseas markets such as Southeast Asia, thereby further enhancing the production efficiency of such equipment, the Valuer considered that there is a solid economic basis for continuing stable use of such assets within the remaining reasonable period of use, based on which the cost approach was adopted as the valuation method and upward revaluation was justified.

The above improvements and expected synergies provide a more solid economic basis for the continued stable use of such assets within the remaining reasonable period of use, based on which the cost approach was adopted as the valuation method for the valuation. The valuation parameters were determined comprehensively by reference to the actual condition of the assets, their age limit and the market conditions. The valuation assumptions are appropriate, the calculation logic is clear, and the valuation inputs and the resulting valuation conclusion bears reasonableness and fairness.

There were a total of 2,337 items of equipment-type fixed assets for which full provision for impairment was made, with a total original book value of RMB699.42 million, mainly being equipment related to the 3GWh square small LFP battery cell

production line. The aforesaid production equipment was mainly purchased between 2016 and 2018, which is all currently in normal and continuous use, with overall good condition, and is capable of meeting production and operational needs.

As the Target Company is still in a state of normal operations, and the aforesaid equipment is currently in normal use and still within its economic life, the Company has no plans for equipment replacement. Therefore, the cost approach was adopted to value the aforesaid equipment. The reconstruction or replacement cost of the valuation subject was used as the basis for determining the asset value, and the appraised value was determined after deducting relevant depreciation (including physical deterioration, functional obsolescence, and economic obsolescence).

***1. Determination of replacement cost***

For replacement cost, the replacement cost approach has been adopted, which has fully considered the impact of external economic factors and equipment functional updates. The replacement cost of the dedicated equipment for the 3GWh square small LFP battery cell production line has decreased significantly compared to its original book value.

***2. Determination of condition rate***

Mainly based on the age-life method, the condition rate is determined by combining the maintenance condition and physical appearance of the equipment. The calculation formula is as follows:

Condition rate = Remaining useful life/Economic useful life × 100%

Economic useful life of major equipment: Office equipment 5–8 years; Instruments and meters 10 years; Production lines 12–14 years; Equipment for power distribution and dehumidification 16 years.

***3. Determination of functional obsolescence***

As the replacement cost new was used for the main specialised production equipment, it is not necessary to consider functional obsolescence.

***4. Determination of economic obsolescence***

As the main specialised production equipment was valued using the replacement cost in this valuation, the current purchase price has already fully considered the impact of external economic factors, so it is not necessary to consider economic obsolescence.

The valuation details are as follows:

*Unit: RMB'0,000*

| Category | Original book value | Accumulated depreciation | Provision for impairment | Book value | Replacement cost | Appraised value |
|---|---|---|---|---|---|---|
| Equipment with full provision for impairment | 69,942 | 31,274 | 38,668 | 0 | 30,306 | 13,102 |

(iv) Right-of-use assets were revalued upwards by RMB31.0277 million, an increase of 44.68%, as a result of the rise in land market prices.

(v) Other intangible assets were revalued upwards by RMB35.9191 million, an increase of 1,564.25%, because patents and trademarks not recorded in the books were brought within the scope of the valuation.

(vi) Long-term deferred expenses were written down by RMB5.1163 million, a decrease of 100.00%, because the related assets were subsequently disposed of and included in the valuation of equipment.

(vii) Deferred revenue was written down by RMB0.7833 million, a decrease of 6.52%, because the income-related government grants included in deferred revenue are not repayable and are accordingly valued at nil.

**Application of the market approach**

***1. Comparable company selection process***

The selection criteria for the 32 listed companies chosen were: listed companies with their main place of business in the PRC, listed on A-shares, and engaged in the lithium battery production and sales business according to the Shenwan industry classification. An exhaustive list of all such listed companies was identified through database searches and manual review, forming a candidate list of comparable companies.

***2. Reasons for limiting the initial search scope to companies listed within the PRC***

This selection focuses on domestically listed companies based on business and valuation rationality considerations, such as consistency of business environment, comparability of financial and valuation metrics, and uniform information disclosure

rules. It does not subjectively exclude overseas listed companies. The specific reasons are:

(1) Highly consistent operating environment: The main assets, business, customers, and revenue of the Group and the valuation subject are all located in Chinese Mainland, and are subject to the PRC's legal and regulatory systems for finance and taxation, industry supervision, land, and labor. Domestically listed companies also operate under the same macroeconomic environment, industrial policies, and cost structure, making fundamental comparisons more valuable for reference; For companies listed outside of the PRC, due to differences in the legal place of registration of the listed entity, applicable accounting standards, investor structure, capital pricing systems, trading mechanisms, listing rules, and corporate governance requirements, the valuations are affected by global liquidity, US dollar interest rates, and overseas industry sentiment, which significantly weakens comparability;

(2) Comparable capital market valuation environment: The stock liquidity, investor structure, and valuation logic of domestically listed companies are influenced by the domestic capital market pricing system, which is consistent with the market environment of the target; Valuations in overseas markets are disturbed by additional factors such as overseas funds, interest rates, and cross-border risk premiums, and the underlying drivers of valuation multiples differ significantly;

(3) Stable quality of information access: Domestically listed companies are required to continuously disclose detailed annual reports, interim reports, and ad-hoc announcements in accordance with the rules of the CSRC and stock exchanges. The information in Chinese is complete and easily accessible, facilitating the verification of business details and major events on a case-by-case basis; The disclosure documents of overseas listed entities are mostly in foreign languages, with different disclosure focuses. The granularity of information disclosure for certain business segments is insufficient, and the cost of manual verification is high while the completeness of information cannot be guaranteed.

***3. Explanation on whether to consider overseas listed companies***

In the early stage of screening, we conducted a preliminary review of overseas listed companies in the same industry, but they were not included in the initial list of 32 candidates. It does not mean that overseas listed companies were not considered at all. The specific situation is as follows:

(1) At the database search stage, we have also searched for listed companies in the same industry in overseas markets such as Hong Kong and the US, as a broader background reference;

(2) Upon preliminary screening, only three companies listed on the Stock Exchange were found, namely Zenergy (3677.HK, listed on the Stock Exchange on 14 April 2025), CATL (3750.HK, listed on the Stock Exchange on 20 May 2025) and CALB (3931.HK, listed on the Stock Exchange on 6 October 2022); Considering that there are three companies listed on the Stock Exchange in total, two of which were listed in 2025 and therefore do not meet the selection criteria for comparable public companies, while the main business of the remaining company is the production of energy storage batteries, which differs from the Target Company, thus no comparable Hong Kong companies were selected.

(3) Upon checking US-listed overseas companies in the same industry, most of them have the following issues: (1) the actual place of operation is not in Chinese Mainland; (2) different accounting standards; (3) significant differences in business structure; (4) high proportion of overseas revenue; (5) lack of separate, carved-out financial data for domestic business segments that can be directly benchmarked;

(4) Based on a comprehensive judgment, the inclusion of overseas listed companies in the initial screening pool would introduce many uncontrollable adjustment items, thereby reducing the quality of the comparable sample. Therefore, the initial screening sample used for the core comparable analysis was limited to domestically listed companies; Overseas listed companies were only used as an auxiliary reference and were not included in the aforementioned list of 32 companies.

Therefore, based on the above analysis, the Valuer finally selected five comparable companies from listed companies in the PRC, on the criteria that each comparable company: (i) had been listed for at least three years; and (ii) was principally engaged in the production and sales of lithium batteries.

By reference to the relevant national economic industry classification and the Shenwan Industry Classification, the Valuer initially identified 32 listed companies, representing all listed companies engaged in the production and sale of lithium batteries under such classifications. Considering the short-term share price volatility after the IPO, to ensure that comparable companies have complete multi-year public financial data, to guarantee the stability and reliability of the P/B multiple, and to avoid interference in the valuation multiple from abnormal share price fluctuations of newly-listed targets, the Valuer then excluded companies listed for less than three years, as well as companies whose main business differs significantly from the Target Company, including companies principally engaged in the battery accessories or disposable batteries business, companies whose battery business accounts for less than 80% of their overall business, companies whose downstream industries are mainly consumer electronics or energy storage business, and companies with significant differences in operating scale or other relevant

indicators. Following this screening, the Valuer selected five comparable companies, referred to in the Valuation Report as Tianneng, Zhuhai CosMX, EVE Energ, Greenway and Great Power, respectively.

The details of the five comparable companies selected are set out below:

| Company Name | Stock Code | Location | Market capitalisation *(RMB'0,000)* | Original P/B ratio | Proportion of principal business |
|---|---|---|---|---|---|
| Tianneng | 688819.SH | Huzhou City, Zhejiang Province | 3,307,029.16 | 1.93 | Battery industry 94.2018%; Other businesses 5.7982% |
| Zhuhai CosMX | 688772.SH | Zhuhai City, Guangdong Province | 1,857,461.02 | 2.58 | Lithium battery industry 95.4196%; Other businesses 4.5804% |
| EVE Energy | 300014.SZ | Huizhou City, Guangdong Province | 15,104,163.10 | 3.46 | Lithium battery industry 99.8444%; Other businesses 0.1556% |
| Greenway | 688345.SH | Dongguan City, Guangdong Province | 519,188.80 | 4.41 | Lithium battery industry 91.1408%; Other businesses 8.8592% |
| Great Power | 300438.SZ | Guangzhou City, Guangdong Province | 3,268,962.50 | 5.74 | Lithium battery industry 93.0766%; Other 4.1146%; Disposable lithium batteries 2.8088% |

The financial information of the five comparable companies is set out below:

*Unit: RMB'0,000*

| Company Name | Tianneng | Zhuhai CosMX | EVE Energy | Greenway | Great Power | Target Company |
|---|---|---|---|---|---|---|
| Revenue | 4,579,235.62 | 1,441,040.54 | 6,146,963.08 | 273,523.30 | 1,194,395.81 | 10,998.42 |
| Net profit | 162,003.15 | 39,368.36 | 430,214.14 | 5,449.61 | 19,918.64 | –15,393.81 |
| Total assets | 4,629,449.17 | 2,570,613.37 | 13,276,468.35 | 315,837.72 | 2,346,887.57 | 62,190.85 |
| Total equity attributable to owners of the parent | 1,713,978.87 | 759,437.90 | 4,396,757.60 | 117,668.06 | 569,683.09 | 34,176.05 |
| Other equity instruments | — | 38,945.23 | 29,456.86 | — | — | 0 |
| Equity attributable to owners of the parent excluding other equity instruments | 1,713,978.87 | 720,492.67 | 4,367,300.75 | 117,668.06 | 569,683.09 | 34,176.05 |
| Return on total assets (%) | 4.0489 | 1.1105 | 4.4618 | 2.2086 | 1.4464 | –7.9193 |

*Unit: RMB'0,000*

| Company Name | Tianneng | Zhuhai CosMX | EVE Energy | Greenway | Great Power | Target Company |
|---|---|---|---|---|---|---|
| Net profit margin on sales (%) | 3.5378 | 2.7319 | 6.9988 | 1.9924 | 1.6677 | –141.6963 |
| Inventory turnover ratio | 6.4897 | 4.6729 | 7.6388 | 4.6888 | 2.9179 | 2.3738 |
| Receivables turnover ratio | 28.5816 | 3.9127 | 4.3972 | 4.8072 | 3.8162 | 1.8695 |
| Liabilities to assets ratio | 60.99% | 68.19% | 64.18% | 61.18% | 74.19% | 42.22% |
| Quick ratio | 99.83% | 59.46% | 81.13% | 73.24% | 58.92% | 89.71% |
| Current ratio | 124.33% | 83.45% | 102.72% | 108.98% | 97.26% | 105.17% |

*Note:* the figures for the comparable public companies in respect of total assets, total equity attributable to owners of the parent, other equity instruments and equity attributable to owners of the parent excluding other equity instruments are extracted from their financial reports for the first quarter of 2026. The corresponding figures for the Target Company are extracted from the accountants' report as at the Valuation Date. The remaining financial information is extracted from the annual reports for 2025.

Revenue comprises revenue from principal operations and revenue from other operations.

The P/B multiples of the five comparable companies as at the Valuation Date ranged from 1.93 times to 5.74 times. The Valuer adjusted the P/B multiple of each comparable company to take into account the differences between the comparable companies and the Target Company in terms of:

(i) financial factors, comprising profitability, operating efficiency and solvency, as measured by return on total assets, net profit margin, inventory turnover, trade receivables turnover, gearing ratio, quick ratio and current ratio; and

(ii) non-financial factors, comprising operating scale, growth prospects, product mix and operating model.

The valuation multiples, as adjusted for financial and non-financial factors, were determined as follows:

| Comparable public company | Ratio on valuation date | Financial adjustment coefficient | Non-financial adjustment coefficient | Adjusted P/B |
|---|---|---|---|---|
| Tianneng | 1.93 | 1.1063 | 1.1025 | 1.58 |
| Zhuhai CosMX | 2.58 | 1.0000 | 1.1025 | 2.34 |
| EVE Energy | 3.46 | 1.0564 | 1.1550 | 2.83 |
| Greenway | 4.41 | 1.0383 | 1.1025 | 3.85 |
| Great Power | 5.74 | 0.9962 | 1.1025 | 5.22 |
| **Average value** | | | | **3.17** |

The five comparable companies all recorded profits, while the Target Company is in a loss-making state, but they still have core comparability. The basis is as follows:

*1. Highly similar main business and business model*

The five comparable companies and the Target Company are all engaged in the R&D, production, and sales of batteries; Their source of revenue is the sale of battery products, and their core cost structure, customer types, capital expenditure models, technology iteration risks, and industry cyclical drivers are basically consistent. The business risks, product pricing logic, and customer bargaining mechanisms of the comparable companies and the Target Company belong to the same industry paradigm, which is the primary criterion for selecting comparables under the market approach.

*2. Being in the same regulatory, macroeconomic, and industrial environment*

All comparable companies and the Target Company are operating entities within the PRC, subject to China Accounting Standards for Business Enterprises (CAS), domestic battery industry policies, and environmental protection and production safety regulations. They face the same domestic downstream demand environment for new energy and have a consistent capital market valuation and pricing system, which eliminates the incomparability caused by cross-border accounting standards, tax systems, and market risk premiums.

3. *The comparable companies are in a mature stage of the industry, while the Target Company is in a business expansion and ramp-up period. They belong to the same life cycle chain and do not differ in the nature of their business. After excluded the factor of scale difference, the remaining operating risk characteristics of the Target Company are basically consistent with those of the comparable public companies, and there are no additional unique specific risks.*

The five comparable companies have completed capacity construction, achieved large-scale mass production, and passed the break-even point; The Target Company is still in the stage of capacity rollout and market expansion, with low capacity utilisation and high pressure from fixed cost allocation, resulting in a temporary loss. This difference represents a variance in operating results due to different development stages under the same business model, and is not a fundamental difference in business fundamentals, technology roadmap, or asset attributes. When pricing growth companies in the battery industry, market investors also refer to the valuation multiples of mature listed companies in the same track, and then make separate adjustments for growth stage, scale, and profitability status, which is also the logical basis for this valuation adjustment.

4. *The selection of comparable companies does not require similar scale and profitability, but allows for the correction of differences through quantitative adjustments*

The market approach allows for the selection of comparable public companies with the same business origin but at different development stages. For differences in scale and profitability, quantitative corrections are made through valuation adjustment coefficients, which is a conventional technical path recognized by enterprise value appraisal standards. The Valuer did not directly use the unadjusted multiples of comparable companies, but instead introduced a profitability adjustment coefficient and an operating scale adjustment coefficient to adjust the original market multiples upwards, to reflect the due discount effect for the Target Company's disadvantages in scale and its non-profitable status.

The adjustment has fully reflected the significant differences in profitability and revenue scale between the five selected comparable companies and the Target Company. The specific explanation is as follows:

1. Correction for profitability difference

The profitability adjustment coefficient is an upward adjustment to the P/B multiple of the comparable companies. Essentially, this means that because the comparable companies have stable profits and saturated capacity, the market affords them a higher profitability premium; the Target Company is in a

loss-making stage and its profitability has not yet been realized, so an upward adjustment is needed on the basis of the comparable companies' multiples (equivalent to applying a corresponding discount to the target's value).

(1) Logic for calculating the profitability adjustment coefficient

The Valuer compared the target enterprise and the comparable public companies, combined with the actual operating indicators of the enterprises, and standardized the profitability, operating capability, and solvency to confirm the profitability adjustment coefficient. Secondary indicators including return on total assets and net profit margin on sales as extracted from the annual reports of the year 2025 of the comparable public companies were selected. After standardizing the indicators, they were benchmarked against Jiangsu Juneng by dividing such indicators of each comparable company by the corresponding indicators of Jiangsu Juneng, and then multiplied to obtain the adjustment coefficient for the valuation multiple. The valuation multiple needs to be adjusted upwards by 1.0467–1.0546.

(2) Explanation for the limited magnitude of the coefficient

The magnitude of the coefficient is not high, which does not mean underestimating the risk of loss. The profitability adjustment coefficient only reflects the difference in profitability status. The product structure, customer structure, and technology roadmap of the Target Company are consistent with those of the comparable companies, and there is no risk of technological obsolescence; The Target Company has completed the construction of its core production lines, the core technology has been verified, and the order framework is in place; it is not a pure R&D stage enterprise with no revenue.

2. Correction for operating scale difference

(1) Underlying principle of operating scale adjustment: economies of scale premium

The battery manufacturing industry has significant economies of scale: companies with larger revenue scales have stronger bargaining power in raw material procurement, lower unit manufacturing overheads, and greater supply chain stability. The capital market usually gives a valuation premium to mature large enterprises. Conversely, small-scale enterprises have disadvantages in procurement costs, customer concentration risks, and weak ability to withstand cycles. Therefore, the

multiples of comparable companies need to be adjusted upwards (discounted). The operating scale adjustment coefficient of 1.05~1.10 quantitatively reflects the scale disadvantage.

(2) Basis for coefficient calculation

The Valuer compared the Target Company and the comparable public companies, and after classifying and confirming the companies according to the relevant standards of the Notice by the National Bureau of Statistics of Issuing the Measures for the Classification of Large, Medium, Small and Micro Enterprises in Statistics (2017) (《國家統計局關於印發〈統計上大中小微型企業劃分辦法(2017)〉的通知》), scored and corrected them. In the revenue volume range where the target is located, for large comparable companies with a relative revenue scale of 24.9–558.9 times, the corresponding scale adjustment coefficient range is 1.05–1.10.

(3) The large difference in revenue multiples corresponds to an adjustment coefficient range of only 1.05–1.10

The impact of economies of scale on valuation multiples is non-linear. The scale premium is mainly reflected rapidly when an enterprise grows from a very small size to a medium scale; Once an enterprise crosses a certain scale threshold, the marginal valuation premium from continued, multiple-fold revenue growth will decrease significantly. The five comparable companies this time have all passed the inflection point of economies of scale and are mature leading enterprises in the industry; If their revenue were to increase several-fold, their market valuation multiple would not rise proportionally. Therefore, although the revenue of comparable companies is tens to hundreds of times that of the target, the corresponding marginal valuation premium gap is not large, and thus the scale adjustment coefficient will not be adjusted by a factor of several times.

The adjustment coefficient reflects the differential pricing of valuation multiples by the capital market, not a proportional conversion of revenue differences. Valuation is not simply scaled proportionally to revenue; The market looks at the asset investment, growth potential, and risk corresponding to unit revenue, rather than simply the total revenue size.

In summary, the five comparable companies and the Target Company are fundamentally comparable in terms of their main business, business model, and industry risks. The differences between them in profitability and revenue scale are stage-specific differences arising from their different capacity ramp-up phases within the same industry segment,

rather than fundamental business differences. The Valuer quantifies the valuation differences brought by profitability status and operating scale through independent profitability adjustment coefficients and operating scale adjustment coefficients, respectively; Among them, the limited magnitude of the scale adjustment coefficient is due to the non-linear impact of economies of scale in the battery industry on valuation multiples, and the diminishing marginal valuation premium brought by the continued expansion of revenue of large enterprises. In combination, the two adjustments has fully reflected the operating risk discount of the Target Company relative to the comparable companies, and the adjustment method complies with relevant asset valuation standards and market practices.

Following these adjustments, the adjusted P/B multiples of the five comparable companies ranged from 1.58 times to 5.22 times. The Valuer assigned equal weighting to each comparable company and adopted an average adjusted P/B multiple of approximately 3.17 times.

**Discount for lack of marketability**

As the comparable companies are listed companies whereas the Target Company is unlisted, the Valuer considered that a discount for lack of marketability (the "**DLOM**") should be applied. The Valuer determined the applicable discount by reference to the price-to-earnings ratios observed in acquisitions of unlisted companies in 2026. As lithium battery manufacturing falls within the computer, communications and electronic equipment manufacturing industry, the Valuer adopted the DLOM of 33.1% applicable to that industry.

The DLOM was derived using the price-to-earnings ratio comparison method, which compares the price-to-earnings ratios observed in acquisitions of unlisted companies with the average price-to-earnings ratios of listed companies in the same industry. This is one of the principal methods used in PRC valuation practice to estimate a DLOM. The price-to-earnings ratios implied in acquisitions of private companies in the same industry, which represent the pricing of illiquid equity in the primary market, are collected and compared with the price-to-earnings ratios of listed companies in the same industry in the secondary market over the same period, which represent the pricing of readily marketable equity. The difference between the two average ratios isolates the valuation premium attributable to marketability, from which the DLOM is derived as follows:

DLOM = 1 – (average price-to-earnings ratio in acquisitions of unlisted companies ÷ average price-to-earnings ratio of listed companies in the same industry)

**Comparison and Calculation of P/E Ratios for M&A of Unlisted Companies and Listed Companies Discount for Lack of Marketability Table (2026)**

| | M&A of Unlisted Companies | | Listed Companies | | |
|---|---|---|---|---|---|
| Industry Name | Number of Sample Points | Average P/E Ratio | Number of Sample Points | Average P/E Ratio | Discount for Lack of Marketability |
| Computer, Communication and Electronic Equipment Manufacturing Industry | 23 | 42.27 | 353 | 63.22 | 33.1% |

Source of raw data: Wind Information, CVSource

Analysis of the reasonableness of using the P/E ratio to measure the discount for lack of marketability:

1. The P/E ratio reflects the pricing of shareholders' equity relative to net profit after tax, directly corresponding to the return on investment generated by the equity for shareholders. The pricing logic for earnings returns is consistent between primary and secondary market investors. Relevant sample data is readily available, and the industry sample size is sufficient. This is a commonly used method in domestic valuation practice for calculating the discount for lack of marketability.

2. The industry statistical samples used in this valuation are derived from a large number of actual M&A transactions and public market data of listed companies. The samples have been screened to exclude abnormal transactions, ST companies, and entities undergoing major reorganizations. The sample base is sufficient, and the conclusions are representative of the industry, making this method widely applied in domestic major asset reorganization valuation projects.

3. The discount for lack of marketability arises from the difference in the tradability of equity, not from differences in company fundamentals. The P/E ratio comparison method can offset operational differences between samples, focusing on quantifying the systematic price spread caused by liquidity, making it suitable for calculating the liquidity discount at the equity level.

Although the price-to-book (P/B) ratio was selected as the primary valuation multiple for the market approach in this valuation, the discount for lack of marketability is an adjustment factor at the equity level. It reflects the discount for the inability to publicly trade the equity and is not dependent on any specific valuation multiple.

The liquidity of equity is an inherent attribute of the equity itself and does not change with the use of P/E or P/B multipliers. In practice, it is permissible to use the P/E ratio comparison method to calculate the discount rate and then apply this rate to the equity value derived from the P/B ratio calculation. This is a common practice in the valuation industry.

**Control premium**

For the control premium in this valuation, the Valuer collected market M&A cases for each year and separately calculated the average P/E ratios for minority interest transactions and controlling interest transactions.

The formula for calculating the control premium percentage is:

(Average P/E ratio of controlling interest transactions ÷ Average P/E ratio of minority interest transactions) – 1

At the aggregate sample level, the average P/E ratio for all minority interest transactions was 19.08x, and the average P/E ratio for all controlling interest transactions was 21.95x. Based on this, the overall control premium was calculated to be 15.04%. This control premium was determined with reference to the average control premium derived from equity acquisition transactions collected from property and equity exchanges, Wind and CVSource as of the end of 2025.

The specific data is as follows:

| | | Minority Interest Transactions | | Controlling Interest Transactions | | | |
|---|---|---|---|---|---|---|---|
| No. | Year | Number of M&A Cases | P/E Ratio | Number of M&A Cases | P/E Ratio | Control Premium Percentage | Minority Interest Discount Percentage |
| 1 | 2025 | 954 | 25.76 | 487 | 29.34 | 13.90% | 12.20% |
| 2 | 2024 | 667 | 22.52 | 312 | 26.59 | 18.07% | 15.31% |
| 3 | 2023 | 641 | 33.45 | 290 | 37.84 | 13.12% | 11.60% |
| 4 | 2022 | 578 | 24.59 | 356 | 28.97 | 17.81% | 15.12% |
| 5 | 2021 | 465 | 21.90 | 585 | 25.47 | 16.30% | 14.02% |
| 6 | 2020 | 523 | 19.43 | 468 | 22.98 | 18.27% | 15.45% |
| 7 | 2019 | 435 | 18.77 | 286 | 21.35 | 13.75% | 12.09% |
| 8 | 2018 | 286 | 22.78 | 389 | 25.12 | 10.28% | 9.32% |
| 9 | 2017 | 527 | 15.47 | 547 | 18.04 | 16.63% | 14.26% |
| 10 | 2016 | 471 | 19.91 | 452 | 21.85 | 9.77% | 8.90% |
| 11 | 2015 | 290 | 18.18 | 309 | 20.26 | 11.46% | 10.28% |
| 12 | 2014 | 444 | 16.31 | 421 | 18.35 | 12.55% | 11.15% |

| No. | Year | Minority Interest Transactions: Number of M&A Cases | Minority Interest Transactions: P/E Ratio | Controlling Interest Transactions: Number of M&A Cases | Controlling Interest Transactions: P/E Ratio | Control Premium Percentage | Minority Interest Discount Percentage |
|---|---|---|---|---|---|---|---|
| 13 | 2013 | 377 | 15.18 | 266 | 16.47 | 8.46% | 7.80% |
| 14 | 2012 | 456 | 13.16 | 266 | 14.8 | 12.49% | 11.10% |
| 15 | 2011 | 498 | 19.36 | 408 | 21.35 | 10.26% | 9.31% |
| 16 | 2010 | 461 | 16.67 | 346 | 18.54 | 11.22% | 10.09% |
| 17 | 2009 | 470 | 13.82 | 251 | 17.32 | 25.37% | 20.24% |
| 18 | 2008 | 450 | 14.82 | 257 | 17.31 | 16.75% | 14.34% |
| 19 | 2007 | 408 | 15.81 | 244 | 20.23 | 27.91% | 21.82% |
| 20 | 2006 | 130 | 15.01 | 83 | 19.49 | 29.89% | 23.01% |
| 21 | 2005 and before | 231 | 17.73 | 119 | 19.22 | 8.40% | 7.75% |
| **22** | **Total/Average** | **9,762** | **19.08** | **7,142** | **21.95** | **15.04%** | **13.08%** |

***I. The transaction samples selected by the Valuer were not limited to the same specific industry as the Target Company, primarily for the following reasons:***

1. Underlying definition of control premium: A control premium reflects the incremental consideration paid by an acquirer to obtain control of a company. It stems from the various rights associated with control, including the ability to direct operating decisions, allocate resources, replace management, implement business integration, and capture private benefits of control. The economic attributes of these control rights are common across industries, and the nature of the premium is not solely determined by the business model or profitability characteristics of the Target Company's industry.

2. Reasonableness of the statistical sample scope: The Valuer selected samples of market-based equity acquisition transactions from property rights exchanges, Wind, and CVSource, covering multiple years and industries. The average P/E ratios for minority interest transactions and controlling interest transactions were calculated separately. The 15.04% control premium was calculated based on the aggregate average P/E ratios of all samples, not the arithmetic average of the premium percentages for each year. The sample transactions are all actual, market-based M&A deals with a wide distribution of transaction dates and a sufficient sample size, which can objectively reflect the premium level that market participants are generally willing to pay to acquire control of a company.

3. Limitations of industry-specific samples: Selecting transaction samples only from the sub-industry in which the Target Company operates would result in a small sample size, high transaction-specific idiosyncrasies, and susceptibility to distortions from industry-specific cyclical events. The statistical results would therefore lack market representativeness. A large, market-wide sample can smooth out anomalies caused by single-industry cycles and special terms in individual cases, yielding more robust and reliable statistical results.

***II. Explanation of the reasonableness of determining the value of the target equity by applying the 51% shareholding ratio to the valuation of the total equity of the Target Company after including a control premium, with the following considerations:***

*1. Reasonableness of applying a control premium when assessing the total shareholders' equity of the Target Company*

A control premium reflects the additional value derived from obtaining full control benefits, such as business operation and management, making major decisions, dividend distributions, and disposing of assets. It originates from the rights associated with control, including the ability to direct corporate business strategy, major investment and financing activities, profit distribution, and the appointment and removal of management. It is an objective phenomenon in market M&A transactions. It is appropriate to include a control premium in the calculation of the value of 100% of the total shareholders' equity for the following reasons:

(1) Evidence from M&A market transactions supports the objective existence of a control premium.

Publicly disclosed transaction cases of domestic listed companies acquiring controlling interests in unlisted companies show that the transaction prices for acquiring control are generally higher than the value of corresponding minority interests. Counterparties are willing to pay additional consideration to control the operating decisions of a company. This valuation determines the control premium level by referencing statistical data from public M&A transactions in China, which is supported by factual market transaction evidence.

(2) Considering the transaction plan, this acquisition is for a 51% controlling interest. The valuation subject is the entire equity interest, which already includes a control premium. Applying the 51% shareholding ratio directly provides a convenient reference for pricing the target of this transaction.

2. *The Valuer's consideration of the difference between acquiring a 51% controlling interest and a 100% entire equity interest*

A 51% shareholding ratio allows for control over material matters at the shareholders' meeting of the target company, including the ability to appoint and remove the board of directors and management, direct business strategy, investment, and profit distribution, thereby realizing the benefits of control. This has already secured the primary control value sought in this M&A transaction. The core purpose of applying the control premium in this case is to acquire these control benefits. A 51% equity interest already secures all of these benefits, making it fundamentally equivalent to a 100% controlling interest in this regard.

The main differences between a 51% and a 100% interest are the share of economic returns and the risk of governance friction from remaining minority shareholders. The difference in the share of economic returns is directly accounted for by the 51% pro-rata calculation, which fully reflects the difference in the proportion of economic interests.

The Valuer considered that the control premium is appropriate and suitable for this valuation, as the Company intends to acquire a controlling interest in the Target Company. The primary difference between a 51% and a 100% interest is the share of economic returns. As the valuation subject is 100% of the equity, the value of the 51% controlling interest can be directly calculated on a pro-rata basis.

The Valuer applied the average adjusted P/B multiple to the audited consolidated net asset value attributable to owners of the Target Company of approximately RMB341.95 million as at the Valuation Date, together with the DLOM and the control premium, as follows:

RMB341.95 million × approximately 3.17 times × (1 − 33.1%) × (1 + 15.04%) = approximately RMB833.00 million

**Selection of the valuation conclusion**

The Valuer has applied both the asset-based approach and the market approach in its valuation and eventually adopted the result derived under the market approach as the appraised value for two reasons.

First, the asset-based approach is subject to inherent limitations: its valuation result covers identifiable tangible assets and identifiable intangible assets, primarily comprising tangible resources such as fixed assets and working capital, as well as unrecorded identifiable intangible assets such as patents. It does not cover elements such as human capital, management efficiency, customer resources and brand influence that fail to meet the identifiability criteria under the relevant standards, the understanding of which were gained on-site by the valuation professionals during the valuation process. Nevertheless,

as such elements cannot be separated and transferred independently from the entity and do not give rise to separately enforceable rights, they do not satisfy the identifiability criteria for intangible assets.

Pursuant to Accounting Standards for Business Enterprises No. 20 — Business Combinations and Article 13 of Accounting Standards for Business Enterprises No. 6 — Intangible Assets, the value attributable to the aforementioned elements is generally recognized under goodwill. As this portion of value cannot be reflected through the asset-based approach, the difference between the valuation results under the asset-based approach and the market approach is reasonable.

In respect of the aforementioned elements, the valuation professionals primarily performed the following on-site procedures:

(1) Interviews with key management personnel: interviews were conducted with eight relevant persons in charge of core management positions, comprising the general manager and the respective heads of the production, sales, quality, procurement, finance, human resources, and research and development departments, representing 100% coverage of management positions;

(2) Employee roster: the Company's employee roster was obtained and verified, covering all 585 employees, representing 100% of the total registered employees across all departments and production lines;

(3) Sales ledgers: the completed top ten customer orders as of 30 April 2026 and the major outstanding orders in progress were obtained;

(4) Customer and supplier cooperation records: covering more than 10 major customers and suppliers;

(5) Brand promotional materials: promotional materials provided by the enterprise were obtained, covering details such as the company's principal products, number of production lines, major project experience, and future industrial development direction.

In summary, the valuation professionals confirmed the existence and reasonableness of the goodwill value. For detailed analysis, please refer to pages 38 to 42 of the circular regarding the analysis of the relevant value of, among others, human capital, management efficiency, customer relationships, brand influence, etc.

Secondly, the purpose of the Valuation is an acquisition of equity, and an acquirer in a market transaction would typically price a comparable business by reference to past acquisitions in the same industry and to the market valuation multiples of listed

companies, together with an overall assessment of profitability and competitiveness — an approach closely aligned with the guideline public company method under the market approach.

The market approach evaluates the current fair market value of the subject of valuation by reference to comparable subjects in the actual market. The market approach is characterized by a direct valuation perspective and approach, an intuitive valuation process, data sourced directly from the market and highly persuasive results. Moreover, after more than two decades of development, the PRC stock market has established its basic market functions; in both domestic and overseas equity transaction markets, various types of investors frequently adopt the market approach for pricing or verification purposes.

The comparable public companies selected for the market approach valuation are principally engaged in the research and development, production, and sales of lithium batteries, demonstrating strong business comparability with the appraised entity. The market value of the comparable public companies represents the entire enterprise value, encompassing the value of all tangible assets as well as the value attributable to all identifiable and unidentifiable intangible assets of the subject entities, thereby more comprehensively reflecting the total shareholders' equity value of the appraised entity. Meanwhile, as public financial and transaction data of the comparable public companies are readily available, the valuation is supported by reliable data sources and a sufficient basis. The valuation professionals therefore consider that the valuation result derived under the market approach is more suitable for the purpose of this valuation.

The Valuer therefore considered the market approach to be more appropriate for the purpose of the Valuation.

Under the market approach, the appraised value of the total shareholders' equity of the Target Company was RMB833.00 million, approximately RMB203.94 million or 32.42% higher than the result derived under the asset-based approach.

***I. Reasons for the material premium of the market approach over the asset-based approach:***

*1. Reasons for the premium of the market approach over the asset-based approach*

The premium of approximately 32.42% did not arise from an overvaluation of the comparable companies or valuation multiples, but principally from the different bases of value under the two valuation approaches:

The asset-based approach reflects the replacement value of the existing assets and includes only identifiable assets and liabilities recorded in the books. It generally does not include unquantifiable intangible assets such as human capital,

management efficiency, customer relationships and brand influence. The market approach is based on the going-concern assumption and reflects the market's pricing of the overall going-concern value of an enterprise, naturally encompassing the aforesaid intangible assets and future growth value. For a battery manufacturer with completed production lines, technological and customer reserves and operations at the ramp-up stage, it is common in the industry for the valuation under the market approach to exceed that under the asset-based approach.

The premium represents going-concern value and was not caused by an inappropriate selection of comparable multiples or the omission of adjustment items.

*2. Comparable companies and valuation multiples*

The comparable companies are PRC-listed battery enterprises whose shares were trading normally. Their share prices as at the Valuation Date were reviewed and abnormal trading events were excluded. The original comparable multiples were adjusted for profitability and scale of operations, thereby applying a discount to reflect the Target Company's smaller scale and risk of losses at its current stage. Accordingly, no further adjustments to the comparable companies or the original valuation multiples were required.

*3. Discount for lack of marketability*

The market approach in this Valuation adopted comparable trading multiples of listed companies, which correspond to the market value of readily marketable equity interests in listed companies, whereas the Target Company is unlisted. In carrying out the Valuation, the Valuer considered that the subject of the Valuation was a controlling interest, which carries a control premium, while the unlisted equity interest is subject to a DLOM. The Valuer considered the adjustments already made to be sufficient and that no further adjustment was required.

***II. Specific circumstances of the Target Company that render the valuation result under the asset-based approach relatively less appropriate or reliable:***

1. The core value of the Target Company is reflected not only in tangible assets such as factory premises and production equipment, but also in patented technologies accumulated through years of continuous research and development, mature product solutions, stable customer resources, industry reputation, management systems and its core research and development and business teams. Human capital, management efficiency, customer relationships and brand influence are not identifiable intangible assets, are difficult to quantify and cannot be separately valued and recognised under the asset-based approach. As the asset-based approach values only identifiable assets and liabilities recorded in the books on an item-by-item basis, it cannot fully

measure the aforesaid off-balance-sheet technological and operating soft assets and would materially undervalue the overall enterprise value of Jiangsu Juneng as a going concern.

2. The principal considerations in respect of the Target Company's human capital, management efficiency, customer relationships and brand influence are as follows:

   (1) Human capital: the Company currently has 220 registered employees, approximately 26% of whom hold a bachelor's degree or above, providing an increasingly solid talent base. As a core driver, its research and development system comprises a professional team of 32 employees, representing 15% of the total workforce. Of these employees, 78% hold a bachelor's degree or above and seven hold doctoral or master's degrees, giving the research and development team a materially higher concentration of knowledge and depth of expertise than the Company as a whole. In support of its future business strategy, the Company has commenced forward-looking workforce planning and is actively establishing two research and development teams for sodium-ion batteries and electric tricycles, respectively, focusing on emerging areas of new energy and building core research and development capabilities for next-generation technologies and products. The Company also places talent development at the forefront of organisational capability building and has systematically developed a learning organisation. Through dedicated initiatives such as the University Graduate Development Programme and the Leadership Development Programme, it has established a two-tier talent development system covering entry-level reserves and succession pools for middle and senior management, and continues to unlock the benefits of its workforce through systematic and regular development measures.

   As individual employees do not satisfy the recognition criteria for identifiable intangible assets, they cannot be separately valued under the asset-based approach. The value of human capital is reflected in the organisational synergies created by the core and research and development teams and the talent pipeline, which support existing business operations and the development and commercialisation of next-generation products and technologies. Such value is not separately presented in the financial statements but is reflected collectively in the overall enterprise value under the market approach.

   (2) Management efficiency: the Company has deployed information systems commonly used in the lithium battery manufacturing industry, including SAP, MES, WMS, PLM, OA and the Maycur expense reimbursement

system, achieving basic digitalisation of production, warehousing, quality control and other processes. These systems provide comprehensive basic functions, meet the Company's current needs in respect of production and operations, compliance management and capacity expansion, and are in line with industry standards.

The management systems and information systems established by the Company connect its various business processes, improve operational efficiency, control operating risks and support business and capacity expansion, thereby creating value through organisational and operational synergies. Such value is not an identifiable intangible asset and is not recorded in the books, but forms an important component of the enterprise's overall soft-asset value.

(3) Customer relationships: the Company has established a stable customer cooperation system and enjoys strong customer loyalty. The Company worked with a total of 80 customers in 2025 and maintained contact with 79 of them in 2026, representing a customer retention rate of 98.7%. In 2026, 69 customers continued to conduct business with the Company, representing a repeat purchase rate of 86.2%, demonstrating that the Company maintains sound business relationships with existing customers and enjoys a high level of customer recognition. In terms of customer revenue concentration, the top five customers contributed sales of nearly RMB50 million in 2024, accounting for 51.65% of total sales for that year, and nearly RMB63 million in 2025, accounting for 61.29% of total sales for that year. The year-on-year increase in sales to the top five customers indicates a solid core customer base.

The high retention and repeat purchase rates demonstrate strong loyalty among existing customers, which can contribute recurring cash flows and reduce the cost of acquiring new customers. The Company's long-standing customer resources provide an important foundation for sustainable profitability and constitute significant intangible value.

(4) Brand influence: the Company has gained broad recognition from government authorities, the industry and the market. The Administrative Committee of Zhenjiang New Area has designated it as a benchmark enterprise in the new energy industry for overseas expansion, while industry organisations and media, including Gaogong Lithium Battery and Battery China, have continued to report on its technological achievements, capacity expansion and breakthroughs in overseas markets. The Company has participated in major domestic industry exhibitions on numerous occasions and received significant exposure. It has received various industry honours, including the Industry Electric Mobility Pioneer Brand,

Best Energy Storage Battery Supplier of the Year and Best Application Award for Battery Integration of the Year. It has also obtained various domestic and overseas product certifications, including TÜV, SGS and CB certifications, as well as corporate qualifications and recognitions such as High and New Technology Enterprise, Jiangsu Advanced Smart Factory and Jiangsu Innovative Small and Medium-sized Enterprise. The market reputation, industry profile, brand standing and product certifications accumulated over time help the Company reduce customer acquisition costs, strengthen customer confidence and enhance the market competitiveness of its products, thereby constituting significant brand value.

In summary, the difference of approximately RMB204 million principally represents going-concern synergy value that is not captured under the asset-based approach. The asset-based approach measures only individual assets recorded in the books, whereas the market approach refers to actual market-based transactions involving controlling interests, the consideration for which already reflects the market's pricing of soft assets such as customers, teams and brands. The Valuer reviewed the supporting materials for the aforesaid soft assets and confirmed their commercial substance. The samples and parameters used under the market approach were prudently verified, and parameter variation analyses were performed to confirm the robustness of the results, consistent with the transaction purpose of acquiring a going concern. No separate subjective premium was added for any individual soft asset. On this basis, the Valuer considered that the result under the market approach fairly reflects the value of the equity interest in the Target Company.

***III. Explanation of how the Target Group's historical financial performance was considered in the selection and adjustment of comparable companies, the determination of the P/B ratio under the market approach and the Valuer's adoption of the market approach as the final valuation conclusion***

*1. Selection of comparable companies*

The Target Group's historical losses and negative operating cash flows were principally attributable to its current low capacity utilisation and the fact that its new products have not yet been launched. These are characteristics of a new energy manufacturer at its growth stage and do not indicate a loss of its ability to continue as a going concern.

The underlying rationale for selecting comparable companies under the market approach is to identify listed companies operating in the same sector, with consistent business models and the same risk drivers, in order to derive the industry capital-pricing rationale implied by their secondary-market trading prices. The comparable companies are not required to be identical to the Target Company in terms of profitability or revenue scale. The five comparable companies selected in

this Valuation have principal businesses and business models highly similar to those of the Target Company and operate in the same domestic regulatory and industry environment.

*2. Analysis and adjustment of multiples*

The comparable companies are at a mature and profitable stage, whereas the Target Company is at an adjustment stage. Its temporary losses represent differences in operating results arising from different stages of development within the same life cycle and do not indicate a fundamentally different business. In valuation practice, adjustment coefficients may be applied to comparable companies with similar businesses but at different stages of development in order to account for such differences. The Valuer did not directly adopt the unadjusted multiples. Having considered the Target Company's smaller scale and its current loss-making position, the Valuer adjusted the original multiples downwards using profitability and operating scale adjustment coefficients, thereby reflecting a discount and accounting for the differences in profitability and scale.

*3. P/B ratio*

The calculation basis for the P/B valuation was the audited net asset value attributable to owners of the parent as at the Valuation Date. The accumulated losses arising from the Target Group's historical losses have already reduced its net asset value as recorded in the books, and that lower net asset value was used directly as an input in the market approach model. With the P/B multiple remaining unchanged, the historical losses objectively reduced the equity value derived under the market approach.

In summary, the Acquisition involves the acquisition of a complete going-concern business, with particular value placed on its technological reserves, research and development team, customer base and growth opportunities in its market segment. Although the Target Group has historically recorded losses and negative operating cash flows, the existence and value of these soft assets are supported by objective evidence.

Accordingly, after fully considering the risks arising from historical losses and negative operating cash flows, the Valuer considered the valuation result under the market approach to be fairer than those under the other approaches and therefore adopted the market approach as the final valuation conclusion.

***IV. Explanation as to whether sensitivity analyses and other cross-checks were performed to assess the reasonableness and robustness of the valuation result under the market approach***

*1. Sensitivity analysis*

The sensitivity analysis selected the key parameters of the P/B-based market approach, namely the range of P/B ratios of the comparable companies, the profitability adjustment coefficient and the operating scale adjustment coefficient, as sensitivity variables. Each variable was changed independently within a reasonable range to calculate the corresponding change in the equity value of the Target Company.

(1) Change in the benchmark P/B multiple of the comparable companies

If the benchmark P/B multiple of the comparable companies decreases by 5%: the equity value of the Target Company would be approximately RMB791 million, representing a decrease of RMB42 million (–5.04%) from the benchmark value.

If the benchmark P/B multiple of the comparable companies increases by 5%: the equity value of the Target Company would be approximately RMB875 million, representing an increase of RMB42 million (+5.04%) from the benchmark value.

(2) Change in the profitability adjustment coefficient

If the profitability adjustment coefficient increases by 5%: the equity value would be approximately RMB793 million, representing a decrease of RMB40 million (–4.80%) from the benchmark value.

If the profitability adjustment coefficient decreases by 5%: the equity value would be approximately RMB877 million, representing an increase of RMB44 million (+5.28%) from the benchmark value.

(3) Change in the operating scale adjustment coefficient

If the operating scale adjustment coefficient increases by 5%: the equity value would be approximately RMB793 million, representing a decrease of RMB40 million (–4.80%) from the benchmark value.

If the operating scale adjustment coefficient decreases by 5%: the equity value would be approximately RMB877 million, representing an increase of RMB44 million (+5.28%) from the benchmark value.

Sensitivity conclusion: the valuation result under the market approach has broadly consistent sensitivity to the original P/B multiples of the comparable companies, the profitability adjustment coefficient and the operating scale adjustment coefficient. When these parameters were varied within the aforesaid reasonable industry ranges, the valuation result did not exhibit any extreme fluctuation and remained robust overall.

*2. Other cross-checks*

1. Transaction cases in the same industry over the past three years were collected and their P/B multiples were calculated as follows:

| No. | Listed companies | Latest announcement date | Transaction | M&A amount *(RMB0'000)* | Calculated P/B |
|---|---|---|---|---|---|
| 1 | Seven Colour Chemical (300758.SZ) | 2026–07–15 | Sale by Seven Colour Chemical of a 7.5% equity interest in Liaoning Xingkong Sodium-ion Battery Co., Ltd. | 6,250.00 | 4.40 |
| 2 | Baichuan High-tech New Materials (002455.SZ) | 2026–04–01 | Asset transaction involving a 2.51% equity interest in Ningxia Baichuan New Materials Co., Ltd. | 9,000.00 | 2.88 |
| 3 | Sacred Sun Power Sources (002580.SZ) | 2026–03–10 | Acquisition by Sacred Sun Power Sources of a 51% equity interest in Shenzhen Daren High-Tech Electronics Co., Ltd. | 7,447.08 | 2.00 |
| 4 | Changhong New Energy (920239.BJ) | 2025–01–21 | Capital increase by Changhong New Energy and others in respect of part of the equity interest in Shenzhen Changhong Juheyuan Technology Co., Ltd. | 6,266.32 | 2.83 |

| No. | Listed companies | Latest announcement date | Transaction | M&A amount *(RMB0'000)* | Calculated P/B |
|---|---|---|---|---|---|
| 5 | Narada Power Source (300068.SZ) | 2024–12–04 | Capital increase by Narada Power Source in respect of a 1.95% equity interest in Anhui Narada Huatuo New Energy Technology Co., Ltd., among others | 60,000.00 | 2.91 |

The statistical data show that the actual P/B multiples in completed market transactions ranged from 2.00 times to 4.40 times. The actual P/B multiple of 2.44 times for the Target Company in this Valuation is below the average. Accordingly, the result under the market approach is considered to have fully taken into account the circumstances of the Target Company and to fall within a reasonable range.

In summary, having performed sensitivity analyses of the key P/B parameters and various cross-checks, including verification against comparable P/B ratios, a review of net asset quality, comparison with the range of industry P/B ratios and cross-validation against the asset-based approach, the Valuer considered that the valuation result under the P/B-based market approach was reasonable and robust and did not constitute an overvaluation.

**Principal assumptions and limitations**

The Valuation was principally based on the assumptions that:

(i) the Target Group would continue to operate its existing businesses as a going concern and to use its assets for their existing purposes;

(ii) the relevant transaction would take place in an open market;

(iii) the information and documents provided to the Valuer were true, complete, lawful and reliable;

(iv) there would be no material change in the relevant macroeconomic, political, legal, taxation, interest rate, foreign exchange or industry conditions; and

(v) there would be no material adverse change in the operating environment of the Target Group.

**Factors other than the Valuation taken into account by the management in determining the Consideration**

In determining the Consideration of RMB382.5 million for the acquisition of 51% of the equity interest in the Target Company, the Company took into account, in addition to the Valuation Report, the following factors in the course of arm's length negotiations.

***1. Historical financial performance and recent developments***

The Target Group recorded operating losses in each of the three years ended 31 December 2025 and the four months ended 30 April 2026. It recorded losses before taxation of approximately RMB204,698,000 for the year ended 31 December 2023, RMB117,608,000 for the year ended 31 December 2024 and RMB155,841,000 for the year ended 31 December 2025, and a further loss before taxation of approximately RMB10,130,000 for the four months ended 30 April 2026.

The Board is fully aware of the Target Group's history of losses. Those results reflect uncertainty as to the Target Group's profitability at its current level of operations and, upon Completion, the consolidation of its results into the financial statements of the Group may have a short-term adverse effect on the profitability of the Enlarged Group. In assessing whether any downward adjustment should be made to the Consideration, the Board therefore considered the Target Group's historical financial performance together with the more recent developments described below.

The Board did not rely solely on the improvement in the Target Group's revenue and performance during the four months ended 30 April 2026. It also took into account the factors affecting the Target Group's historical performance, the recovery of its production capacity, the progress of its customer development and its more recent operating information.

The Board noted that the Target Group operates in the electric two-wheeler and three-wheeler sectors, where market demand has continued to expand, and that its production capacity was progressively ramping up.

The Target Group's production capacity was temporarily constrained in February and March 2026 due to the Chinese New Year holidays. Production resumed normal operations in April 2026 and capacity has since continued to increase.

In terms of business development, the Target Group has continued to optimise its sales model. While maintaining the scale of sales to its existing major customers, it has also been actively developing business relationships with the five leading enterprises in the domestic small-power sector. It has completed the supplier qualification procedures of such customers and commenced small-batch supplies to them.

According to the unaudited management accounts of the Target Group, its revenue for the eight months ended 31 August 2026 was approximately RMB250.0 million, representing an increase of approximately 190.7% as compared with the corresponding period in 2025. Its revenue for the four months from May to August 2026 increased by approximately 29.6% as compared with that for the four months from January to April 2026.

The Board considered that the Target Group's historical financial performance had been affected by factors including its previously constrained production capacity and fluctuations in raw material prices and therefore did not fully reflect its current operating potential. At the same time, the Board remained mindful of the uncertainty as to profitability reflected in the Target Group's historical financial information.

Having considered the Target Group's historical losses together with the growth prospects of the relevant industries, the progressive release of production capacity, the commercialisation progress of new customers and its more recent operating performance, the Board considered that it is prudent to make a downward adjustment to the appraised value derived from the market approach (being the high end of the appraised value) in the determination of the Consideration.

***2. Disposal of the high-voltage battery business***

The disposal of the Target Group's high-voltage battery business in 2025 formed part of a reorganisation and business focus strategy implemented at the level of the controlling shareholder group. Following the disposal, the relevant high-voltage battery business was operated by other entities within the controlling shareholder group that were more closely aligned with its vehicle-related businesses.

The Target Group retained and focused on its low-voltage small-power battery business for applications including electric two-wheelers, three-wheelers, low-speed vehicles and intelligent robots.

The Board took into account that the disposal reduced the scope of the Target Group's business and its historical revenue base. However, the high-voltage battery business is highly competitive and requires substantial capital expenditure. The disposal is expected to enable the Target Group to focus its management and financial resources on its low-voltage battery business, reduce its future capital expenditure and working capital requirements relating to the high-voltage battery business, and avoid the duplication of resources within the controlling shareholder group.

The disposal was not treated as a separate quantitative adjustment to the Consideration. Rather, it was taken into account as a qualitative factor in assessing the Target Group's future business focus, capital requirements and growth prospects.

*3. Net asset value of the Target Group as at the Valuation Date*

As at the Valuation Date, the audited consolidated net asset value of the Target Group was approximately RMB342.0 million. The corresponding net book value attributable to the 51% equity interest was approximately RMB174.4 million, which is lower than the Consideration of RMB382.5 million.

Net book value represents no more than the value derived from historical accounting records, being the result of deducting liabilities from recorded tangible assets. It does not capture the core value of the Target Company, including the intangible assets and growth potential that are not reflected in its financial statements, such as its self-developed low-voltage three-electric technology, its complete product delivery capability, its customer relationships in the industry, its core management and technical teams and the potential for future expansion of its business.

In summary, the net asset value served only as background information for the negotiations and was not used as a quantitative basis for adjusting the Consideration. The Consideration is based principally on the valuation results.

*4. The Seller's original acquisition cost attributable to the Target Equity*

The original acquisition cost incurred by the Seller attributable to the Target Equity was approximately RMB504.6 million, which is higher than the Consideration of RMB382.5 million.

That cost represents the Seller's historical investment arising from earlier acquisitions from third parties and served only as background information for the negotiations.

The cost was incurred by reference to the scope of the Target Company's business at that time. The Target Company has since refocused its business, disposed of the related assets and changed the direction of its business. Accordingly, the historical cost was not used as a quantitative parameter for adjusting the Consideration, whether upwards or downwards.

In summary, the Consideration is not benchmarked against the Seller's historical investment; the parties to the Acquisition relied principally on the valuation conclusion reached by an independent third-party valuation firm.

*5. Payment terms*

Under the Acquisition Agreement, the Consideration is payable within six months after both Completion and receipt of a payment notice from the Seller (or such shorter period as may be required by applicable laws and regulations).

Following negotiations among the parties, no adjustment was made to the Consideration of RMB382.5 million to reflect the deferred payment terms.

***6. Conclusion***

In summary, the Consideration is determined taken into account the respective strengths and limitations of the valuation approaches.

On the one hand, while the asset-based approach properly reflects the value of identifiable assets and liabilities, it does not capture the value of unidentifiable intangible assets, and does not reflect the Target Group's improving production capacity and financial performance. The Target Group recorded 14% increase in revenue and 24% narrowing in net loss for the year ended 2025 compared with the year ended 2023; more recently, the Target Group's revenue for the eight months ended 31 August 2026 significantly increased by 190.7% compared with the corresponding period in 2025. These demonstrated improvements in the Target Group's operations and financial performance are not able to be properly materialized in the asset-based approach, being the low end of the appraised value.

On the other hand, it would not be prudent to determine the Consideration solely by reference to the market approach, being the high end of the appraised value, since the Target Group's improvements do not indicate guaranteed profitability and turnaround time given its historical losses.

The parties to the Acquisition also considered other factors, including the disposal of Target Company's high-voltage battery business, its net asset value, the Seller's original acquisition cost and the payment terms.

Having considered these factors as a whole, the parties considered it reasonable to adopt the Consideration of RMB382.5 million, representing approximately 51% of the approximate mid-point between the appraised values derived under the asset-based approach and the market approach for the purposes of the Acquisition.

**Information on the parties and the target Group**

***Information on the Group and Lianfengtai Technology***

The Group is principally engaged in (i) the research and development and production of lithium-ion power batteries for new energy vehicles; and (ii) investment in resources and the exploration, trading and exploitation of resources.

Lianfengtai Technology is a company incorporated in Hong Kong with limited liability, an investment holding company and a wholly-owned subsidiary of the Company.

***Information on the Seller***

The Seller is a company incorporated in the PRC with limited liability and a diversified industrial group principally engaged in new materials and resources, intelligent motorcycle manufacturing and the low-altitude economy. It also makes strategic investments in businesses including power semiconductors and commercial aerospace.

As at the Latest Practicable Date, the Seller is interested in approximately 66.65% of the total issued Shares and is ultimately controlled by Mr. Li, who is interested in approximately 67.70% of the total issued Shares. The Seller and Mr. Li are therefore connected persons of the Company under Chapter 20 of the GEM Listing Rules.

***Information on the Target Group***

The Target Company is a provider of integrated low-voltage three-electric (battery, motor and electric control) system solutions, and has concurrently developed a dual-core business model comprising such solutions and the research and development, production and sale of new energy lithium-ion batteries. The Target Company possesses full delivery capabilities in respect of low-voltage three-electric supporting systems, and is able to provide customers with integrated powertrain system solutions incorporating battery cells, battery modules and battery management systems ("**BMS**"). Its self-developed and self-manufactured prismatic aluminium-shell lithium iron phosphate ("**LFP**") battery cells serve as the core supporting product of such solutions. The relevant systems and battery products are currently mainly applied to small low-voltage powered vehicles such as electric two-wheelers and tricycles.

The Target Company plans to extend the application of its products and solutions to commercial vehicles, small-power vehicles, battery swapping and intelligent robotics, with a view to expanding its product and customer coverage.

The Target Company also plans to expand into overseas markets, including the research and development of, and business development in relation to, solutions for converting fuel-powered micro-mobility vehicles to electric power and solar-powered range-extension solutions for new energy micro-mobility vehicles. In addition, the Target Company is developing sodium-ion battery related technologies (including cathode materials and battery cells) as a potential new business direction in addition to its existing lithium battery business.

The audited consolidated financial information of the Target Company prepared in accordance with the Hong Kong Financial Reporting Standards for the two financial years ended 31 December 2024 and 2025 is as follows.

| | Year ended 31 December 2024 | Year ended 31 December 2025 |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| Revenue | 96,678 | 103,296 |
| Loss before taxation | 117,608 | 155,841 |
| Loss after taxation | 117,611 | 155,843 |

The audited consolidated net asset value of the Target Group as at 30 April 2026 was approximately RMB342.0 million.

Please refer to Appendix II for more detail in respect of the financial information of the Target Group.

The Seller has not provided any guarantee in respect of the profits, net tangible assets or other financial performance of the Target Group. The Group has not been granted any option to sell the Target Company back to the Seller or any other similar right in connection with the Acquisition.

As advised by the Seller, based on the weighted average acquisition cost of the equity interests in the Target Company acquired by it, the original acquisition cost attributable to the Target Equity was approximately RMB504.6 million.

**Reasons for and benefits of the Acquisition**

The Group is principally engaged in (i) the research and development and production of lithium-ion power batteries for new energy vehicles; and (ii) investment in resources and the exploration, trading and exploitation of resources. The Acquisition will enable the Group to expand its lithium battery business and is consistent with the Group's business development strategy for the following reasons:

(1) The Acquisition will increase the scale of the Group's lithium battery operations. Upon Completion, the Target Company will become a subsidiary of the Company and its financial results will be consolidated into those of the Group. This will allow the Group to further develop its lithium battery business alongside its existing resources business.

(2) The Target Company has expanded its product offering from individual battery cells to integrated system solutions comprising batteries, motors, electronic control systems and battery management systems. The Acquisition will therefore broaden the Group's product and service offering and provide the Group with more direct access to the markets for two-wheeled and three-wheeled vehicles. The differences between the products of the two groups and the commercial rationale for entering these markets are described below.

The Target Group's prismatic aluminium-shell lithium iron phosphate power battery cells differ from the Group's existing lithium-ion power battery cells in terms of product specifications, market positioning and manufacturing processes.

In terms of product specifications, the Target Group principally produces 50Ah to 100Ah prismatic aluminium-shell lithium iron phosphate battery cells. These products are positioned as cost-effective solutions for small-power applications such as electric three-wheelers. By comparison, the Group focuses on 30Ah and 34Ah high-rate pouch-type ternary lithium battery cells, which are positioned as high-performance products primarily for the high-voltage power battery market for passenger vehicles.

In terms of market application, although both products are subject to common industry requirements relating to battery-pack integration and safety verification, the requirements of their respective market segments differ significantly. The small-power battery market is relatively cost-sensitive, generally uses lithium iron phosphate battery cells with a capacity of more than 50Ah and has relatively limited requirements for high-rate performance. Pouch-type battery solutions are not commonly used in this market because they require greater investment in supporting PACK integration. The Group's existing pouch-type ternary lithium battery cells have relatively lower capacity and involve more complex and costly pack integration and are therefore not well suited to the small-power battery market. By contrast, the Target Group's prismatic aluminium-shell lithium iron phosphate battery cells are easier to integrate and more cost-effective and are therefore well suited to the requirements of that market.

In terms of manufacturing processes, both products involve core lithium-ion battery-cell production processes, including electrode preparation, electrolyte filling and formation, and certain testing equipment and quality-control standards may be shared or applied by both groups. However, their respective production processes and equipment systems have different focuses. The Group adopts a patented stacking-and-winding composite process originally developed by LG. The relevant equipment and production system are relatively complex and have limited interchangeability, making them difficult to apply to the development of other products. The Target Group, on the other hand, adopts the winding process commonly used in the industry, which offers higher production efficiency and more controllable manufacturing costs and is therefore suitable for the cost-control requirements of the small-power battery market.

Notwithstanding the above differences, the products of the Target Group and the Group are both lithium-ion electrochemical energy-storage power battery cells and share certain underlying technical capabilities relating to battery-material selection, battery-cell safety design, electrochemical simulation and BMS matching. There is therefore scope for the two groups to share technical experience, quality-control systems and supply-chain resources. Accordingly, while the two groups have distinct product forms, manufacturing processes and target customer bases, their respective technologies and products are complementary and may give rise to business synergies.

The electric two-wheeler and three-wheeler markets in the PRC have generally maintained steady growth. According to relevant information, sales of electric two-wheelers in the PRC amounted to approximately 56.8 million units in 2025, representing a year-on-year increase of approximately 18.1%. Driven by the continuing replacement cycle arising from the implementation of the new national standards and the organic growth of the industry, sales in the PRC electric two-wheeler market are expected to maintain annual growth of more than 5% from 2026 to 2030 and reach approximately 76.0 million units by 2030.

With increasing consumer demand for vehicles offering greater stability and all-weather usability, leisure electric three-wheelers have gradually emerged as a new area of growth in the electric mobility market. According to Frost & Sullivan, sales of leisure electric three-wheelers increased from approximately 2.2 million units in 2021 to approximately 5.7 million units in 2025, representing an increase of approximately 159% and a compound annual growth rate of approximately 26.2%. Sales are expected to reach approximately 6.7 million units in 2026, representing year-on-year growth of approximately 17.5%. From 2026 to 2030, sales of leisure electric three-wheelers are expected to grow at a compound annual growth rate of approximately 13.2% and exceed approximately 11.0 million units by 2030, which would be nearly double the sales volume recorded in 2025.

The growth of the overseas electric two-wheeler market is expected to be supported by the continued expansion of the European electric bicycle market and the ongoing replacement of fuel-powered vehicles with electric vehicles in Southeast Asia. According to Frost & Sullivan, the size of the overseas electric two-wheeler market is expected to increase from approximately RMB132.4 billion in 2025 to approximately RMB267.4 billion in 2029, representing a compound annual growth rate of approximately 19.2%. Sales of two-wheelers in Southeast Asia are expected to increase from approximately 9.9 million units in 2025 to approximately 16.1 million units in 2029, representing a compound annual growth rate of approximately 12.9%.

Through the Acquisition, the Group will obtain direct access to the Target Group's proven and established system solutions in the two-wheeler and three-wheeler sectors, without having to develop the relevant technologies, customer relationships and market presence from the outset. This is expected to enable the Group to enter those markets more efficiently, diversify its product portfolio, broaden its downstream customer base and reduce business concentration risk.

(3) Following Completion, the Group intends to integrate the Target Group's existing solutions with the Group's technological capabilities and supply-chain resources. The combined resources are expected to support the development of a broader power battery product portfolio covering multiple application scenarios, including passenger vehicles and light electric vehicles, and the further development of the Group's lithium-ion battery business in the domestic three-wheeler market and overseas markets, including Southeast Asia.

(4) By capitalising on the growth opportunities in the domestic and overseas two-wheeler and three-wheeler markets, the Acquisition is expected to complement the Group's existing operations, create further room for business growth and support its medium- to long-term development.

Notwithstanding the above, the Directors have also taken into account that the Target Group recorded losses for the years ended 31 December 2024 and 2025 and had negative operating cash flows. If the Target Group continues to be loss-making after Completion, the consolidation of its financial results may adversely affect the earnings and cash flows of the Enlarged Group. Please refer to Appendix III for further details of the management discussion and analysis of the financial position and results of operations of the Target Group.

***Basis for the expected improvement in profitability and operating cash flows***

The Board's assessment was not based solely on the Target Group's recent revenue growth. In forming its view, the Board took into account the growth prospects of the electric two-wheeler and three-wheeler markets, the progressive ramp-up of the Target Group's production capacity, the progress made in developing new customers, the measures described below and the Target Group's more recent operating information.

The Target Group's production was temporarily affected by the Chinese New Year holidays in February and March 2026. Its production resumed normal operations in April 2026 and its production capacity has since continued to increase. The Target Group intends to improve its production efficiency and profitability by increasing the utilisation of its existing production capacity, thereby improving the absorption of fixed manufacturing overheads, and by optimising its raw-material procurement arrangements to mitigate the impact of fluctuations in raw-material prices.

On the sales side, while maintaining its relationships with its existing major customers, the Target Group has completed the supplier qualification procedures of customers among the five leading enterprises in the domestic small-power battery sector and has commenced small-batch supplies to such customers. It intends to convert such small-batch supplies into larger and more stable orders and to continue expanding its customer base.

According to the unaudited management accounts of the Target Group, its revenue for the eight months ended 31 August 2026 was approximately RMB250.0 million, representing an increase of approximately 190.7% as compared with the corresponding period in 2025. Its revenue for the four months from May to August 2026 increased by approximately 29.6% as compared with that for the four months from January to April 2026. The Board considered that these figures, together with the normalisation of production and the commencement of supplies to newly developed customers, demonstrated progress in the implementation of the Target Group's operating plans.

In relation to operating cash flows, for the four months ended 30 April 2026, the Target Group recorded net cash used in operating activities of approximately RMB24.8 million, as compared with its loss before taxation of approximately RMB10.1 million. The difference was principally attributable to movements in working capital, including an increase in inventories of approximately RMB36.6 million, an increase in deposits, prepayments and other receivables of approximately RMB10.8 million and a decrease in contract liabilities of approximately RMB14.7 million, partially offset by an increase in trade and bills payables of approximately RMB44.9 million. To reduce its working-capital requirements, the Target Group intends to align its production and procurement more closely with confirmed customer orders, strengthen its inventory management, improve the collection of trade receivables and negotiate appropriate payment and settlement arrangements with customers and suppliers.

The Target Group's historical financial performance was affected by factors including its previously constrained production capacity, low capacity utilisation and fluctuations in raw-material prices. Having considered the easing of the previous capacity constraints, the progressive ramp-up of production, the implementation of the above cost and working-capital management measures, the progress made in developing new customers and the recent growth in revenue, the Board considered that there was a realistic basis for a progressive and sustainable improvement in the Target Group's profitability and operating cash flows.

***Remaining performance obligations***

The Target Group's remaining performance obligations decreased from approximately RMB27.3 million as at 31 December 2025 to approximately RMB12.5 million as at 30 April 2026. The decrease was principally attributable to the completion

of the performance obligations relating to orders for which advance payments had been received before the beginning of 2026 and the recognition of the relevant amounts as revenue during the four months ended 30 April 2026.

Most of the new orders obtained during the four months ended 30 April 2026 were paid for and delivered within the same accounting period. Accordingly, such orders did not result in significant contract liabilities or remaining performance obligations at the end of the period.

The Board therefore considers that the decrease in remaining performance obligations principally reflected the timing of customer payments and product delivery and did not indicate a weakening in the Target Group's ability to obtain new orders. Accordingly, the temporary decrease in remaining performance obligations did not, by itself, adversely affect the sustainability of the Target Group's recent revenue growth. Nevertheless, the sustainability of such growth will depend on the Target Group's ability to continue securing and fulfilling customer orders.

Notwithstanding the Target Group's historical losses, recent financial performance and future funding requirements, the Board considers the Acquisition fair and reasonable because the Consideration was determined principally by reference to an independent valuation, while the Acquisition will enable the Group to expand its lithium battery business, enter the two-wheeler and three-wheeler markets and achieve potential business synergies. The Board has also taken into account the Seller's proposed financing and financial support, as well as the relevant business and financial risks. Having considered these factors as a whole, the Board considers that the Acquisition is in the interests of the Company and the Shareholders as a whole.

**Financing of the Consideration**

The consideration is intended to be financed by loans from the Seller (and/or its associate(s)). As of the Latest Practicable Date, the formal loan agreement had not yet been entered into, but the Group and the Seller had reached a preliminary consensus on the core commercial terms of the loan. The loan is not interest-free. The interest rate of the loan is a fixed rate, determined at 80% of the five-year loan prime rate (LPR) announced by the National Interbank Funding Center, as authorized by the People's Bank of China, on 20 September 2026, being an annual interest rate of 2.8%. The LPR is published regularly on the 20th of each month (postponed in the event of holidays), and 20 September 2026 is the publication date of the latest LPR as of the Latest Practicable Date. The loan solely refers to the published figure for that period as the basis of calculation, and the interest rate remains fixed throughout the loan tenure and will not be adjusted in accordance with any subsequent changes in the LPR. The loan is an unsecured loan, and the Group will not provide any asset pledge, charge, guarantee or other credit enhancements. Certain detailed terms of the proposed financing are subject to

further negotiation and finalisation. If there are any material changes to the core terms, the Company will make an announcement in accordance with the applicable provisions under the GEM Listing Rules.

The Seller has also provided an undertaking to the Company that it will make available sufficient financial resources to the Enlarged Group. Such financial support may be provided using the existing cash resources of the Seller and/or its subsidiaries and/or through debt financing secured by assets owned by the Seller and/or its subsidiaries. The purpose of the undertaking is to enable the Enlarged Group to discharge its debts and other liabilities as they fall due and to maintain the Enlarged Group as a going concern.

The Seller is one of the principal industrial holding platforms within the controlling shareholder group. The Seller considers that the Target Group's business is complementary to the Group's existing business and that the Acquisition will facilitate the implementation of the business reorganisation and business focus strategy at the level of the controlling shareholder group. The Seller is therefore prepared to facilitate the completion of the Acquisition by providing the proposed financing.

The proposed financing is a transaction funding arrangement established to facilitate the completion of the Acquisition. Its commercial substance is to provide the Company with the funding required to acquire the Target Equity, thereby enabling the Group to expand its business presence, obtain the Target Group's operating resources and capture the development opportunities in the relevant markets as contemplated in this circular. The Board considers that the proposed financing therefore supports the Group's long-term business development strategy and, in the long run, is expected to be in the interests of the Group and the Shareholders as a whole.

During the negotiations for the Acquisition, the Board considered various alternative sources of funding, including the Group's internal cash resources and external bank financing. Although the utilization of the Group's internal cash resources would not incur external financing interest expenses, nor does it require third-party approval, the current size of internal cash at the Group's disposal is insufficient to fully cover the consideration for the Acquisition. Moreover, allocating a substantial amount of internal cash for the Acquisition would significantly deplete the daily working capital of the Group's existing business, planned capital expenditures and business contingency reserves, which would weaken the Group's overall financial flexibility and exert pressure on its cash flow, potentially resulting in the Group being unable to cope with unforeseen future business capital needs. If financing support is provided by the Seller, the Group will be able to conserve valuable internal cash resources for its business development purposes. As for external bank financing, since it involves complete due diligence, internal credit assessment processes and other procedures, there are practical obstacles such as uncertainty in the approval cycle and difficulty in meeting the agreed closing timetable for the Acquisition. In addition, the costs and commercial terms of external

bank financing are less favorable than those of the loan provided by the Seller. Bank financing for merger and acquisitions typically carries strict financial covenants, such as requirements to maintain financial indicators, prior approval for material matters and restrictions on asset disposals, which would constrain the flexibility of the Group's future operations. In contrast, based on the current consensus, the financing provided by the Seller is an unsecured, unguaranteed fixed-rate financing without any asset credit enhancements from the Group, and the interest rate is determined at a discount to the market level. In summary, given that the financing provided by the Seller is superior to other alternative sources of funding in terms of availability, time certainty, financing costs and other terms, as well as the impact on the Group's existing business and the Acquisition, the Board considers that the financing provided by the Seller is the preferred funding option at this stage.

In determining that the Acquisition represents a genuine commercial transaction undertaken for the strategic and commercial benefits disclosed in this circular, the Board carefully reviewed the overall background of the Acquisition and the nature of the Target Group's business, and assessed the business expansion, resource integration and other strategic and commercial benefits expected to arise from the Acquisition. The Board also considered the undertaking provided by the Seller and reviewed the fairness and reasonableness of the terms of the Acquisition Agreement. The Board is of the view that (i) having reviewed the business background, industry outlook and expected synergies of the Target Group, the acquisition of the Target Group aims to expand the Company's business presence in the industrial chain and achieve business expansion and resource integration, which is a commercial decision made based on the listed company's own business development and has a clear commercial purpose and strategic value; (ii) the adoption of Seller's financing is a practical commercial choice based on the objective financing environment. The Board has carefully assessed the Group's internal funds, external bank financing and other alternative sources of funding. However, as analyzed above, since there are obvious obstacles or drawbacks in such alternatives, the Company chose the financing option provided by the Seller to ensure the completion of the acquisition on schedule and minimize the impact on the Group's business operations and financial position; and (iii) the financing terms provided by the Seller to the Group for the Acquisition are more favorable than normal commercial terms, which is beneficial to the Company, and there is no transfer of benefits to the controlling shareholder. Taking into account the above factors, the Board considers that the controlling shareholder acting as both the Seller and the financier is merely a dual role at the transaction structure level. The acquisition transaction itself and the financing arrangement are independent of each other, and the financing arrangement does not change the commercial substance of the acquisition transaction. Therefore, this acquisition is a genuine commercial transaction, and the overall terms of the transaction are fair and reasonable, and are in the interests of the Company and all Shareholders as a whole.

An Independent Board Committee has been established to advise the Independent Shareholders in respect of the Acquisition. The Independent Board Committee has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Acquisition Agreement are fair and reasonable and whether the Acquisition is in the interests of the Company and the Shareholders as a whole.

**Financial Effects of the Acquisition**

Upon Completion, the Target Company will become a 51%-owned subsidiary of the Company, and the financial results, assets and liabilities of the Target Group will be consolidated into the financial statements of the Group.

As the Company and the Target Group are ultimately controlled by Mr. Li both before and after the Acquisition, the Acquisition will be accounted for as a business combination under common control using the principles of merger accounting in accordance with the applicable accounting standards.

Given that the Target Group recorded losses during the periods disclosed in this circular, the Acquisition may have an adverse effect on the earnings of the Enlarged Group if the Target Group continues to be loss-making after Completion. The actual effect will depend on the future financial performance of the Target Group.

Further details of the unaudited pro forma effects of the Acquisition on the assets and liabilities of the Enlarged Group are set out in Appendix IV to this circular.

**GEM Listing Rules Implications**

Since the relevant percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements in accordance with the GEM Listing Rules.

As at the Latest Practicable Date, all executive Directors, namely Mr. Xu Zhihao, Mr. Xu Bing, Mr. Chen Shengjie and Ms. Gu Wenting, are members of the senior management of the Seller and are therefore considered to have a material interest in the Acquisition. Accordingly, they abstained from voting on the resolutions of the Board approving the Acquisition Agreement, the Acquisition and the transactions contemplated thereunder.

As at the Latest Practicable Date, the Seller was ultimately controlled by Mr. Li, a controlling shareholder of the Company who does not hold any office in the Company. Accordingly, Mr. Li and his associates are considered to have a material interest in the Acquisition and are required to abstain from voting on the relevant resolutions at the

EGM. Mr. Xu Zhihao, being the chief executive officer of the Seller, is also considered to have a material interest in the Acquisition and is required to abstain from voting on the relevant resolutions at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the Acquisition Agreement, the Acquisition or the transactions contemplated thereunder and, accordingly, no other Shareholder is required to abstain from voting on the relevant resolutions at the EGM under the GEM Listing Rules.

## 3. INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

In compliance with the GEM Listing Rules, the Independent Board Committee, comprising all the independent non-executive Directors, namely Dr. Wang Jiwei, Mr. Wang Baogang and Mr. Huang Yongzhong, has been established to advise the Independent Shareholders as to whether (i) the terms of the Acquisition Agreement and the transactions contemplated thereunder are fair and reasonable; (ii) the Acquisition is on normal commercial terms or better and in the ordinary and usual course of business of the Group; (iii) the Acquisition is in the interests of the Company and the Shareholders as a whole; and (iv) the Independent Shareholders should vote in favour of the relevant resolution to be proposed at the EGM.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The letter from the Independent Board Committee containing its opinion and recommendation is set out on pages 66 to 67 of this circular. The letter from the Independent Financial Adviser containing its advice and recommendation, together with the principal factors and reasons taken into consideration in arriving at such advice and recommendation, is set out on pages 68 to 96 of this circular.

## 4. EGM

A notice convening the EGM to be held at Unit 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 19 November 2026 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. At the EGM, the relevant ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve, among others, the Acquisition Agreement and the transactions contemplated thereunder.

At the EGM, any Shareholder who has a material interest in the Acquisition Agreement and the Acquisition, and such Shareholder's associates, is required to abstain from voting on the relevant resolution.

As at the Latest Practicable Date, Mr. Li is beneficially interested in 103,064,000 Shares. His associates, namely Hong Bridge Capital Limited, Geely International Technology Limited, Geely International (Hong Kong) Limited and Ms. Wang Li, the spouse of Mr. Li, hold 7,849,699,000 Shares, 1,600,000,000 Shares, 250,675,675 Shares and 50,000,000 Shares, respectively. Mr. Li and his associates therefore hold an aggregate of 9,853,438,675 Shares, representing approximately 67.70% of the total issued Shares.

In addition, Mr. Xu Zhihao, an executive Director who is a member of the senior management of the Seller and is accordingly considered to have a material interest in the Acquisition and the transactions contemplated thereunder, is beneficially interested in 422,000,000 Shares, representing approximately 2.90% of the total issued Shares. None of the other executive Directors holds any Shares.

Accordingly, the Shareholders referred to above, holding an aggregate of 10,275,438,675 Shares and representing approximately 70.60% of the total issued Shares, are required to abstain, and will abstain, from voting on the relevant resolution at the EGM.

As at the Latest Practicable Date, each of the Shareholders referred to above was entitled to exercise, or to control the exercise of, the voting rights attaching to the Shares held by him or it as disclosed above, and there is no discrepancy between the interests in the Shares of those Shareholders as disclosed in this circular and the number of Shares in respect of which they will control, or be entitled to control, the exercise of voting rights at the EGM.

None of those Shareholders has entered into any voting trust or other agreement, arrangement or understanding (other than an outright sale) in respect of the voting rights attaching to such Shares, and none of them is under any obligation, or has any entitlement, whereby control over the exercise of such voting rights has been or may be passed, whether temporarily or permanently, to any third party.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the Acquisition Agreement or the transactions contemplated thereunder, and no other Shareholder is required to abstain from voting at the EGM.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish. In the event that a Shareholder having lodged a proxy form attends the EGM, his/her proxy form will be deemed to have been revoked.

## 5. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 16 November 2026 to Thursday, 19 November 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining the entitlement of Shareholders to attend and vote at the EGM will be Thursday, 19 November 2026.

In order to be eligible to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Friday, 13 November 2026.

## 6. RECOMMENDATION

You are advised to read carefully the letter from the Independent Board Committee and the letter from the Independent Financial Adviser set out on pages 66 to 67 and pages 68 to 96 of this circular, respectively.

The Directors (other than the executive Directors, namely Mr. Xu Zhihao, Mr. Xu Bing, Mr. Chen Shengjie and Ms. Gu Wenting, each of whom is considered to have a material interest in the Acquisition and abstained from voting on the relevant resolutions of the Board), having considered the terms of the Acquisition Agreement and taken into account the advice of the Independent Financial Adviser, consider that, notwithstanding that the entering into of the Acquisition Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms of the Acquisition Agreement and the transactions contemplated thereunder are on normal commercial terms or better, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors (other than the abovementioned executive Directors) recommend that the Independent Shareholders vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Acquisition Agreement and the transactions contemplated thereunder.

## 7. VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM will therefore put the resolution to be proposed at the EGM to be voted by way of a poll pursuant to Article 80 of the Articles of Association of the Company.

Pursuant to Article 85 of the Articles of Association, on a poll every Shareholder present (including attendance by electronic means) in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his name in the register of members of the Company. On a poll, a Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way. An announcement on the poll results will be made by the Company after the EGM in accordance with Rule 17.47(5) of the GEM Listing Rules.

## 8. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
**Honbridge Holdings Limited**
**Xu Zhihao**
*Chairman*

*The following is the full text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Acquisition Agreement and the Acquisition for the purpose of incorporation in this circular.*

**HONBRIDGE HOLDINGS LIMITED**
**洪橋集團有限公司**
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 8137)**

30 October 2026

Dear Sir or Madam,

## MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 51% EQUITY INTEREST IN THE TARGET COMPANY

We refer to the circular of the Company dated 30 October 2026 (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the terms of the Acquisition Agreement, details of which are set out in the letter from the Board contained in the Circular, are fair and reasonable on normal commercial terms or better and in the interests of the Company and the Independent Shareholders as a whole. The Independent Financial Adviser, Alpha Financial Group Limited, has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard. Details of its advice and recommendation, together with the principal factors and reasons taken into consideration in arriving at such advice and recommendation, are set out on pages 68 to 96 of this Circular. Your attention is also drawn to the letter from the Board as set out on pages 4 to 65 to this Circular.

Having considered the terms of the Acquisition Agreement and the principal factors and reasons considered by, the advice and recommendation of, the Independent Financial Adviser in relation thereto, we are of the opinion that notwithstanding that the entering into of the Acquisition Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Company, the terms of the Acquisition Agreement are on

normal commercial terms or better, are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee of
**Honbridge Holdings Limited**

**Dr. Wang Jiwei** **Mr. Wang Baogang** **Mr. Huang Yongzhong**
*Independent non-executive Directors*

*The following is the full text of a letter of advice from Alpha Financial Group Limited, the Independent Financial Adviser, setting out the advice to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, which has been prepared for the purpose of inclusion in this Circular.*

**Alpha Financial Group Limited**
Unit B, 15/F.
Two Chinachem Plaza
135 Des Voeux Road Central
Hong Kong

30 October 2026

*To: The Independent Board Committee and the Independent Shareholders*

Dear Sirs/Madams,

# MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF 51% EQUITY INTEREST IN THE TARGET COMPANY

## INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular dated 30 October 2026 issued by the Company (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Reference is made to the announcements of the Company dated 21 August 2026 and 30 October 2026 in relation to, among other things, the Acquisition and the adjustment of the consideration under the Acquisition.

On 21 August 2026, the Company entered into the Acquisition Agreement with Lianfengtai Technology, Geely Technology Group and the Target Company, pursuant to which Geely Technology Group has conditionally agreed to sell, and the Company has conditionally agreed to acquire through the WFOE Entity being established by Lianfengtai

Technology, 51% of the equity interest in the Target Company for the Consideration of RMB382.5 million (or its equivalent in HK$), as amended by the Supplementary Agreement as set out in the announcement of the Company dated 30 October 2026.

Upon Completion, the Target Company will become a subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

With reference to the Letter from the Board, since the relevant percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the GEM Listing Rules.

In compliance with the GEM Listing Rules, the Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Wang Jiwei, Mr. Wang Baogang and Mr. Huang Yongzhong, has been established by the Company to consider the terms of the Acquisition Agreement and to advise the Independent Shareholders as to whether it and the transactions contemplated thereunder (including the entering into of the Acquisition Agreement) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We, Alpha Financial Group Limited, have been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this respect.

We are independent from and not connected with the Company, the Seller, any of their respective core connected persons or associates. During the past two years immediately preceding the Latest Practicable Date, save for the appointment as the independent financial adviser in respect of the subscription of new shares under specific mandate (details of which are set out in the announcement of the Company dated 29 June 2026 and the circular of the Company dated 18 September 2026) and this appointment as the Independent Financial Adviser in respect of the Acquisition, we have no business relationship with the Company, the Seller, or any of their respective core connected persons or associates, which would be reasonably considered to affect our independence in performing our duties as set out in the GEM Listing Rules. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company, the Seller or any of their respective core connected persons or associates. We consider that such fees for the aforementioned engagements represent an insignificant percentage of our revenue and do not give rise to a financial dependence on the Company, the Seller or their respective associates that would affect our independence in performing our duties as the Independent Financial Adviser. Accordingly, we consider that we are independent pursuant to Rule 17.96 of the GEM Listing Rules.

## BASIS OF OUR ADVICE

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in or referred to in the Circular and the information and representations as provided to us by the Directors and/or the management of the Company (the "**Management**"). Our review procedures include review of the annual report of the Group for the year ended 31 December 2025 (the "**2025 Annual Report**"), the half year report of the Group for the six months ended 30 June 2026 (the "**2026 Half Year Report**"), the Announcement, the announcement of the Company dated 30 October 2026 in relation to the Supplementary Agreement, the Acquisition Agreement, the Supplementary Agreement, the Valuation Report, the Circular and other relevant announcements published by the Company. We have assumed that all information and representations that have been provided by the Directors and the Management are true, complete and accurate in all material respects at the time when they were made and up to the date of the EGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful consideration.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have also relied on the Valuation conducted by the Valuer commissioned by the Company. The Directors have confirmed, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statements in the Circular misleading.

While we have taken reasonable steps to satisfy the requirements under the GEM Listing Rules, we have not carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company as set out in the Circular, nor have we conducted an independent investigation into the business affairs or assets and liabilities of the Group or any of the other parties involved in the Acquisition.

This letter is issued for the information of the Independent Board Committee solely in connection with their consideration of the Acquisition, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, we have considered the principal factors and reasons as set out below:

### 1. Background of the Acquisition

Reference is made to the announcements of the Company dated 21 August 2026 and 30 October 2026 in relation to, among other matters, the Acquisition and the adjustment of the consideration under the Acquisition. On 21 August 2026 (after trading hours), the Company entered into the Acquisition Agreement with Lianfengtai Technology, Geely Technology Group and the Target Company, pursuant to which Geely Technology Group has conditionally agreed to sell, and the Company has conditionally agreed to acquire through the WFOE Entity being established by Lianfengtai Technology, 51% of the equity interest in the Target Company for the consideration of RMB424.8 million (or its equivalent in HK$), which was subsequently amended as RMB382.5 million by the Supplementary Agreement as set out in the announcement of the Company dated 30 October 2026.

### 2. Information on the Group

#### *(a) Principal business*

With reference to the Letter from the Board, the Company is principally engaged in (i) research & development and production of lithium ion power batteries for new energy vehicles; and (ii) investment in the field of resources and resources exploration and trading and exploitation as at the Latest Practicable Date.

#### *(b) Historical financial information*

Set out below is a summary of the audited consolidated financial results of the Group for the years ended 31 December 2024 and 2025 ("**FY2024**" and "**FY2025**", respectively), as extracted from the 2025 Annual Report, and the unaudited consolidated results of the Group for the six months ended 30 June 2025 and 2026 ("**HY2025**" and "**HY2026**", respectively), as extracted from the 2026 Half Year Report:

**Table 1: Historical financial information of the Group**

| | **FY2024** | **FY2025** | **HY2025** | **HY2026** |
|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| | (audited) (Re-presented) | (audited) | (unaudited) | (unaudited) |
| Revenue from continuing operations | 77,544 | 231,043 | 15,487 | 61,678 |
| — Trading of mineral resources | — | 205,304 | — | 52,035 |

| | FY2024<br>*HK$'000*<br>(audited)<br>(Re-presented) | FY2025<br>*HK$'000*<br>(audited) | HY2025<br>*HK$'000*<br>(unaudited) | HY2026<br>*HK$'000*<br>(unaudited) |
|---|---|---|---|---|
| — Lithium batteries production | 77,544 | 25,739 | 15,487 | 9,643 |
| Gross profit from continuing operations | 16,987 | 9,520 | 213 | 4,302 |
| Loss before income tax from continuing operations | (589,204) | (60,877) | (40,092) | (11,942) |
| Loss for the year/period from continuing operations attributable to owners of the Company | (400,874) | (46,625) | (31,798) | (8,530) |

| | As at 31 December | | As at 30 June |
|---|---|---|---|
| | 2024 | 2025 | 2026 |
| | *HK$'000*<br>(audited) | *HK$'000*<br>(audited) | *HK$'000*<br>(unaudited) |
| Non-current assets | 5,465,255 | 6,151,789 | 6,544,282 |
| Current assets | 222,166 | 622,599 | 499,563 |
| Total assets | 5,687,421 | 6,774,388 | 7,043,845 |
| Non-current liabilities | 2,018,843 | 2,177,713 | 2,303,079 |
| Current liabilities | 154,630 | 307,949 | 213,645 |
| Total liabilities | 2,173,473 | 2,485,662 | 2,516,724 |
| Net current assets | 67,536 | 314,650 | 285,918 |
| Equity attributable to owners of the Company | 3,559,289 | 4,348,302 | 4,592,455 |

*FY2024 vs FY2025*

The revenue of the Group for FY2025 was approximately HK$231.0 million, representing an increase of approximately 198% as compared with that of approximately HK$77.5 million for FY2024. Revenue generated from ore trading

business segment was approximately HK$205 million for FY2025. The Group commenced its bauxite-trading business in the second half of 2025 and approximately 400,000 tonnes of bauxite were delivered during the FY2025. The revenue generated from lithium battery segment has decreased by approximately 66.8% from approximately HK$77.5 million for FY2024 to approximately HK$25.7 million for FY2025, where such decrease was mainly due to reduced demand from a major customer for the lithium battery segment as compared to FY2024 and the unsatisfactory sales of the parking and starting battery for heavy truck (駐車電池).

The Group recorded a gross profit of approximately HK$9.5 million (gross profit margin: approximately 4.1%) for FY2025 as compared with the gross profit of approximately HK$17.0 million (gross profit margin: approximately 21.9%) that of the previous FY2024. In line with the change in revenue stream of the Company as mentioned above, the Group's gross profit in FY2025 was primarily derived from its ore trading business which was newly commenced in the second half of 2025. As the gross profit margin generated from ore trading remained at a relatively low level of approximately 7%, it consequently dragged down the Group's overall gross profit margin. In addition, the gross profit margin was also affected by the decrease in sales of relatively high gross profit margin product in the lithium battery production segment.

For FY2025, loss before income tax for the year from continuing operations of the Company was approximately HK$60.9 million (FY2024: loss of approximately HK$589.2 million). The decrease in loss for FY2025 was primarily attributable to the absence of impairment provision related to the exploration and evaluation assets for the year (FY2024: impairment loss on exploration and evaluation assets of approximately HK$534.2 million and net of a deferred tax credit of approximately HK$181.6 million were recognised).

As a result, for FY2025, loss for the year from continuing operations attributable to owners of the Company was approximately HK$46.6 million (FY2024: loss of approximately HK$400.9 million).

*HY2025 vs HY2026*

The revenue of the Group for HY2026 was approximately HK$61.7 million, representing an increase of approximately 298.3% as compared with that of approximately HK$15.5 million for HY2025. Revenue generated from bauxite business segment was approximately HK$52.0 million for HY2026. The Group commenced its bauxite-trading business in the second half of 2025 and approximately 84,000 tonnes of bauxite were delivered during HY2026. The revenue generated from lithium battery segment decreased by approximately 37.7% from approximately HK$15.5 million for HY2025 to approximately HK$9.6 million for HY2026, where such decrease was mainly due to the decrease in number of orders of the parking and starting battery.

The Group recorded a gross profit of approximately HK$4.3 million (gross profit margin: approximately 7.0%) for HY2026 as compared with the gross profit of approximately HK$0.2 million (gross profit margin: approximately 1.4%) that of the previous HY2025. The gross profit margin for HY2025 was affected by the decrease in sales of relatively high gross profit margin products in the lithium battery production segment, whereas the improvement of gross profit margin for HY2026 was mainly due to improvement in the gross profit margin of the lithium-ion battery business segment, which increased from 1.4% for HY2025 to approximately 8.1% for HY2026, as well as the gross profit margin of approximately 6.8% generated by the bauxite business segment.

For HY2026, loss before income tax for the period from continuing operations of the Company was approximately HK$11.9 million (HY2025: loss of approximately HK$40.1 million). The decrease in loss for HY2026 was primarily attributable to: (1) decrease in the loss of lithium-ion battery business segment from approximately HK$17.5 million for HY2025 to approximately HK$6.0 million for HY2026, driven by a decrease in expensed research and development costs, (2) decrease in the loss on financial assets at fair value through profit or loss from approximately HK$13.4 million for HY2025 to approximately HK$4.9 million for HY2026, and (3) the commencement of bauxite business in the second half of 2025, which generated a profit of approximately HK$4.6 million (HY2025: nil).

As a result, for HY2026, loss for the period from continuing operations attributable to owners of the Company was approximately HK$8.5 million (HY2025: loss of approximately HK$31.8 million).

*31 December 2024 vs 31 December 2025*

As at 31 December 2025, the Group held non-current assets of approximately HK$6,151.8 million (31 December 2024: approximately HK$5,465.3 million), and current assets of approximately HK$622.6 million (31 December 2024: approximately HK$222.2 million).

The Group recorded a net current asset position of approximately HK$314.7 million as at 31 December 2025 (31 December 2024: approximately HK$67.5 million), which primarily consisted of cash and cash equivalents balances of approximately HK$386.7 million (31 December 2024: approximately HK$65.8 million). Majority of the non-current assets held by the Group are exploration and evaluation assets amounting to approximately HK$6,088.2 million as at 31 December 2025 (31 December 2024: approximately HK$5,367.8 million).

As at 31 December 2025, the gearing ratio of the Group which is calculated as total borrowings (excluding lease liabilities) divided by equity attributable to the owners of the Company, was approximately 2.1% (31 December 2024: approximately 3.0%). The gearing ratio of the Group decreased, primarily because

the total equity increased following the changes in the exchange reserve arising from the translation of Brazilian Reais against Hong Kong dollars, as well as the issuance of 4.7 billion new shares under a share subscription on 27 March 2025.

*31 December 2025 vs 30 June 2026*

As at 30 June 2026, the Group held non-current assets of approximately HK$6,544.3 million (31 December 2025: approximately HK$6,151.8 million), and current assets of approximately HK$499.6 million (31 December 2025: approximately HK$622.6 million).

The Group recorded a net current asset position of approximately HK$285.9 million as at 30 June 2026 (31 December 2025: approximately HK$314.7 million), which primarily consisted of cash and cash equivalents balances of approximately HK$430.6 million (31 December 2025: approximately HK$386.7 million). Majority of the non-current assets held by the Group are exploration and evaluation assets amounting to approximately HK$6,480.9 million as at 30 June 2026 (31 December 2025: approximately HK$6,088.2 million).

As at 30 June 2026, the gearing ratio of the Group, which is calculated as total borrowings (excluding lease liabilities) divided by equity attributable to the owners of the Company, remained at a similar level of approximately 2.02% (31 December 2025: approximately 2.1%).

## 3. Information on the Target Group

As stated in the section headed ''Information on the Target Group'' in the Letter from the Board, the Target Company is a provider of integrated low-voltage three-electric (battery, motor and electric control) system solutions, and has concurrently developed a dual-core business model comprising such solutions and the research and development, production and sale of new energy lithium-ion batteries. The Target Company possesses full delivery capabilities in respect of low-voltage three-electric supporting systems, and is able to provide customers with integrated powertrain system solutions incorporating battery cells, battery modules and battery management systems (''**BMS**''). Its self-developed and self-manufactured prismatic aluminium-shell lithium iron phosphate (''**LFP**'') battery cells serve as the core supporting product of such solutions. The relevant systems and battery products are currently mainly applied to small low-voltage powered vehicles such as electric two-wheelers and tricycles.

The Target Company plans to extend the application of its products and solutions to commercial vehicles, small-power vehicles, battery swapping and intelligent robotics, with a view to expanding its product and customer coverage.

The Target Company also plans to expand into overseas markets, including the research and development of, and business development in relation to, solutions for converting fuel powered micro-mobility vehicles to electric power and solar-powered range-extension solutions for new energy micro-mobility vehicles. In addition, the Target Company is developing sodium-ion battery related technologies (including cathode materials and battery cells) as a potential new business direction in addition to its existing lithium battery business.

The audited consolidated financial information of the Target Company prepared in accordance with the Hong Kong Financial Reporting Standards for the two financial years ended 31 December 2024 and 2025 is as follows:

| | **FY2024** | **FY2025** |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| | (audited) | (audited) |
| Revenue | 96,678 | 103,296 |
| Loss before taxation | 117,608 | 155,841 |
| Loss after taxation | 117,611 | 155,843 |

The consolidated net asset value of the Target Group as at 30 April 2026 was approximately RMB341.95 million.

Please refer to Appendix II for further details of the financial information of the Target Group.

The Seller has not provided any guarantee in respect of the profits, net tangible assets or other financial performance of the Target Group. The Group has not been granted any option to sell the Target Company back to the Seller or any other similar right in connection with the Acquisition.

As advised by the Seller, based on the weighted average acquisition cost of the equity interests in the Target Company acquired by it, the original acquisition cost attributable to the Target Equity was approximately RMB504.6 million.

**4. Information on the Seller**

The Seller is a company incorporated in the PRC with limited liability and a diversified industrial group principally engaged in new materials and resources, intelligent motorcycle manufacturing and the low-altitude economy. It also makes strategic investments in businesses including power semiconductors and commercial aerospace.

As at the Latest Practicable Date, the Seller is interested in approximately 66.65% of the total issued Shares and is ultimately controlled by Mr. Li, who is interested in approximately 67.70% of the total issued Shares. The Seller and Mr. Li are therefore connected persons of the Company under Chapter 20 of the GEM Listing Rules.

## 5. Reasons for and benefits of the Acquisition

As stated in the section headed ''Reasons for and benefits of the Acquisition'' in the Letter from the Board, the Group is principally engaged in (i) the research and development and production of lithium-ion power batteries for new energy vehicles; and (ii) investment in resources and the exploration, trading and exploitation of resources. The Acquisition will enable the Group to expand its lithium battery business and is consistent with the Group's business development strategy. For further details of the Board's view on the reasons for and benefits of the Acquisition, please refer to the section headed ''Reasons for and benefits of the Acquisition'' in the Letter from the Board.

The Directors have also taken into account that the Target Group recorded losses for the years ended 31 December 2024 and 2025 and had negative operating cash flows. If the Target Group continues to be loss-making after Completion, the consolidation of its financial results may adversely affect the earnings and cash flows of the Enlarged Group. Please refer to Appendix III for further details of the management discussion and analysis of the financial position and results of operations of the Target Group.

In view of the above, the Company considers that the terms of the Acquisition Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

We consider that the Acquisition has a reasonable commercial rationale, as it enables the Group to expand into the Target Group's prismatic aluminium-shell lithium iron phosphate battery products and integrated system solutions for the two-wheeler and three-wheeler markets, which are expected to enjoy steady growth driven by the continuing replacement cycle arising from the implementation of the new national standards and the organic growth of the industry. Given the differences in product specifications, target customers and production processes, the Target Group's business is complementary to, rather than directly duplicative of, the Group's existing battery business. The Acquisition may also enable the Group's access to the Target Group's existing production capabilities, customer relationships and market presence more efficiently than developing them organically.

We also note that the Group and the Target Group share certain underlying battery-related capabilities, creating potential for the sharing of technical experience, quality-control practices and supply-chain resources. Having considered the complementary nature of the businesses, we consider the Acquisition to be strategically consistent with the Group's lithium-ion battery business development.

## 6. Principal terms of the Acquisition

On 21 August 2026 (after trading hours), the Company entered into the Acquisition Agreement with Lianfengtai Technology, Geely Technology Group and the Target Company, pursuant to which Geely Technology Group has conditionally agreed to sell, and the Company has conditionally agreed to acquire through the WFOE Entity, 51% of the equity interest in the Target Company for the Consideration of RMB382.5 million (or its equivalent in HK$), as amended by the Supplementary Agreement as set out in the announcement of the Company dated 30 October 2026. With reference to the Letter from the Board, the principal terms of the Acquisition Agreement, as amended by the Supplementary Agreement, are set out as follows:

**Date**

21 August 2026 (after trading hours)

**Parties**

(i) the Company;

(ii) Lianfengtai Technology;

(iii) Geely Technology Group (as the "**Seller**"); and

(iv) the Target Company.

Under the Acquisition Agreement, the Company and Lianfengtai Technology are required to establish a wholly foreign-owned enterprise in the PRC through which the Company will acquire the Target Equity, procure such entity to complete the requisite foreign exchange registration for foreign direct investment and procure it to become a party to the Acquisition Agreement as the purchaser. As at the Latest Practicable Date, the WFOE Entity had been established and had become a party to the Acquisition Agreement as the purchaser. Accordingly, the WFOE Entity has assumed all rights and obligations of the purchaser under the Acquisition Agreement.

**Target Equity**

51% equity interest in the Target Company, corresponding to RMB510 million of its registered capital, which has been fully paid.

As at the Latest Practicable Date, the Seller owns 70.07% of the equity interest in the Target Company and the remaining 29.93% is owned by other shareholders who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are independent third parties.

Upon Completion, the WFOE Entity, the Seller and such other shareholders will hold 51%, 19.07% and 29.93%, respectively, of the equity interest in the Target Company. The Target Company will become a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group. Any subsequent transfer of all or any part of the Target Equity by the WFOE Entity to a person other than an existing shareholder of the Target Company will be subject to applicable PRC laws and the articles of association of the Target Company, including the rights of first refusal of the other shareholders of the Target Company on the same terms.

**Consideration and Basis of Consideration**

RMB382.5 million (or its equivalent in HK$), which is intended to be financed by loans from the Seller (and/or its associate(s)); as at the Latest Practicable Date, the detailed terms of the proposed loans from the Seller, including their tenure, interest rate and security arrangements, remained under negotiation and had not been finalised; the said financing arrangement, if it materialises, will constitute a connected transaction, in respect of which, the Company will comply with the reporting, announcement, circular and/or other requirements under the GEM Listing Rules (if needed) as and when appropriate. For further details, please refer to the paragraph headed "Financing of the Consideration" in the Letter from the Board.

The Consideration represents approximately 51.0% of RMB750.0 million, being the approximate mid-point of the appraised values of RMB629.1 million under the asset-based approach and RMB833.0 million under the market approach of the entire equity interest in the Target Company as at the Valuation Date, as set out in the Valuation Report.

The Consideration was determined after arm's length negotiations among the parties to the Acquisition Agreement with reference to, among other things, the Valuation Report.

**Payment terms**

The WFOE Entity shall pay the Consideration within six (6) months after both Completion and receipt of a payment notice from the Seller (or such shorter period as may be required by applicable laws and regulations).

**Conditions precedent**

Completion is conditional upon the satisfaction or waiver (where applicable) of, among other things, the following Conditions:

(a) the WFOE Entity having been duly established under PRC laws and having obtained its business licence;

(b) the Stock Exchange having confirmed that it has no further comments on the relevant announcement(s) and/or circular(s), where applicable, and all requisite approvals and/or authorisations of the boards of directors and/or general meetings of the relevant parties in respect of the Acquisition having been obtained;

(c) all existing shareholders of the Target Company, other than the Seller, having waived their rights of first refusal in respect of the Target Equity;

(d) the registration of the transfer of the Target Equity having been completed and the Target Company having obtained its updated business licence;

(e) the representations and warranties of the Seller and the Target Company remaining true, complete and accurate, and the Seller and the Target Company having performed their respective obligations under the Acquisition Agreement without any event of default having occurred;

(f) the Target Company having obtained and maintained all approvals, licences and permits required under PRC laws in respect of its business and assets prior to Completion;

(g) the Company, Lianfengtai Technology and the WFOE Entity being satisfied with the results of their legal, financial and business due diligence on the Target Company, its shareholders, directors, supervisors, legal representative and senior management;

(h) the Seller and/or the Target Company having given all notices and obtained all third-party consents and/or approvals required under the relevant contracts as a result of the change in shareholding of the Target Company, and there being no binding contractual restriction on such change;

(i) no material adverse change having occurred in respect of the Target Group, and its core business assets and key professional and technical personnel having remained stable; and

(j) there being no legal proceeding, contract, agreement or other arrangement that would prohibit, restrict or otherwise materially adversely affect the Acquisition, or impose any material restriction or condition on it.

**Completion**

Completion shall take place on the fifth Business Day after the fulfilment or waiver of the Conditions, or on such other date as may be agreed. The WFOE Entity may waive any of the Conditions, providing that any such waiver will not dispense with any approval or requirement that must be obtained or complied with under applicable laws and regulations or the GEM Listing Rules.

As at the Latest Practicable Date, all the Conditions had been fulfilled, except for (i) the approval of the Acquisition by the Independent Shareholders at the EGM; (ii) the waiver by the other existing shareholders of the Target Company of their rights of first refusal in respect of the Target Equity; and (iii) the completion of the registration of the transfer of the Target Equity and the obtaining by the Target Company of its updated business licence.

**Termination**

The Acquisition Agreement may be terminated in any of the following circumstances:

(1) by mutual agreement of the parties;

(2) if the Conditions have not been fulfilled or waived within twelve (12) months after the date of the Acquisition Agreement and the parties have not agreed to extend such period, any party may terminate the Acquisition Agreement;

(3) if the WFOE Entity fails to pay the Consideration in accordance with the Acquisition Agreement and fails to remedy such default within 15 days following written notice from the Company, the Seller may terminate the Acquisition Agreement;

(4) if any representation or warranty of the Seller or the Target Company is untrue, inaccurate or misleading in any material respect, or if the Seller or the Target Company materially breaches its obligations under the Acquisition Agreement and fails to remedy such breach within 15 days following written notice from the Company, Lianfengtai Technology or the WFOE Entity, the Company, Lianfengtai Technology or the WFOE Entity may terminate the Acquisition Agreement;

(5) if any representation or warranty of the WFOE Entity is untrue, inaccurate or misleading in any material respect, or if the WFOE Entity materially breaches its obligations under the Acquisition Agreement and fails to remedy such breach within 15 days following written notice from the Seller or the Target Company, the Seller or the Target Company may terminate the Acquisition Agreement;

(6) prior to Completion:

(i) if force majeure or other circumstances not attributable to any party prevent the purpose of the Acquisition Agreement from being achieved for more than three (3) months, any party may terminate the Acquisition Agreement; or

(ii) if a court accepts a bankruptcy petition against any party, or if any party has its registration or business licence revoked, is ordered to cease business or otherwise loses its actual capacity to perform the Acquisition Agreement, the other parties may terminate the Acquisition Agreement.

For further details of terms of the Acquisition, please refer to the section headed "2. THE ACQUISITION" in the Letter from the Board.

## 7. Our analysis on the Valuation Report

As set out in the Letter from the Board and as advised by the Management, the consideration for the Acquisition, was determined after arm's length negotiations among the parties to the Acquisition Agreement with reference to, among other things, the Valuation Report. The Consideration represents approximately 51.0% of RMB750.0 million, being the approximate mid-point of the appraised values of RMB629.1 million under the asset-based approach and RMB833.0 million under the market approach, of the entire equity interest in the Target Company as at the Valuation Date.

In assessing the fairness and reasonableness of the valuation of the entire equity interest in the Target Company as at the Valuation Date by the Valuer (the "**Valuation**"), we have considered the following:

### *(i) Experience of the Valuer and its engagement*

In assessing the Consideration, we have reviewed and discussed with Canwin Appraisal Co., Ltd.* (坤元資產評估有限公司), the independent valuer appointed by the Company for the valuation of the entire equity interest in the Target Company, the methodology of, and basis and assumptions adopted for, the Valuation as set out in Appendix V to the Circular.

We have discussed with the Valuer as to its expertise, valuation experience, scope of work and valuation procedures conducted in relation to the fair value of the entire equity interest in the Target Company. We have obtained a written confirmation from the

Valuer regarding its independence and its current and previous relationships with the Group and the other parties to the Acquisition Agreement. The Valuer has confirmed that it is independent of the Group and the other parties to the Acquisition Agreement and that save for its appointment in connection with the Valuation, it has no other relationship with them that would affect its independence in carrying out the Valuation. Having reviewed the confirmation and based on our discussions with the Management and the Valuer, we are satisfied that the Valuer is independent of the Group and the other parties to the Acquisition Agreement. We have obtained and reviewed the engagement letter entered into between the Valuer and the Company. We also confirmed the relevant licenses of the Valuer, reviewed the registration certificates of the personnel-in-charge of the Valuation and qualifications and experiences of the personnel-in-charge as registered under China Appraisal Society (中國資產評估協會).

We noted from the registration with China Appraisal Society that the Valuer has been registered since 2000 with over 120 certified asset appraisers and the two personnel-in-charge of the Valuation have over 19 and 10 years of experience in valuation in the PRC respectively.

We have also conducted discussions with the Valuer to understand its previous experiences on valuation projects, the methodologies, basis and assumptions they have adopted in the valuation reports as well as the steps and measures taken by the Valuer in conducting such valuation. In addition, we also note that the Valuer has reviewed, among other documents, the audited statements of financial position of the Target Group, as set out in Appendix II to the Circular, which were prepared in accordance with the Hong Kong Financial Reporting Standards. We also understand from the Valuer that it has made relevant enquiries for preparing the Valuation Report and no irregularities were noted during the course. The Valuer also confirmed that it has performed a site visit to the properties held by the Target Company.

Based on the above, we are satisfied that the Valuer is qualified for giving its opinion as set out in the Valuation Report taking into account its relevant experience and expertise, its independence, and its scope of work and valuation procedures conducted and the terms and scope of the engagement between the Company and the Valuer are appropriate to the opinion the Valuer is required to give.

***(ii) Valuation assumptions and methodology***

As stated in the Valuation Report, the Valuer was instructed by the Company to conduct valuation of the entire equity interest in the Target Company as at the Valuation Date. The valuation procedures complied with the laws, regulations and valuation standards of the PRC related to asset valuation, and followed working principles of independence, objectiveness, fairness and scientific rigour, and relevant economic principles. We also understand that the Valuation Report was prepared in accordance

with the Basic Standards for Asset Valuation issued by the Ministry of Finance (MOF), and the Asset Valuation Practice Standards and the Code of Professional Ethics issued by the China Appraisal Society (CAS).

*(a) Valuation methodology*

According to our discussion with the Valuer, in performing the valuation, the Valuer has considered three generally accepted valuation approaches, namely, the asset-based approach, the market approach and the income approach.

We understand from the Valuer that it has considered the income approach to be not appropriate for the Valuation as the Target Group has recorded negative operating cash flow for consecutive years. We agree with the Valuer's view in relation to the above. Based on our understandings, while production and operations of the Target Group have gradually improved, the Target Group has yet to achieve a positive operating cash flow for the adoption of income approach. We further enquired the Valuer as to whether future projections can be based on for the adoption of income approach. However, it was also noted that, due to the industry nature and current under-utilised operating status of the Target Company, future cash flows forecast cannot be made with parameters (such as capacity utilisation and margins) having a high degree of confidence for valuation purpose. Hence, the use of an income approach for the valuation was precluded. As a result, we understand that the Valuer has adopted asset-based approach and market approach in valuing the entire equity interest in the Target Company.

Whilst asset-based approach and market approach were both selected for the valuation of the entire equity interest in the Target Company, we understand that the Valuer considered the inherent limitations of the asset-based approach, which determines the value of a company's total shareholders' equity by valuing its assets and liabilities. Accordingly, the asset-based approach may not be able to fully reflect the Target Company's corporate value based on its recognised assets and liabilities alone, as it focuses solely on its assets and liabilities and does not assess items not recognised in the financial statements, such as human capital, management efficiency, customer resources and brand influence. In this regard, we further enquired the Valuer as to the limitations of applying the asset-based approach during the Valuation. Due to the nature of the industry, key items such as intangible technologies accumulated through research and development and brand value (built on employee talent, customer relationships, and market recognition) are critical when determining the overall enterprise value of the Target Company, but are not recognised under the asset-based approach.

Under the asset-based approach, the Valuer separately appraised the assets and liabilities within the valuation scope, including identifiable intangible assets not recorded in the books. Under the market approach, the Valuer adopted the guideline public company method, applying adjusted P/B multiples derived from comparable

listed companies, together with a discount for lack of marketability and a control premium. Our independent assessment of the applicability of these approaches and the reasons for our concurrence with the adoption of the market approach are set out under "(iii) Our work performed" below.

Please refer to Appendix V to the Circular for the detailed description of the valuation methodologies of the Valuation Report of the entire equity interest in the Target Company.

*(b) Principal assumptions and limitations*

The Valuation was principally based on the assumptions that:

(i) the Target Group would continue to operate its existing businesses as a going concern and to use its assets for their existing purposes;

(ii) the relevant transaction would take place in an open market;

(iii) the information and documents provided to the Valuer were true, complete, lawful and reliable;

(iv) there would be no material change in the relevant macroeconomic, political, legal, taxation, interest rate, foreign exchange or industry conditions; and

(v) there would be no material adverse change in the operating environment of the Target Group.

We have discussed with the Valuer regarding the aforesaid assumptions and noted that they are normal assumptions. We also understand that the Directors have reviewed the bases and assumptions which the Valuation was based and opined that the Valuation prepared by the Valuer has been made after due and careful enquiries.

***(iii) Our work performed***

In assessing the valuation approaches, we reviewed the Valuation Report and the historical financial information of the Target Group set out in Appendix II to the Circular. We considered separately the applicability of the income approach, the relevance of the asset-based valuation and the suitability of the market approach.

In respect of the income approach, we noted that the Target Group's revenue increased from approximately RMB32.3 million for the four months ended 30 April 2025 to approximately RMB105.0 million for the corresponding period in 2026, while its loss before taxation narrowed from approximately RMB29.3 million to approximately RMB10.1 million. These results indicate an improvement in its operating performance, but do not establish a sufficiently reliable basis for forecasting its future cash flows.

We do not consider historical losses or negative operating cash flows, by themselves, to preclude an income approach. Based on our review, we noted that the disposal of the Target Group's high-voltage battery business in 2025 affected the reliability of forecasting its future cash flows for the purpose of establishing a valuation under the income approach. Accordingly, we consider it reasonable not to adopt the income approach for valuing the entire equity interest in the Target Company.

We consider the asset-based approach relevant given the capital-intensive nature of the Target Group's operations, and have taken its result into account as a reference in assessing the Consideration, while understanding that the separate appraisal of individual assets and liabilities may not fully capture the contribution of an assembled workforce, coordinated operating processes and continuing customer relationships to the functioning of the business as a whole.

In respect of the market approach, we consider that the availability of publicly disclosed financial information and observable trading prices of comparable listed businesses provides a relevant basis for assessing market value. Nevertheless, the usefulness of that information depends on the comparability of the selected companies and the adequacy of the adjustments for their differences from the Target Group. We therefore assessed the suitability of the P/B multiple, the comparable-company selection process, the financial and non-financial adjustments, the discount for lack of marketability and the control premium, as discussed below. In respect of the assumptions, we reviewed the valuation assumptions made by the Valuer for the Valuation, as detailed in Appendix V to the Circular and noted no irregularities or unreasonable assumptions made.

The Valuation was conducted through the application of the guideline public company method under the market approach. The guideline public company method is a specific method for determining the value of the subject of valuation by obtaining and analysing the operating and financial data of comparable public companies, calculating appropriate valuation multiples, and making dimensional comparison adjustments based on a comparative analysis with the appraised entity.

We understand from the Valuer that, as comparable transaction cases are difficult to collect and it is impossible to know whether non-market value factors exist, it is not appropriate to select the guideline transactions method, which determines the value of the subject of valuation by obtaining and analysing the operating and financial data of comparable public companies, calculating appropriate valuation multiples, and making dimensional comparison adjustments based on a comparative analysis with the appraised entity. In addition to the difficulty in collecting the transaction cases, we are also of the view that the comparable transactions method may not provide a meaningful reference due to differences such as operating characteristics and transaction structures across each transaction, where available information may be insufficient to make reliable adjustments.

In respect of the selection and determination of valuation multiples under the market approach, before ultimately selecting the asset-based valuation multiple, the price-to-book ratio ("**P/B Ratio**"), the Valuer also considered:

(1) revenue-based valuation multiple, which was not ultimately selected as the Target Company's insufficient capacity utilisation rate in historical years, its revenue and operating scale cannot accurately reflect its market value;

(2) earnings-based valuation multiple, which was not ultimately selected as the Target Company has made large-scale fixed asset investment and experienced insufficient capacity utilization rate, its operating cash flow has been consistently negative in historical years and hence profitability level cannot reflect its overall value; and

(3) special valuation multiple, where the capital market currently has an industry-specific indicator, EV/GWh, which was not ultimately selected as differences in battery specifications and downstream industries, companies with the same capacity have significant value differences, which cannot be directly adjusted through an adjustment system at present.

We separately assessed the suitability of the P/B Ratio by reference to the Target Group's financial position and operating characteristics. Its business requires substantial investment in production facilities and equipment, and it had a positive consolidated net asset position of approximately RMB341.95 million as at the Valuation Date. We therefore consider net assets a relevant basis for comparison with other battery manufacturing businesses.

We further considered the EV/GWh metric and noted that production capacity alone may not fully reflect differences in battery specifications, product mix, downstream applications and capacity utilisation among companies. Accordingly, an EV/GWh metric would require further adjustments to reflect such differences, which could not be made with sufficient reliability in the present circumstances. We therefore consider that the EV/GWh metric is not an appropriate valuation multiple for the Valuation.

We recognise that a positive net asset position does not, by itself, justify applying the P/B multiples of profitable listed companies to a loss-making business. Accordingly, our assessment of the P/B Ratio also took into account the quality and composition of the Target Group's net assets and whether the adjustments adequately reflected its differences in profitability, scale and operating characteristics from the Comparables. As such, together with the assessment findings set out below, we consider the P/B Ratio an appropriate valuation multiple for the purposes of the Valuation.

For the selection of comparable companies, the Valuer adopted the following selection criteria:

(1) must have been publicly listed for at least three years; and

(2) principally engaged in the production and sales of lithium batteries.

We are of the view that the above selection criteria would allow the Valuer to identify companies that operate within the same industry as the Target Company and provide sufficient information for the purpose of the Valuation, and as such, we consider the adoption of the selection criteria by the Valuer to be fair and reasonable.

Based on the selection criteria, the Valuer identified five comparable companies (the "**Comparables**") and as confirmed by the Valuer, the list of Comparables is exhaustive. We have obtained the initial list of companies identified by reference to the relevant national economic industry classification and the Shenwan Industry Classification, representing all listed companies engaged in the production and sale of lithium batteries, which our Target Group falls under and reviewed the steps through which the Valuer arrived at the final list of five Comparables adopted in the Valuation. The Valuer initially identified 32 listed companies with their main place of business in the PRC and engaged in lithium battery production and sales, by reference to the Shenwan Industry Classification. The Valuer subsequently screened the candidates by reference to their listing history, principal business, proportion of battery-related business, downstream applications and operating characteristics. In particular, the screening excluded companies that (i) had been listed for less than three years; (ii) principally operated in battery components or primary batteries, or derived less than 80% of their overall business from battery operations; (iii) had downstream applications principally in consumer electronics or energy storage; or (iv) had significant differences in operating scale or other relevant indicators. We obtained the full candidate list and schedule, in which information were extracted from iFinD financial data (a reputable securities database provider in the PRC) for the analysis, and specifically assessed the basis for each of the exclusions. The final five comparable companies were Tianneng (688819.SH), Zhuhai CosMX (688772.SH), EVE Energy (300014.SZ), Greenway (688345.SH) and Great Power (300438.SZ).

Based on the aforementioned review, our discussions with the Valuer and the selection criteria adopted, we did not identify any material omission or exclusion from the list of comparable-companies that would cause us to question the representativeness of the selected Comparables. Please also refer to the paragraphs headed "Application of the market approach" in the Letter from the Board for further details regarding the selection process of the Comparables.

Further, we noted that the Valuer made adjustments on the P/B Ratios of the Comparables with respect to (a) financial indicators covering influencing factors of profitability, operational capability and solvency of the Comparables, and (b) non-

financial indicators considering the differences in terms of (i) scale — with respect to size of the Comparables, (ii) growth potential — with respect to product lifecycle of the Comparables, (iii) product — with respect to product portfolio of the Comparables, and (iv) operating model — with respect to the completeness of structure and supply chain of the Comparables.

In respect of the financial indicators, we reviewed the valuation indicators and adjustment coefficients set out in Appendix V to the Circular. The Valuer selected return on total assets and net profit margin on sales as indicators of profitability; inventory turnover ratio and trade receivables turnover ratio as indicators of operational capability; and liabilities-to-assets ratio, quick ratio and current ratio as indicators of solvency. We reviewed the calculations and noted that the relevant indicators were derived from information extracted from iFinD financial data (a reputable securities database provider in the PRC) for the analysis and benchmarked against the corresponding indicators of the Target Company, where we also noted no arithmetical errors in the calculation of the financial adjustment coefficients.

In respect of the non-financial indicators, we reviewed the calculations and supporting rationale for: (a) operating scale, assessed by reference to the enterprise size classifications under the Notice of the National Bureau of Statistics on Issuing the Measures for the Statistical Classification of Large, Medium, Small and Micro Enterprises (2017) (《國家統計局關於印發〈統計上大中小微型企業劃分辦法(2017)〉的通知》); (b) growth potential, assessed by reference to the product lifecycle and production-stage information in the Valuer's assessment, including the Target Company's resumption of operations in year 2025 and small-scale mass-production stage compared with the Comparables' large-scale mass-production stage; (c) product portfolio, assessed by reference to the business descriptions and revenue composition of the Target Company and the Comparables; and (d) operating model, assessed by reference to the completeness of organisational functions and supply chains, including the Target Company's own production capacity, established customer relationships and shared-function arrangements.

We noted that adjustments were made for operating scale and growth potential after taking into account of the above, where no separate adjustment was made for product portfolio, as the Valuer considered their principal battery businesses sufficiently comparable for this indicator, or for operating model, as each company (including the Target Company and the Comparables) was assessed as having complete organisational functions and supply-chain arrangements.

We are of the view that the adoption of financial and non-financial adjustment indicators to account for differences between the valuation subject and comparable companies is consistent with market practice for valuations using the guideline public company method. We have considered the Target Group's loss-making position and consider that this reinforces the relevance of adjusting for differences in profitability and

operating characteristics, rather than rendering such adjustments inappropriate. The coefficients are intended to account for differences between the Target Group and the Comparables, including profitability, operating scale and stage of commercial production. Accordingly, we consider it appropriate to assess and make adjustments with respect to these factors, as the resulting adjustments are supported by financial and operating circumstances as discussed above. Having discussed the basis with the Valuer and with our assessment as mentioned above, we consider the adoption of the adjustments to be fair and reasonable for the Valuation.

We noted that the financial and non-financial adjustment coefficients were multiplied to arrive at the overall adjustment coefficient for each of the Comparables. The adjusted P/B Ratios of the five Comparables ranged from approximately 1.58 times to 5.22 times with an average of approximately 3.17 times, where we noted no arithmetical errors in the calculation of the adjusted P/B Ratios and the average adjusted P/B Ratio.

Please refer to paragraphs headed "(iv) Sensitivity analysis" for further details regarding our assessment on the effect on the Valuation of the financial and non-financial adjustments to the P/B Ratio applied. Accordingly, we consider the adjustments reasonable for the purpose of the valuation analysis. Please refer to the section headed "Application of the market approach" in the Letter from the Board and the section headed "(V) Analysis, estimation process and conclusion of the market approach — 2. Adjustment of the valuation multiples of comparable companies" in the Appendix V to the Circular for detailed information on the adjustments made.

Moreover, we also noted that the Valuer applied discount for lack of marketability to reflect the impact of the lack of marketability of relevant equity on the value that all the selected companies are public while the appraised entity is private. As advised by the Valuer, the applied discount of 33.1% was made with reference to the observations in acquisitions of unlisted and listed companies relevant to the industry of the Target Company in 2026, with information derived from past transaction records collected from property and equity exchanges established by the PRC government and reputable sources of Wind and CVSource.

In addition, we further noted that the Valuer also applied a control premium as the Company is acquiring a controlling interest in the Target Company. We noted from the Valuer that the control premium of 15.04% was determined by reference to the average control premium derived from past transaction records collected from reputable sources of Wind and CVSource.

We have reviewed the sources and underlying basis of the discount for lack of marketability and control premium adopted by the Valuer, including their applicability to the Target Equity. Having considered the absence of a ready trading market for the Target Equity as the Target Company is unlisted, and the effective control rights attaching to the 51% interest to be acquired, we are of the view that the respective

downward discount for lack of marketability adjustment and the upward control premium adjustment are appropriate in principle. Accordingly, we consider the said adjustments made to be fair and reasonable.

Having considered (i) the limitations identified in preparing sufficiently supported cash flow forecasts; (ii) the relevance of net assets for comparison for the Target Group's capital-intensive manufacturing operations; (iii) our findings on the selection and comparability of the Comparables and the basis and adequacy of the valuation adjustments and having considered the Valuer's qualification, experience and independence, we did not identify any major factors which caused us to doubt the fairness and reasonableness of the principal bases and assumptions adopted for the Valuation Report.

***(iv) Sensitivity analysis***

We reviewed the sensitivity analysis as detailed in the section headed "1. Sensitivity Analysis" in the Letter from the Board, which examines changes in the benchmark P/B multiple, profitability adjustment coefficient and operating scale adjustment coefficient independently, with other inputs held constant. We noted that the analysis indicates that changes in the selected parameters produce broadly proportionate changes in the Valuation.

In addition to our review of the abovementioned sensitivity analysis, we performed an illustrative calculation to assess the effect of the financial and non-financial adjustments applied to the P/B multiples of the selected comparable companies. Based on the disclosed original P/B ratios of the five comparable companies, the average unadjusted P/B multiple was approximately 3.624 times. For illustrative purposes, we recalculated the market approach valuation by applying the unadjusted average P/B multiple of approximately 3.624 times to the net asset value attributable to owners of the Target Company of approximately RMB341.95 million as at the Valuation Date. The theoretical value of the entire equity interest in the Target Company, while retaining the DLOM discount and control premium, would be approximately RMB953.7 million, compared with the market-approach valuation of approximately RMB833.0 million.

We consider the adoption of the discount for lack of marketability appropriate in principle, as such adjusts the valuation derived from listed comparable companies, which are generally larger and profitable comparable companies that are listed with trading market to reflect the Target Group's relative disadvantages in scale, profitability and marketability. We also consider it appropriate to assess a control premium in light of the acquisition of a 51% equity interest.

To demonstrate the effect of the material adjustments made in arriving at the Valuation, for illustrative purposes, below is the summary of the effects of (i) the financial and non-financial adjustments to P/B Ratio for the Comparables, and (ii) the discount for lack of marketability and control premium adopted in the Valuation:

| | **Equity value of the entire Target Company** *(RMB million)* | **Effect/ difference** *(RMB million)* |
|---|---|---|
| The Valuation | 833.0 | — |
| Without financial and non-financial adjustments to P/B Ratio for the Comparables | 953.7 | +120.7 (14.5%) |
| Without DLOM discount and control premium | 1,084.0 | +251.0 (30.1%) |

Having considered the direction and quantitative effect of the adjustments, we are of the view that they are generally prudent from the perspective of the Company.

***(v) Conclusion***

We note that the Consideration of RMB382.5 million represents approximately 51.0% of RMB750.0 million, being the approximate mid-point of the appraised values of RMB629.1 million under the asset-based approach and RMB833.0 million under the market approach. While the asset-based valuation reflects the appraised values of identifiable assets and liabilities, it may not fully capture the contribution of the Target Group's assembled workforce, continuing customer relationships and other operating capabilities as an integrated business, or its improving operating performance, as set out in section headed "3. Information on the Target Group" of this letter and the audited financial information of the Target Group in Appendix II to the Circular. Nevertheless, the Board considered it prudent not to solely adopt the appraised value under the market approach, being the higher appraised value of the valuation approaches, in full as the pricing basis.

We further note that it is not uncommon for the consideration of an acquisition to be determined by reference to valuation results derived under different valuation approaches. In the present case, the asset-based valuation provides a value reference based on the identifiable assets and liabilities of the Target Group, whereas the market approach valuation reflects, among other things, the market multiples of comparable companies. Having considered that the implied equity value of RMB750.0 million which the Consideration is based on falls within the range between the asset-based valuation and the market approach valuation, we consider that the basis for determining the Consideration is consistent with prevailing market practice and is fair and reasonable so far as the Independent Shareholders are concerned.

Having considered our independent work performed on the Valuation Report as set out above and the Board's rationale for determining the Consideration, we consider that as the implied equity value of RMB750.0 million based on the Consideration, lies between the asset-based valuation of approximately RMB629.06 million and the market approach valuation of RMB833.0 million, and hence the Consideration of RMB382.5 million for the Target Equity is fair and reasonable.

**8. Financial effects of the Acquisition on the Group**

Upon Completion, the Target Company will become a 51%-owned subsidiary of the Company, and the financial results, assets and liabilities of the Target Group will be consolidated into the financial statements of the Group.

As the Company and the Target Group are ultimately controlled by Mr. Li both before and after the Acquisition, the Acquisition will be accounted for as a business combination under common control using the principles of merger accounting in accordance with the applicable accounting standards.

With reference to the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to the Circular, given that the Target Group recorded losses during the periods disclosed in this circular, the Acquisition may have an adverse effect on the earnings of the Enlarged Group if the Target Group continues to be loss-making after Completion. The actual effect will depend on the future financial performance of the Target Group.

With reference to the 2026 Half Year Report, the Group's total assets and total liabilities were approximately HK$7,043.8 million and approximately HK$2,516.7 million, respectively. Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to the Circular, assuming the completion of the Acquisition had taken place on 30 June 2026, the pro forma total assets and total liabilities of the Enlarged Group would become approximately HK$7,755.8 million and approximately HK$3,278.8 million, respectively.

Further with reference to the 2026 Half Year Report, the Group recorded a net current asset position of approximately HK$285.9 million as at 30 June 2026. Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to the Circular, assuming the completion of the Acquisition had taken place on 30 June 2026, the net current liabilities position of the Enlarged Group would become approximately HK$147.0 million, which was contributed by the adjustment of HK$439.9 million made to the current liabilities reflecting the recognition of the consideration payable arising from the Consideration.

It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position of the Enlarged Group will be upon completion of the Acquisition. Further details of the unaudited pro forma effects of the Acquisition on the assets and liabilities of the Enlarged Group are set out in Appendix IV to the Circular.

## RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Acquisition are on normal commercial terms and are fair and reasonable; and (ii) although the Acquisition is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Acquisition and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
**Alpha Financial Group Limited**

**Cheng Chi Ming, Andrew**
*Managing Director*

Yours faithfully,
For and on behalf of
**Alpha Financial Group Limited**

**Irene Ho**
*Head of Corporate Finance,*
*Senior Vice President*

*Mr. Cheng Chi Ming, Andrew is the Managing Director of Alpha Financial Group Limited and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Cheng has over 23 years of experience in the corporate finance industry in Hong Kong.*

*Ms. Irene Ho is the Head of Corporate Finance and Senior Vice President of Alpha Financial Group Limited and is licensed under the SFO as a Responsible Officer to conduct Type 6 (advising on corporate finance) regulated activities (under the licensing condition that in the capacity as an adviser to a client on matters/transactions falling within the ambit of the Takeovers Code, act together with another adviser not subject to the same condition). Ms. Ho has over 12 years of experience in the corporate finance industry in Hong Kong.*

## 1. FINANCIAL INFORMATION OF THE GROUP

The consolidated financial statements of the Group for the relevant financial periods are disclosed in the following published documents of the Company:

Pages from 3 to 24 of the interim report of the Company for the six months ended 30 June 2026
(https://www1.hkexnews.hk/listedco/listconews/gem/2026/0902/2026090202119.pdf)

Pages from 92 to 170 of the annual report of the Company for the year ended 31 December 2025
(https://www1.hkexnews.hk/listedco/listconews/gem/2026/0413/2026041300394.pdf)

Pages from 95 to 174 of the annual report of the Company for the year ended 31 December 2024
(https://www1.hkexnews.hk/listedco/listconews/gem/2025/0408/2025040800475.pdf)

Pages from 96 to 180 of the annual report of the Company for the year ended 31 December 2023
(https://www1.hkexnews.hk/listedco/listconews/gem/2024/0416/2024041600269.pdf)

## 2. INDEBTEDNESS

The indebtedness statement of the Enlarged Group as at 31 August 2026, being a date not more than eight weeks before the date of this circular, is set out below:

| | **The Group** | **The Target Group** | **The Enlarged Group** |
|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* |
| **Bank and other liabilities** | | | |
| Bank borrowings (secured) | 82,455 | — | 82,455 |
| Other borrowings (unsecured) | 15,157 | 94,300 | 109,457 |
| Provision for repayment of government grant | 92,000 | — | 92,000 |
| **Total** | **189,612** | **94,300** | **283,912** |
| **Lease liabilities** | **3,194** | **1,017** | **4,211** |

Save as disclosed above, and apart from intra-group liabilities, the Enlarged Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, and term loans; any other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments; mortgages and charges; or other material contingent liabilities or guarantees at the close of business on 31 August 2026.

## 3. WORKING CAPITAL

The Directors, after due and careful enquiry and taking into account the financial resources available to the Enlarged Group including placing of new shares, the present available banking facilities, loans from Geely Technology Group, one of the controlling shareholders of the Company or its associates and internal resources of the Group, are of the opinion that the Enlarged Group will have sufficient working capital for its present requirements for at least 12 months from the date of this circular in the absence of unforeseen circumstances.

The Company has obtained the relevant letter as required under Rule 19.66(13) of the GEM Listing Rules.

## 4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there has not been any material adverse change in the financial or operation position or outlook of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

## 5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

Upon completion of the Acquisition, the Target Company will become a non-wholly-owned subsidiary of the Company, and the financial results, assets and liabilities of the Target Group will be consolidated into the consolidated financial statements of the Group. The Board believes that the Acquisition is an important opportunity for the Group to deepen its strategic presence in the new energy sector, expand the scale of its lithium battery business, and achieve synergistic development in cross-border markets.

### (1) The business positioning of the Target Group within the Enlarged Group, and its integration and synergy arrangements with the Group's existing lithium battery business

The Target Group will be strategically positioned as the core growth engine of the Enlarged Group in the fields of light electric transportation and micro-mobility. Its business has expanded from single battery cells to integrated system solutions comprising batteries, motors, electronic control systems and battery management systems (BMS),

which is highly synergistic with the Group's existing R&D and production business of lithium-ion power batteries for new energy vehicles. The business integration and synergy arrangements of the Enlarged Group are detailed as follows:

- **Product Matrix and Technology Integration:** The Acquisition will significantly broaden the Group's product and service portfolio. The Group intends to deeply integrate the Target Group's mature system solutions in the two- and three-wheeler sectors with the Group's existing technology and supply chain resources, thereby building a comprehensive power battery product line covering multiple application scenarios such as passenger vehicles and light electric vehicles.

- **Two-way Expansion in Domestic and Overseas Markets:** In the domestic market, we will work together to deeply cultivate the supporting markets for three-wheelers and micro-mobility. In overseas markets, the Enlarged Group will leverage its integrated technological and resource advantages to accelerate its entry into the overseas markets for two-wheelers and new energy micro-mobility in Southeast Asia and other regions with high growth potential.

- **Extension of Business Boundaries and Technology Reserve:** The Target Company is planning to extend its products and solutions to the fields of commercial vehicles, small power vehicles, battery swapping business and intelligent robots. In addition, the Target Group is actively developing sodium-ion battery related technologies (including cathode materials and battery cells). This forward-looking deployment will serve as a potential new business direction beyond the Group's existing lithium battery business, creating a long-term technological moat for the Enlarged Group.

**(2) Key business plans after completion of the Acquisition**

Upon completion of the Acquisition, the management of the Enlarged Group plans to implement the following robust operational refinement and reorganisation plans for the Target Group within the remainder of the current financial year:

- **Smooth advancement of daily operations and supply chain management:** Establish a unified and efficient governance structure, fully aligning with the financial and internal control systems of the Enlarged Group. Given that the Target Company's production capacity has been gradually recovering since September 2025 and its operations have improved, the management will focus on assisting it in optimising raw materials procurement channels and ensuring the efficient operation of existing production lines.

- **Steady progress in new product R&D and capacity upgrades:** Although the proposed expansion of production lines and the development of new battery cells, battery packs, electric drive systems, and electronic control systems by the Target Group are still in the early planning stages, the management will allocate dedicated resources within the current financial year to assist the Target Group in refining its capital expenditure budget and cash flow forecasts, ensuring the orderly progress of R&D projects.

- **Cost control and cash flow improvement:** In response to the Target Group's history of negative operating cash flow, the Group will introduce a strict working capital monitoring mechanism, streamline redundant operating expenses, optimise asset turnover efficiency, and fully assist the Target Group in improving its overall cash balance and risk resilience.

**(3) Expected impact of the Acquisition on the overall financial position of the Enlarged Group**

Based on the unaudited pro forma financial information of the Enlarged Group set out in Appendix IV to this circular, the Acquisition is expected to have the following potential impacts on the overall financial performance of the Enlarged Group:

- **Expansion of asset and liability scale:** Following the consolidation of the Target Group's assets and liabilities into the Group, the total assets of the Enlarged Group will increase significantly. For reference, the audited consolidated net asset value of the Target Group as at 30 April 2026 was approximately RMB342.0 million. As the Acquisition constitutes a business combination under common control, the relevant accounting treatment will be carried out in accordance with applicable accounting standards, and certain pro forma adjustments will be directly reflected in the consolidated balance sheet.

- **Short-term pressure on profitability and cash flow:** Shareholders should also note that the Target Group recorded losses after tax of approximately RMB117.6 million, RMB155.8 million and RMB10.1 million for the financial years 2024 and 2025 and the four months from January to April 2026, respectively, and has a history of negative operating cash flow. Therefore, during the transitional period from the completion of the Acquisition until the Target Group achieves a full turnaround to profitability, the financial performance of the Target Group may exert short-term, periodic downward pressure on the consolidated earnings and cash flow of the Enlarged Group.

- **Maintaining capital structure and liquidity:** Given that the consideration for the Acquisition of approximately RMB382.5 million is intended to be financed by a loan provided by the Seller (and/or its associates), this innovative financing arrangement will not require the immediate use of a significant amount of the Group's existing cash resources in the short term, thereby ensuring that the Group can effectively retain sufficient daily working capital. In the long term, the maximisation of the Enlarged Group's financial returns will depend on the pace of the operational reorganisation between the two enterprises and the extent to which the aforementioned technological and supply chain synergies are realised.

## ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF JUNENG (JIANGSU) POWER TECHNOLOGY CO., LTD. TO THE DIRECTORS OF HONBRIDGE HOLDINGS LIMITED

### INTRODUCTION

We report on the historical financial information of Juneng (Jiangsu) Power Technology Co., Ltd. (the "**Target Company**") and its subsidiaries (collectively referred to as the "**Target Group**") set out on pages II-4 to II-57, which comprises the consolidated statements of financial position of the Target Group as at 31 December 2023, 2024, 2025 and 30 April 2026 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years ended 31 December 2023, 2024, 2025 and for the four months period ended 30 April 2026 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages II-4 to II-57 forms an integral part of this report, which has been prepared for inclusion in the circular of Honbridge Holdings Limited (the "**Company**") dated 30 October 2026 (the "**Circular**") in connection with the acquisition of the 51% of equity interest of the Target Company by the Company (the "**Acquisition**").

### DIRECTORS OF THE TARGET COMPANY'S RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Target Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the Directors of the Target Company determines is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The directors of the Company are responsible for the contents of this Circular in which the Historical Financial Information of the Target Group is included, and such information is prepared based on accounting policies materially consistent with those of the Company.

### REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**OPINION**

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Target Group's consolidated financial position as at 31 December 2023, 2024, 2025 and 30 April 2026, of the Target Company's financial position as at 31 December 2023, 2024, 2025 and 30 April 2026 and of the financial performance and cash flows of the Target Group for the Track Record Period in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information.

**REVIEW OF STUB PERIOD COMPARATIVE FINANCIAL INFORMATION**

We have reviewed the unaudited stub period comparative financial information of the Target Group comprising the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the four months ended 30 April 2025 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Target Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that

causes us to believe that the Stub Period Comparative Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information.

## REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

### ADJUSTMENTS

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements have been made.

### DIVIDENDS

We refer to note 14 to the Historical Financial Information which states that no dividends were declared or paid by the Target Company or other entities within the Target Group in respect of the Track Record Period.

**Confucius International CPA Limited**
*Certified Public Accountants*
Hong Kong, 30 October 2026

**Chan Wai Nam, William**
Practising Certificate Number — P05957

## HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP

### Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Target Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The directors of the Target Company have prepared the consolidated financial statements of the Target Group for the Relevant Periods in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA (the "**Underlying Financial Statements**"). We have performed our independent audit on the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Notes | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| Revenue | 6 | 90,615 | 96,678 | 103,296 | 32,300 | 105,040 |
| Cost of revenue | | (71,874) | (79,724) | (159,827) | (29,966) | (100,385) |
| **Gross profit/(loss)** | | **18,741** | **16,954** | **(56,531)** | **2,334** | **4,655** |
| General and administrative expenses | | (71,574) | (46,574) | (43,391) | (14,518) | (7,556) |
| Selling and marketing expenses | | (8,282) | (9,405) | (4,900) | (1,901) | (1,672) |
| Research and development expenses | 10 | (72,366) | (55,086) | (22,573) | (6,671) | (6,798) |
| Gain on deregistration of subsidiaries | | — | — | 225 | 224 | — |
| Other income | 7 | 41,721 | 21,139 | 12,258 | 5,603 | 7,141 |
| Other gains/(losses), net | 8 | (105,696) | (29,464) | (29,949) | (8,420) | (5,520) |
| | | **(216,197)** | **(119,390)** | **(88,330)** | **(25,683)** | **(14,405)** |
| **Operating losses** | | **(197,456)** | **(102,436)** | **(144,861)** | **(23,349)** | **(9,750)** |
| Finance costs | 9 | (7,242) | (15,172) | (10,980) | (5,959) | (380) |
| **Loss before income tax** | 11 | **(204,698)** | **(117,608)** | **(155,841)** | **(29,308)** | **(10,130)** |
| Income tax expense | 13 | — | (3) | (2) | — | (1) |
| **Loss for the year/period** | | **(204,698)** | **(117,611)** | **(155,843)** | **(29,308)** | **(10,131)** |
| **Attributable to:** | | | | | | |
| Owners of the Company | | (199,658) | (113,820) | (153,938) | (28,761) | (10,131) |
| Non-controlling interests | | (5,040) | (3,791) | (1,905) | (547) | — |
| | | **(204,698)** | **(117,611)** | **(155,843)** | **(29,308)** | **(10,131)** |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE TARGET GROUP

| | Notes | As at 31 December 2023 | 2024 | 2025 | As at 30 April 2026 |
|---|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 15 | 1,344,321 | 2,392,871 | 279,478 | 272,526 |
| Right-of-use assets | 17 | 210,045 | 203,593 | 70,347 | 69,437 |
| Intangible assets | 16 | 5,619 | 4,292 | 2,769 | 2,296 |
| Prepayment for property, plant and equipment | 20 | 57,543 | 1,177 | 268 | 826 |
| **Total non-current assets** | | **1,617,528** | **2,601,933** | **352,862** | **345,085** |
| **Current assets** | | | | | |
| Inventories | 18 | 53,684 | 96,955 | 37,706 | 74,334 |
| Deposits, prepayments and other receivables | 20 | 192,758 | 228,384 | 65,469 | 76,306 |
| Trade and bill receivables | 19 | 9,839 | 39,237 | 82,350 | 83,792 |
| Pledged bank deposits | 21 | 830,927 | 27,041 | 614 | 17 |
| Restricted bank balances | 21 | 36,494 | 42,964 | 34,403 | 33,577 |
| Cash and bank balances | 21 | 261,873 | 2,277 | 35,958 | 8,989 |
| **Total current assets** | | **1,385,575** | **436,858** | **256,500** | **277,015** |
| **Total assets** | | **3,003,103** | **3,038,791** | **609,362** | **622,100** |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and bills payables | 22 | 861,799 | 147,186 | 64,012 | 108,924 |
| Contract liabilities | 24 | 5,549 | 1,696 | 27,290 | 12,546 |
| Tax payables | | — | — | 1 | — |
| Lease liabilities | 27 | 2,225 | 2,631 | 2,625 | 1,899 |
| Accruals and other payables | 23 | 365,904 | 1,036,495 | 76,425 | 72,954 |
| Borrowings | 25 | — | 70,020 | 70,000 | 70,000 |
| Other current liabilities | | 721 | 221 | 3,548 | 1,631 |
| **Total current liabilities** | | **1,236,198** | **1,258,249** | **243,901** | **267,954** |

| | Notes | As at 31 December 2023 | 2024 | 2025 | As at 30 April 2026 |
|---|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current liabilities** | | | | | |
| Lease liabilities | 27 | 4,643 | 2,392 | — | 187 |
| Borrowings | 25 | 334,859 | 397,903 | — | — |
| Deferred income | 26 | 974,051 | 1,044,506 | 13,378 | 12,007 |
| **Total non-current liabilities** | | **1,313,553** | **1,444,801** | **13,378** | **12,194** |
| **Total liabilities** | | **2,549,751** | **2,703,050** | **257,279** | **280,148** |
| **EQUITY** | | | | | |
| Paid-up capital | 28 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Reserves | | 979,463 | 979,463 | 1,145,907 | 1,145,907 |
| Accumulated losses | | (1,526,066) | (1,639,886) | (1,793,824) | (1,803,955) |
| **Equity attributable to owners of the Company** | | **453,397** | **339,577** | **352,083** | **341,952** |
| Non-controlling interests | 29 | (45) | (3,836) | — | — |
| **Total equity** | | **453,352** | **335,741** | **352,083** | **341,952** |
| **Total liabilities and equity** | | **3,003,103** | **3,038,791** | **609,362** | **622,100** |

## STATEMENTS OF FINANCIAL POSITION OF THE TARGET COMPANY

| | Notes | As at 31 December 2023 | 2024 | 2025 | As at 30 April 2026 |
|---|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Investment in subsidiaries | 36 | 24,558 | 50,900 | 899 | 899 |
| Property, plant and equipment | | 297,083 | 294,969 | 279,448 | 272,495 |
| Right-of-use assets | | 77,893 | 74,120 | 70,347 | 69,437 |
| Intangible assets | | 5,487 | 4,189 | 2,769 | 2,296 |
| Prepayments and other receivables | | 1,651 | 1,177 | 268 | 826 |
| **Total non-current assets** | | 406,672 | 425,355 | 353,731 | 345,953 |
| **Current assets** | | | | | |
| Inventories | | 49,525 | 46,574 | 37,706 | 74,334 |
| Prepayments and other receivables | | 269,941 | 252,409 | 101,224 | 85,023 |
| Trade and bill receivables | | 50,581 | 581,347 | 98,592 | 100,035 |
| Pledged bank deposits | | 61,427 | 11,941 | 614 | 17 |
| Restricted bank balances | | 36,494 | 42,964 | 34,403 | 33,577 |
| Cash and bank balances | | 158,644 | 24 | 4 | 35 |
| **Total current assets** | | 626,612 | 935,259 | 272,543 | 293,021 |
| **Total assets** | | 1,033,284 | 1,360,614 | 626,274 | 638,974 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and bills payables | | 99,912 | 108,420 | 47,265 | 92,178 |
| Contract liabilities | | 26,876 | 1,253 | 26,848 | 12,103 |
| Lease liabilities | | 2,225 | 2,631 | 2,625 | 1,899 |
| Accruals and other payables | | 288,613 | 638,069 | 76,419 | 72,947 |
| Borrowings | | — | 70,000 | 70,000 | 70,000 |
| Other current liabilities | | 3,493 | 163 | 3,490 | 1,574 |
| **Total current liabilities** | | 421,119 | 820,536 | 226,647 | 250,701 |

| | Notes | As at 31 December 2023 | 2024 | 2025 | As at 30 April 2026 |
|---|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current liabilities** | | | | | |
| Lease liabilities | | 4,643 | 2,392 | — | 187 |
| Deferred income | | 24,073 | 18,058 | 13,378 | 12,007 |
| **Total non-current liabilities** | | 28,716 | 20,450 | 13,378 | 12,194 |
| **Total liabilities** | | 449,835 | 840,986 | 240,025 | 262,895 |
| **EQUITY** | | | | | |
| Paid-up capital | 28 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Reserves | 29 | 979,463 | 979,463 | 979,073 | 979,073 |
| Accumulated losses | 29 | (1,396,014) | (1,459,835) | (1,592,824) | (1,602,994) |
| **Total equity** | | 583,449 | 519,628 | 386,249 | 376,079 |
| **Total liabilities and equity** | | 1,033,284 | 1,360,614 | 626,274 | 638,974 |

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Attributable to owners of the Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | Paid-up capital *RMB'000* *(Note 28)* | Capital reserve *RMB'000* *(Note i)* | Other reserves *RMB'000* | Accumulated losses *RMB'000* | Sub-total *RMB'000* | Non-controlling interests *RMB'000* | Total equity *RMB'000* |
| **Balance at 1 January 2023** | **1,000,000** | **979,463** | **—** | **(1,326,408)** | **653,055** | **(5)** | **653,050** |
| Capital injection | — | — | — | — | — | 5,000 | 5,000 |
| Loss for the year | — | — | — | (199,658) | (199,658) | (5,040) | (204,698) |
| **Balance at 31 December 2023** | **1,000,000** | **979,463** | **—** | **(1,526,066)** | **453,397** | **(45)** | **453,352** |
| **Balance at 1 January 2024** | **1,000,000** | **979,463** | **—** | **(1,526,066)** | **453,397** | **(45)** | **453,352** |
| Loss for the year | — | — | — | (113,820) | (113,820) | (3,791) | (117,611) |
| **Balance at 31 December 2024** | **1,000,000** | **979,463** | **—** | **(1,639,886)** | **339,577** | **(3,836)** | **335,741** |
| **Balance at 1 January 2025** | **1,000,000** | **979,463** | **—** | **(1,639,886)** | **339,577** | **(3,836)** | **335,741** |
| Disposal of a subsidiary | — | — | 166,444 | — | 166,444 | 5,741 | 172,185 |
| Loss for the year | — | — | — | (153,938) | (153,938) | (1,905) | (155,843) |
| **Balance at 31 December 2025** | **1,000,000** | **979,463** | **166,444** | **(1,793,824)** | **352,083** | **—** | **352,083** |

| | Attributable to owners of the Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | Paid-up capital *RMB'000 (Note 28)* | Capital reserve *RMB'000 (Note i)* | Other reserves *RMB'000* | Accumulated losses *RMB'000* | Sub-total *RMB'000* | Non-controlling interests *RMB'000* | Total equity *RMB'000* |
| **Balance at 1 January 2025** | **1,000,000** | **979,463** | **—** | **(1,639,886)** | **339,577** | **(3,836)** | **335,741** |
| Loss for the period | — | — | — | (28,761) | (28,761) | (547) | (29,308) |
| **Balance at 30 April 2025 (Unaudited)** | **1,000,000** | **979,463** | **—** | **(1,668,647)** | **310,816** | **(4,383)** | **306,433** |
| **Balance at 1 January 2026** | **1,000,000** | **979,463** | **166,444** | **(1,793,824)** | **352,083** | **—** | **352,083** |
| Loss for the period | — | — | — | (10,131) | (10,131) | — | (10,131) |
| **Balance at 30 April 2026** | **1,000,000** | **979,463** | **166,444** | **(1,803,955)** | **341,952** | **—** | **341,952** |

*Note i:* The capital reserve represents capital premium arising from capital contributions by the shareholders in excess of the paid-up capital.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Cash flows from operating activities** | | | | | |
| Cash generated from/ (used in) operations | 484,950 | (11,629) | 73,094 | 43,450 | (24,763) |
| Income tax paid | — | — | (3) | — | (2) |
| Net cash generated from/ (used in) operating activities | 484,950 | (11,629) | 73,091 | 43,450 | (24,765) |
| **Cash flows from investing activities** | | | | | |
| Bank interest received | 8,288 | 9,132 | 278 | 195 | 99 |
| Proceeds from disposal of intangible assets and property, plant and equipment | 1,571 | 110,011 | 85 | — | 4 |
| Cash inflow from disposal of subsidiary | — | — | 105 | — | — |
| Purchase of property, plant and equipment | (1,155,381) | (483,877) | (36,527) | (31,947) | (1,365) |
| Net cash used in investing activities | (1,145,522) | (364,734) | (36,059) | (31,752) | (1,262) |

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Cash flows from financing activities** | | | | | |
| Proceeds from bank borrowing | — | 49,000 | — | — | — |
| Proceeds from other borrowings | 495,000 | 70,000 | — | — | — |
| Repayment of bank borrowing | — | — | (30) | — | — |
| Repayment of lease liabilities | (3,621) | (2,097) | (2,557) | (415) | (940) |
| Interest paid | — | (138) | (762) | (289) | — |
| Capital injection from non-controlling shareholder | 5,000 | — | — | — | — |
| Net cash generated from/ (used in) financing activities | 496,379 | 116,765 | (3,349) | (704) | (940) |
| Net increase/(decrease) in cash and cash equivalents | (164,193) | (259,598) | 33,683 | 10,994 | (26,967) |
| Exchange difference | 3 | 2 | (2) | — | (2) |
| Cash and cash equivalents at the beginning of the year/period | 426,063 | 261,873 | 2,277 | 2,277 | 35,958 |
| Cash and cash equivalents at the end of the year/period | 261,873 | 2,277 | 35,958 | 13,271 | 8,989 |

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 1. GENERAL INFORMATION

#### 1.1 General information

Juneng (Jiangsu) Power Technology Co., Ltd. (the "**Target Company**") was incorporated in the People's Republic of China (the "**PRC**"). The address of its registered office is No.28, Beishan Road, New District, Jiangsu, the PRC (江蘇省鎮江市新區大港北山路28號).

In the opinion of the Target Company's directors, the parent of the Target Company is Geely Technology Group Co., Ltd. which was incorporated in the PRC and the ultimate controlling shareholder of the Target Company is Li Shufu which was incorporated in the PRC.

The principal activity of the Target Company is provision of research, development, manufacturing and sales of lithium-ion power batteries, battery modules, battery packs and energy storage systems. The principal activities of the Company's subsidiaries are set out in note 36. The Company and its subsidiaries are collectively referred to as the "Group" hereinafter.

These historical financial information are presented in Renminbi ("**RMB**") which is also the functional and presentation currency of the Target and all values are rounded to the nearest thousand ("**RMB'000**") except when otherwise stated.

The statutory financial statements of the Target Company for each of the years ended 31 December 2023, 2024 and 2025 have been audited by the Pan-China Certified Public Accountants LLP in accordance with Accounting Standards for Business Enterprises (the "**ASBE**") issued by the China Accounting Standard Committee of the Ministry of Finance of the PRC (the "**MOF**").

### 2. BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

#### 2.1 Basis of presentation

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and accounting principles generally accepted in Hong Kong.

The Historical Financial Information also complies with the applicable disclosure provisions of the GEM Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

### 3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Relevant Periods, the Target Group has consistently applied the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA, which are effective for the Target Group's accounting period commencing from beginning on 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Target Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

**New and amendments to HKFRS Accounting Standards in issue but not yet effective**

At the date of this report, the Target Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but not yet effective:

| | | **Effective for annual periods beginning on or after** |
|---|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature — Dependent electricity | 1 January 2026 |
| Annual Improvements to HKFRS Accounting Standards 2024 | Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 | 1 January 2026 |
| HKFRS 18 and consequential amendments to other HKFRS Accounting Standards | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Effective date to be determined |

The directors of the Target anticipate that the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the Historical Financial Information in the foreseeable future.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information adopted by the Target Group as set out below is consistent with the accounting policies of Honbridge Holdings Limited. These policies have been consistently applied to all the year presented, unless otherwise stated.

The Historical Financial Information have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Target Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS *2 Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in AS 36 *Impairment of Assets*.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Target and entities controlled by the Target and its subsidiaries. Control is achieved when the Target:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Target Group obtains control over the subsidiary and ceases when the Target Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Target Group gains control until the date when the Target Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Target and to non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Target and to non-controlling interests even if this results in non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Target Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Target Group are eliminated in full on combination.

Non-controlling interests in subsidiaries, are presented separately from the Target Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

***Changes in the Target Group's interests in existing subsidiaries***

Changes in the Target Group's interests in subsidiaries that do not result in the Target Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Target Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Target Group and the non-controlling interests according to the Target Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Target.

When the Target Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Target. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Target Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or

transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

**Revenue from contracts with customers**

The Target Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Target Group's performance as the Target Group performs;
- the Target Group's performance creates and enhances an asset that the customer controls as the Target Group performs; or
- the Target Group's performance does not create an asset with an alternative use to the Target Group and the Target Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Target Group's right to consideration in exchange for goods or services that the Target Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Target Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Target Group's obligation to transfer goods or services to a customer for which the Target Group has received consideration (or an amount of consideration is due) from the customer. A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation.

***(i) Sale of goods***

Revenue is recognised when the control of the goods are considered to have been transferred to the customer.

***(ii) Other income***

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

**Leases**

The Target Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Target Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

***The Target Group as a lessee***

*Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Target Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

*Short-term leases and leases of low-value assets*

The Target Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

*Right-of-use assets*

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Target Group; and
- an estimate of costs to be incurred by the Target Group in dismantling and removing the underlying assets,

restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Target Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

*Refundable rental deposits*

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value.

Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

*Lease liabilities*

At the commencement date of a lease, the Target Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Target Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Target Group under residual value guarantees;
- the exercise price of a purchase option if the Target Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Target Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Target Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, In which case the related lease liability is remeasured by discounting the revised lease payments Using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The Target Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

*Lease modifications*

The Target Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Target Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Target Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Target Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

**Property, plant and equipment**

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings in the course of construction for production purpose are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Target Group's accounting policy.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The principal annual rates used for this purpose are as follows:

| | |
|---|---|
| Buildings | 30 years |
| Leasehold improvement | 5–10 years |
| Plant and machinery | 10–14 years |
| Tools and utensils | 5 years |
| Motor vehicles | 4 years |
| Electronic equipment | 3 years |

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Intangible assets**

***Intangible assets acquired separately***

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses/revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

**Impairment on property, plant and equipment and intangible assets other than goodwill**

At the end of the reporting period, the Target Group reviews the carrying amounts of its property, plant and equipment, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Target Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Target Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**Cash and cash equivalents**

Cash and cash equivalents presented on the consolidated statements of financial position include cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Target Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Target Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

**Provisions**

Provisions are recognised when the Target Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Target Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**Government grants**

Government grants are not recognised until there is reasonable assurance that the Target Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Target Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Target Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Target Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**Employee benefits**

Short-term employee benefits and contributions to defined contribution retirement plans.

Salaries, annual bonuses, paid annual leave, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, and the other cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Pursuant to the relevant laws and regulations of the PRC, the Target Group participated in a defined contribution basic pension insurance and unemployment insurance in the social insurance system established and managed by government organisations. The Target Group makes contributions to basic pension insurance plans and unemployment insurance based on the applicable benchmarks and rates stipulated by the government.

Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

**Taxation**

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit/(loss) before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Target Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Target Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which are derived from the Target Group's ordinary course of business are presented as revenue.

***Financial assets***

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Target Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

*Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

*Impairment of financial assets subject to impairment assessment under HKFRS 9*

The Target Group performs impairment assessment under ECL model on financial assets (including trade receivables, other debtors and bank balances within the Target Group) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12 month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Target Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Target Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Target Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Target Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Target Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Target Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Target Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Target Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Group has reasonable and supportable information that demonstrates otherwise.

The Target Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Target Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Group, in full (without taking into account any collaterals held by the Target Group).

Irrespective of the above, the Target Group considers that default has occurred when a financial asset is more than 90 days past due unless the Target Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) the disappearance of an active market for that financial asset because of financial difficulties;

or

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(iv) Write-off policy

The Target Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Target Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Target Group in accordance with the contract and the cash flows that the Target Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Target Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External and/or internal credit ratings where available.

The grouping is regularly reviewed by management of the Target Group to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Target Group recognises an impairment loss or reversal of impairment loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, contract assets and other debtors, where the corresponding adjustment is recognised through a loss allowance account.

*Derecognition of financial assets*

The Target Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

***Financial liabilities and equity instruments***

*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Target Company are recognised at the proceeds received, net of direct issue costs.

*Financial liabilities*

Financial liabilities, including creditors, accrued charges and borrowing within the Target Group, are subsequently measured at amortised cost, using the effective interest method.

*Derecognition of financial liabilities*

The Target Group derecognises financial liabilities when, and only when, the Target Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Related parties**

(a) A person or a close member of that person's family is related to the Target Group if that person:

  (i) has control or joint control over the Target Group;

  (ii) has significant influence over the Target Group; or

  (iii) is a member of key management personnel of the Target Group or of a parent of the Target Group.

(b) An entity is related to the Target Group if any of the following conditions apply:

  (i) the entity and the Target Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

  (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (iii) both entities are joint ventures of the same third party.

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

  (v) the entity is a post-employment benefit plan for the benefit of the employees of the Target Group or an entity related to the Target Group. If the Target Group is itself such a plan, the sponsoring employers are also related to the Target Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Target Group of which it is a part, provides key management personnel services to the Target Group or to the parent of the Group.

A related party transaction is a transfer of resources, services or obligations between the Target Group and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

## 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Target Group's accounting policies, the directors of the Target Company are required to make judgment, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The Target Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

***Provision of expected credit losses for trade receivables***

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, the Target Group uses provision matrix to calculate ECL for the trade receivables which are individually insignificant. The provision rates are based on days past due as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Target Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Target Group's trade receivables are disclosed in Note 19.

***Useful lives of items of property, plant and equipment***

Management determines the estimated useful lives and related depreciation for the Target Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to industry cycles. The depreciation charge will increase when the useful lives are less than the previously estimated useful lives, or management will write off or write down obsolete or non-strategic assets that have been abandoned or sold. As at 31 December 2023, 2024 and 2025 and 30 April 2026, the carrying amount of the property, plant and equipment were approximately RMB1,344,321,000, RMB2,392,871,000, RMB279,478,000 and RMB272,526,000 respectively.

***Provision of inventories***

Write-down of inventories to net realisable value is made based on the ageing and estimated net realisable value of inventories. The assessment of the write-down amount involves management's judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of the inventories and the write-down charge/reversal in the period in which such estimate has been changed. As at 31 December 2023, 2024 and 2025 and 30 April 2026, the net carrying amounts of inventories (after impairment provision) were approximately RMB53,684,000, RMB96,955,000, RMB37,706,000 and RMB74,334,000 respectively.

## 6. REVENUE

The Target Company is principally engaged in the provision of research, development, manufacturing and sales of lithium-ion power batteries, battery modules, battery packs and energy storage systems. Revenue derived from the Target Group's principal activities comprises the following:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| Sale of self-produced batteries | 23,138 | 91,417 | 103,296 | 32,300 | 104,164 |
| Battery processing services | 67,477 | 5,261 | — | — | 876 |
| | 90,615 | 96,678 | 103,296 | 32,300 | 105,040 |

**Transaction price allocated to the remaining performance obligations**

The amount of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) regarding contracts for sales of self-produced batteries as at 31 December 2023, 2024, 2025 and 30 April 2026 were approximately RMB5,549,000, RMB1,696,000, RMB27,290,000 and RMB12,546,000 respectively and is expected to be recognised as revenue within one year.

The ultimate consideration for those contracts will depend on the occurrence or non-occurrence of future customer's fulfillment of contracts. Accordingly, the above may not reflect the actual performance of the Target Group in the future. The analysis is solely for compliance with the HKFRS 15 disclosure requirement in respect of the transaction price allocated to the remaining performance obligations.

## 7. OTHER INCOME

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| Bank interest income | 8,288 | 9,132 | 278 | 195 | 99 |
| Rental income | 7,292 | 5 | 53 | — | — |
| Sale of scrap materials and other materials | — | 3,244 | 4,643 | 3,474 | 5,256 |
| Government grants | 26,141 | 8,618 | 5,213 | 1,855 | 1,770 |
| Sundry income | — | 140 | 2,071 | 79 | 16 |
| | 41,721 | 21,139 | 12,258 | 5,603 | 7,141 |

## 8. OTHER GAINS/(LOSSES), NET

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| (Expected credit loss)/reversal of expected credit loss of financial assets | (1,036) | 3,995 | (546) | (242) | 413 |
| Write-downs of inventories | (102,088) | (33,921) | (24,245) | (7,731) | (5,918) |
| (Loss)/gain on disposal of property, plant and equipment | 1,442 | 56 | (14) | 23 | 87 |
| Compensation income | 4 | 985 | — | — | — |
| Sundry income | 53 | 12 | 155 | 5 | — |
| Sundry expenses | (3,087) | (475) | (663) | (474) | — |
| Written off of trade receivables | — | — | (4,409) | — | — |
| Written off of property, plant and equipment | (8) | — | — | — | — |
| Compensation and penalty expenses | (969) | (112) | (236) | — | (111) |
| Exchange gain/(loss) | (7) | (4) | 9 | (1) | 9 |
| | (105,696) | (29,464) | (29,949) | (8,420) | (5,520) |

## 9. FINANCE COSTS

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| Interest on lease liabilities | 424 | 252 | 159 | 64 | 30 |
| Interest on bank and other borrowings | — | 856 | 1,886 | 638 | 350 |
| Interest on bill payables | — | — | 460 | 439 | — |
| Imputed interest on other borrowings | 6,818 | 14,064 | 8,475 | 4,818 | — |
| | 7,242 | 15,172 | 10,980 | 5,959 | 380 |

## 10. RESEARCH AND DEVELOPMENT EXPENSES

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| Consumables | 13,964 | 2,017 | 1,515 | 40 | 70 |
| Depreciation and amortisation | 9,382 | 11,001 | 10,402 | 3,764 | 3,642 |
| Inspection, repair and maintenance expenses | 2,789 | 1,098 | 434 | 149 | 2 |
| Salaries | 31,770 | 29,498 | 5,661 | 2,463 | 2,810 |
| Sundries | 560 | 1,234 | 957 | 20 | 35 |
| Technical expenses | 3,263 | 2,257 | 1,748 | — | — |
| Utility expenses | 10,638 | 7,981 | 1,856 | 235 | 239 |
| | 72,366 | 55,086 | 22,573 | 6,671 | 6,798 |

## 11. LOSS BEFORE TAX

Loss before income tax is arrived at after charging/(crediting):

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| Depreciation of property, plant and equipment | 16,761 | 18,639 | 20,264 | 4,673 | 6,637 |
| Depreciation of right-of-use assets | 6,013 | 6,452 | 5,335 | 892 | 1,281 |
| Amortisation of intangible assets | 1,403 | 1,438 | 1,435 | 9 | 473 |
| | 24,177 | 26,529 | 27,034 | 5,574 | 8,391 |
| Expected credit loss (reversal of expected credit loss) of trade receivables | 94 | (4,009) | 376 | 220 | (387) |
| Expected credit loss (reversal of expected credit loss) of prepayment, deposit and other receivables | 943 | 14 | 169 | 22 | (26) |
| Write-downs of inventories | 102,088 | 33,921 | 24,245 | 7,731 | 5,918 |
| | 103,125 | 29,926 | 24,790 | 7,973 | 5,505 |
| Cost of inventories sold | 71,874 | 79,724 | 159,827 | 29,966 | 100,385 |
| Staff costs (including directors' and chief executive's remuneration — Note 12): | | | | | |
| Salaries, bonuses, allowances and benefits in kind | 113,352 | 99,568 | 47,328 | 15,847 | 22,169 |
| Pension scheme contributions | 18,153 | 13,670 | 5,557 | 2,555 | 1,518 |
| | 131,505 | 113,238 | 52,885 | 18,402 | 23,687 |

## 12. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year/periods, disclosed pursuant to the GEM Listing Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| Salaries, bonuses, allowances and benefits in kind | — | — | — | — | — |
| Pension scheme contributions | — | — | — | — | — |
| | — | — | — | — | — |

None of the directors received any retirement benefits during the years ended 31 December 2023, 2024, 2025 and for the four months ended 30 April 2025 and 2026.

None of the directors received any termination benefits during the years ended 31 December 2023, 2024, 2025 and for the four months ended 30 April 2025 and 2026.

During the years ended 31 December 2023, 2024, 2025 and for the four months ended 30 April 2025 and 2026, the Target Group did not pay consideration to any third parties for making available directors' services.

During the years ended 31 December 2023, 2024, 2025 and for the four months ended 30 April 2025 and 2026, there were no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors.

## 13. INCOME TAX EXPENSE

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| Current | | | | | |
| Charge for the year | — | 3 | 2 | — | 1 |
| Total tax charge for the year/period | — | 3 | 2 | — | 1 |

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the years ended 31 December 2023, 2024, 2025 and for the four months ended 30 April 2025 and 2026.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. No provision for taxation in Hong Kong has been made as the Target Group's income neither arises in, nor is derived from, Hong Kong.

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Target and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| Loss before tax | (204,698) | (117,608) | (155,841) | (29,308) | (10,130) |
| Tax at the statutory tax rate | (51,175) | (29,402) | (38,960) | (7,327) | (2,533) |
| Tax effect of income not taxable for tax purpose | — | (915) | (15) | — | (440) |
| Tax effect of expenses not deductible for tax purpose | 164 | 1,407 | 45 | 59 | 32 |
| Tax effect of tax losses not recognised | 51,011 | 28,913 | 38,932 | 7,268 | 2,942 |
| Total tax charge for the year/period | — | 3 | 2 | — | 1 |

## 14. DIVIDENDS

No dividend nor profit distribution has been declared or paid by the Target Group during the Track Record Period.

## 15. PROPERTY, PLANT AND EQUIPMENT

| | Buildings | Plant and machinery | Motor vehicles | Tools and utensils | Electronic equipment | Construction in progress | Leasehold improvement | Total |
|---|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Cost** | | | | | | | | |
| At 1 January 2023 | 346,147 | 1,175,248 | 2,904 | 23,323 | 8,692 | 2,433 | 63,662 | 1,622,409 |
| Additions | 429 | — | 224 | 2 | 1,809 | 1,078,632 | — | 1,081,096 |
| Disposals | — | (60,806) | (132) | (29) | (8) | — | — | (60,975) |
| Transfer from construction in progress | — | 11,406 | 9 | 717 | 1,821 | (13,953) | — | — |
| At 31 December 2023 and 1 January 2024 | 346,576 | 1,125,848 | 3,005 | 24,013 | 12,314 | 1,067,112 | 63,662 | 2,642,530 |
| Additions | — | 322 | — | 94 | — | 1,066,951 | — | 1,067,367 |
| Disposals | (208) | (1,318) | (240) | (653) | (111) | — | — | (2,530) |
| Transfer from construction in progress | — | 27,932 | 441 | 1,047 | 203 | (29,623) | — | — |
| At 31 December 2024 and 1 January 2025 | 346,368 | 1,152,784 | 3,206 | 24,501 | 12,406 | 2,104,440 | 63,662 | 3,707,367 |
| Additions | — | — | — | — | — | 21,010 | — | 21,010 |
| Disposals of subsidiary | — | — | (224) | (664) | (1,720) | (2,112,541) | — | (2,115,149) |
| Disposals | — | — | (659) | (19) | (105) | — | — | (783) |
| Transfer from construction in progress | — | 8,637 | — | 27 | — | (8,664) | — | — |

| | Buildings *RMB'000* | Plant and machinery *RMB'000* | Motor vehicles *RMB'000* | Tools and utensils *RMB'000* | Electronic equipment *RMB'000* | Construction in progress *RMB'000* | Leasehold improvement *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|---|---|---|---|
| At 31 December 2025 and 1 January 2026 | 346,368 | 1,161,421 | 2,323 | 23,845 | 10,581 | 4,245 | 63,662 | 1,612,445 |
| Additions | — | — | — | — | — | 6 | — | 6 |
| Disposals | — | (404) | (265) | (420) | (19) | — | — | (1,108) |
| Transfer from construction in progress | — | 221 | 6 | — | — | (227) | — | — |
| At 30 April 2026 | 346,368 | 1,161,238 | 2,064 | 23,425 | 10,562 | 4,024 | 63,662 | 1,611,343 |
| **Accumulated depreciation and impairment** | | | | | | | | |
| At 1 January 2023 | 100,856 | 1,171,132 | 2,788 | 23,303 | 8,545 | — | 35,807 | 1,342,431 |
| Charged for the year | 8,912 | 371 | 66 | 60 | 530 | — | 6,822 | 16,761 |
| Eliminated on disposals | — | (60,806) | (132) | (45) | — | — | — | (60,983) |
| At 31 December 2023 and 1 January 2024 | 109,768 | 1,110,697 | 2,722 | 23,318 | 9,075 | — | 42,629 | 1,298,209 |
| Charged for the year | 8,921 | 1,380 | 78 | 347 | 1,091 | — | 6,822 | 18,639 |
| Eliminated on disposals | — | (1,325) | (162) | (792) | (73) | — | — | (2,352) |
| At 31 December 2024 and 1 January 2025 | 118,689 | 1,110,752 | 2,638 | 22,873 | 10,093 | — | 49,451 | 1,314,496 |
| Charged for the year | 8,921 | 3,133 | 113 | 365 | 910 | — | 6,822 | 20,264 |
| Eliminated on disposals | — | — | (365) | (15) | (64) | — | — | (444) |
| Eliminated on disposals of subsidiary | — | — | (95) | (304) | (950) | — | — | (1,349) |
| At 31 December 2025 and 1 January 2026 | 127,610 | 1,113,885 | 2,291 | 22,919 | 9,989 | — | 56,273 | 1,332,967 |
| Charged for the period | 2,974 | 1,087 | 10 | 89 | 203 | — | 2,274 | 6,637 |
| Eliminated on disposals | — | (83) | (265) | (420) | (19) | — | — | (787) |
| At 30 April 2026 | 130,584 | 1,114,889 | 2,036 | 22,588 | 10,172 | — | 58,547 | 1,338,817 |
| **Carrying amounts** | | | | | | | | |
| At 30 April 2026 | 215,784 | 46,349 | 28 | 837 | 389 | 4,024 | 5,115 | 272,526 |
| At 31 December 2025 | 218,758 | 47,536 | 32 | 926 | 592 | 4,245 | 7,389 | 279,478 |
| At 31 December 2024 | 227,679 | 42,032 | 568 | 1,628 | 2,313 | 2,104,440 | 14,211 | 2,392,871 |
| At 31 December 2023 | 236,808 | 15,151 | 283 | 695 | 3,239 | 1,067,112 | 21,033 | 1,344,321 |

**Impairment assessment of property, plant and equipment**

At the end of each reporting period the Target Group reviewed the carrying amounts of property, plant and equipment to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset, or of the cash-generating unit ("**CGU**") to which it belongs, is estimated. Recoverable amount is the higher of fair value less costs of disposal and value in use. Based on the assessment, no impairment loss was required.

**16. INTANGIBLE ASSETS**

| | Software<br>*RMB'000* |
|---|---|
| **Cost** | |
| At 1 January 2023 | 14,455 |
| Additions | 310 |
| At 31 December 2023 and 1 January 2024 | 14,765 |
| Additions | 111 |
| At 31 December 2024 and 1 January 2025 | 14,876 |
| Disposals | (17) |
| Disposal of a subsidiary | (136) |
| At 31 December 2025, 1 January 2026 and 30 April 2026 | 14,723 |
| **Amortisation** | |
| At 1 January 2023 | 7,743 |
| Charged for the year | 1,403 |
| At 31 December 2023 and 1 January 2024 | 9,146 |
| Charged for the year | 1,438 |
| At 31 December 2024 and 1 January 2025 | 10,584 |
| Charged for the year | 1,435 |
| Disposals | (11) |
| Disposal of a subsidiary | (54) |
| At 31 December 2025 and 1 January 2026 | 11,954 |
| Charged for the period | 473 |
| At 30 April 2026 | 12,427 |
| **Carrying amount** | |
| At 30 April 2026 | 2,296 |
| At 31 December 2025 | 2,769 |
| At 31 December 2024 | 4,292 |
| At 31 December 2023 | 5,619 |

## 17. RIGHT-OF-USE ASSETS

| | Land use right *RMB'000* | Building *RMB'000* | Motor vehicles *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2023 | 83,520 | 9,812 | — | 93,332 |
| Additions | 134,392 | — | — | 134,392 |
| At 31 December 2023, 1 January 2024, 31 December 2024 and 1 January 2025 | 217,912 | 9,812 | — | 227,724 |
| Disposal of a subsidiary | (134,392) | — | — | (134,392) |
| At 31 December 2025 and 1 January 2026 | 83,520 | 9,812 | — | 93,332 |
| Additions | — | — | 371 | 371 |
| At 30 April 2026 | 83,520 | 9,812 | 371 | 93,703 |
| **Depreciation** | | | | |
| At 1 January 2023 | 10,440 | 1,226 | — | 11,666 |
| Charged for the year | 3,910 | 2,103 | — | 6,013 |
| At 31 December 2023 and 1 January 2024 | 14,350 | 3,329 | — | 17,679 |
| Charged for the year | 4,349 | 2,103 | — | 6,452 |
| At 31 December 2024 and 1 January 2025 | 18,699 | 5,432 | — | 24,131 |
| Charged for the year | 3,233 | 2,102 | — | 5,335 |
| Disposal of a subsidiary | (6,481) | — | — | (6,481) |
| At 31 December 2025 and 1 January 2026 | 15,451 | 7,534 | — | 22,985 |
| Charged for the period | 557 | 701 | 23 | 1,281 |
| At 30 April 2026 | 16,008 | 8,235 | 23 | 24,266 |
| **Carrying amount** | | | | |
| At 30 April 2026 | 67,512 | 1,577 | 348 | 69,437 |
| At 31 December 2025 | 68,069 | 2,278 | — | 70,347 |
| At 31 December 2024 | 199,213 | 4,380 | — | 203,593 |
| At 31 December 2023 | 203,562 | 6,483 | — | 210,045 |

As at 31 December 2024, the land use right situated in the PRC, with carrying amount approximately RMB129,570,000 was pledged as security for the bank loans granted to the Target Group.

**Impairment assessment of right-of-use assets**

At the end of each reporting period the Target Group reviewed the carrying amounts of right-of-use assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset, or of the cash-generating unit ("**CGU**") to which it belongs, is estimated. Recoverable amount is the higher of fair value less costs of disposal and value in use. Based on the assessment, no impairment loss was required.

## 18. INVENTORIES

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Raw material and consumables | 11,791 | 27,489 | 22,769 | 23,133 |
| Work in progress | 5,312 | 20,658 | 12,833 | 20,533 |
| Finished goods | 36,581 | 48,808 | 2,104 | 30,668 |
| | 53,684 | 96,955 | 37,706 | 74,334 |

The carrying amount of inventories is stated net of write-downs of inventories approximately RMB105,570,000, RMB64,323,000, RMB11,074,000 and RMB8,732,000 as at 31 December 2023, 2024, 2025 and 30 April 2026.

## 19. TRADE AND BILL RECEIVABLES

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade receivables | 188,619 | 217,730 | 262,942 | 84,335 |
| Less: Expected credit loss | (185,327) | (181,318) | (181,694) | (598) |
| Trade receivables, net | 3,292 | 36,412 | 81,248 | 83,737 |
| Bill receivables | 6,547 | 2,825 | 1,102 | 55 |
| | 9,839 | 39,237 | 82,350 | 83,792 |

The Target Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period generally ranges from 0 to 90 days. Each customer has a maximum credit limit. The Target Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Target Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Target Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non interest-bearing.

An ageing analysis of the trade receivables, net of ECL, as at the end of the reporting period, based on the invoice date, is as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| 0 to 90 days | 3,093 | 31,107 | 16,211 | 5,744 |
| 91 to 180 days | 199 | 2,651 | 45,652 | 16,198 |
| 181 to 365 days | — | 2,654 | 17,259 | 45,666 |
| Over 365 days | — | — | 2,126 | 16,129 |
| | 3,292 | 36,412 | 81,248 | 83,737 |

The movements in the ECL allowance of trade receivables are as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At beginning of the year/period | 185,233 | 185,327 | 181,318 | 181,694 |
| Written off | — | — | — | (180,709) |
| Expected credit loss/(reversal of expected credit loss) losses, net | 94 | (4,009) | 376 | (387) |
| At end of the year/period | 185,327 | 181,318 | 181,694 | 598 |

Impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The ECL rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

## 20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| VAT recoverable | 158,920 | 216,415 | 14,094 | 13,093 |
| Prepayment for inventories | 27,056 | 3,590 | 26,992 | 43,675 |
| Prepayment for operating expenses | 4,872 | 3,856 | 6,204 | 6,298 |
| Prepayment for property, plant and equipment | 57,543 | 1,177 | 268 | 826 |
| Other receivables | 49,896 | 52,523 | 66,247 | 16,399 |
| | 298,287 | 277,561 | 113,805 | 80,291 |
| Less: Expected credit loss | (47,986) | (48,000) | (48,068) | (3,159) |
| | 250,301 | 229,561 | 65,737 | 77,132 |
| Current portion | 192,758 | 228,384 | 65,469 | 76,306 |
| Non-current portion | 57,543 | 1,177 | 268 | 826 |
| | 250,301 | 229,561 | 65,737 | 77,132 |

The movements in the expected credit loss on prepayments, deposits and other receivables are as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At beginning of the year/period | 47,043 | 47,986 | 48,000 | 48,068 |
| Written off | — | — | (101) | (44,883) |
| Expected credit loss/(reversal of expected credit loss) losses, net | 943 | 14 | 169 | (26) |
| At end of the year/period | 47,986 | 48,000 | 48,068 | 3,159 |

## 21. CASH AND CASH EQUIVALENTS, PLEDGED BANK DEPOSITS AND RESTRICTED BANK BALANCES

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Cash and bank balances | 261,873 | 2,277 | 35,958 | 8,989 |
| Pledged bank deposits | 830,927 | 27,041 | 614 | 17 |
| Restricted bank balances | 36,494 | 42,964 | 34,403 | 33,577 |
| | 1,129,294 | 72,282 | 70,975 | 42,583 |

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. Pledged bank deposits represent deposits pledged to banks to secure bill payables and banking facilities of the Target Group.

## 22. TRADE AND BILL PAYABLES

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade payables | 55,010 | 120,918 | 64,012 | 108,924 |
| Bill payables | 806,789 | 26,268 | — | — |
| | 861,799 | 147,186 | 64,012 | 108,924 |

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| 0 to 90 days | 32,856 | 84,386 | 15,556 | 30,486 |
| 91 to 180 days | 984 | 5,766 | 417 | 2,580 |
| 181 to 365 days | 343 | 1,686 | 366 | 198 |
| Over 365 days | 20,827 | 29,080 | 47,673 | 75,660 |
| | 55,010 | 120,918 | 64,012 | 108,924 |

The trade payables are non-interest-bearing and are normally settled on credit terms ranging from 0 to 60 days.

## 23. ACCRUALS AND OTHER PAYABLES

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Accruals for acquisition of property, plant and equipment | 270,550 | 844,753 | 7,619 | 3,549 |
| Deposit received | 25,976 | 9,352 | 472 | 2,039 |
| Receipt in advance | — | 23 | 15 | 185 |
| Other accruals | 37,014 | 45,891 | 50,330 | 51,026 |
| Other payables | — | 110,661 | 1,781 | 2,138 |
| Payables for employee benefits | 29,976 | 23,655 | 14,916 | 13,512 |
| Other tax payables | 2,388 | 2,160 | 1,292 | 505 |
| | 365,904 | 1,036,495 | 76,425 | 72,954 |

## 24. CONTRACT LIABILITIES

The Target Group's sale of products include payment schedules which require stage payments over the services period once certain specified milestones are reached. The Target Group requires certain customers to provide upfront deposits as part of its credit risk management policies.

The Target Group's contract liabilities are analysed as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Sale of goods | 5,106 | 1,201 | 27,290 | 12,546 |
| Rendering of services | 443 | 495 | — | — |
| | 5,549 | 1,696 | 27,290 | 12,546 |

The movements of contract liabilities are as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| As at 1 January | 3,897 | 5,549 | 1,696 | 27,290 |
| Less: Revenue recognised during the year | (14,068) | (5,091) | (29,408) | (36,153) |
| Consideration received from customers over the amounts of revenue recognised | 15,720 | 1,238 | 55,002 | 21,409 |
| As at 31 December/30 April | 5,549 | 1,696 | 27,290 | 12,546 |

## 25. BORROWINGS

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Current** | | | | |
| Bank loans-secured *(Note a)* | — | 20 | — | — |
| Other borrowings-unsecured *(Note c)* | — | 70,000 | 70,000 | 70,000 |
| | — | 70,020 | 70,000 | 70,000 |
| **Non-current** | | | | |
| Other borrowings-unsecured *(Note b)* | 334,859 | 348,923 | — | — |
| Bank loans-secured *(Note a)* | — | 48,980 | — | — |
| | 334,859 | 397,903 | — | — |
| Total | 334,859 | 467,923 | 70,000 | 70,000 |
| Carrying amount of the bank and other borrowings are repayable: | | | | |
| Within 1 year | — | 70,020 | 70,000 | 70,000 |
| After 1 year but not exceeding 2 years | — | 100 | — | — |
| After 2 years but not exceeding 5 years | — | 48,880 | — | — |
| Exceeding 5 years | 334,859 | 348,923 | — | — |
| | 334,859 | 467,923 | 70,000 | 70,000 |

*Note a:* During the year ended 31 December, 2024, the Target Group entered into bank loan agreements totaling RMB49,000,000. These bank loans beared floating interest rates based on the 1-year Loan Prime Rate (LPR) plus 60 to 85 basis points. The bank loans are secured by the Target Group's land use rights which the carrying amount was approximately RMB129,570,000 as at 31 December 2024.

*Note b:* In June 2023, the Target Group received a long-term borrowing of RMB495,000,000 from non-controlling shareholder. The borrowing is interest-free and has a repayment maturity date of 5 November 2032 (a 10-year term). In accordance with HKFRS 9, the interest-free borrowing was initially recognised at its fair value of approximately RMB328,041,000. This fair value was estimated by discounting the future nominal cash flows using an effective interest rate of 4.20% per annum, which corresponds to the prevailing People's Bank of China market rate for loans over 5 years.

*Note c:* During the year ended 31 December 2024, the Target Group entered into loan agreement with a related company totaling RMB70,000,000. The loan beared interest rate of 1.50% per annum.

The borrowing is subsequently measured at amortised cost using the effective interest method. During the year ended 31 December 2023 and 2024, an imputed interest expense of approximately RMB6,818,000 and approximately RMB14,064,000 was recognised in consolidated statement of profit or loss and other comprehensive income and added to the carrying amount of the liability. During the year ended 31 December 2025, the borrowing was derecognised upon disposal of a subsidiary.

## 26. DEFERRED INCOME

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Government grants | 974,051 | 1,044,506 | 13,378 | 12,007 |

Deferred income primarily represents government grants received from local government authorities in the PRC in respect of the Target Group's battery projects. These grants are provided to subsidize mainly the capital investment in battery projects. All of the aforementioned government grants are considered to be related to assets. These grants are initially recognized as deferred income. The Target Group has elected to present government grants using the net method. When the related project is completed and the assets are available for use, the grants are deducted from the carrying amount of the related assets. Consequently, the grants are recognized in profit or loss over the estimated useful lives of the depreciable assets by way of a reduced depreciation charge. Grants that compensate the Target Group for specific expenses incurred are deducted directly against the related costs and expenses in profit or loss. During the year ended 31 December 2025, these grants of approximately RMB859,489,000 was derecognised upon disposal of a subsidiary.

## 27. LEASE LIABILITIES

| | As at 31 December | | | | | | As at 30 April | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2026 | |
| | Present value of the lease payments | Total lease payments | Present value of the lease payments | Total lease payments | Present value of the lease payments | Total lease payments | Present value of the lease payments | Total lease payments |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 2,225 | 2,477 | 2,631 | 2,790 | 2,625 | 2,682 | 1,899 | 1,934 |
| After 1 year but not exceeding 2 years | 2,250 | 2,409 | 2,392 | 2,449 | — | — | 187 | 195 |
| After 2 years but not exceeding 5 years | 2,393 | 2,449 | — | — | — | — | — | — |
| | 6,868 | 7,335 | 5,023 | 5,239 | 2,625 | 2,682 | 2,086 | 2,129 |
| Less: Total future interest expenses | | (467) | | (216) | | (57) | | (43) |
| Present value of lease liabilities | | 6,868 | | 5,023 | | 2,625 | | 2,086 |

## 28. PAID-UP CAPITAL

The movements of the Target Company's issued paid-up capital during the years ended 31 December 2023, 2024 and 2025 and 30 April 2026 are as follows:

| | *RMB'000* |
|---|---|
| **Registered** | |
| 31 December 2023, 2024, 2025 and 30 April 2026 | 1,000,000 |
| **Registered and paid-up capital** | |
| 31 December 2023, 2024, 2025 and 30 April 2026 | 1,000,000 |

## 29. RESERVES AND NON-CONTROLLING INTERESTS

### (a) Reserves

The amounts of the Target Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

A summary of the Target Company's reserves is as follows:

| | Capital reserve<br>*RMB'000* | Accumulated losses<br>*RMB'000* | Total<br>*RMB'000* |
|---|---|---|---|
| At 1 January 2023 | 979,463 | (776,147) | 203,316 |
| Loss for the year | — | (619,867) | (619,867) |
| At 31 December 2023 and 1 January 2024 | 979,463 | (1,396,014) | (416,551) |
| Loss for the year | — | (63,821) | (63,821) |
| At 31 December 2024 and 1 January 2025 | 979,463 | (1,459,835) | (480,372) |
| Derecognised upon deregistration of a subsidiary | (390) | — | (390) |
| Loss for the year | — | (132,989) | (132,989) |
| At 31 December 2025 and 1 January 2026 | 979,073 | (1,592,824) | (613,751) |
| Loss for the period | — | (10,170) | (10,170) |
| At 30 April 2026 | 979,073 | (1,602,994) | (623,921) |

**(b) Non-controlling interests**

Reconciliation of movements of non-controlling interests are as follows:

| | Non-controlling interests<br>*RMB'000* |
|---|---|
| At 1 January 2023 | (5) |
| Capital injection | 5,000 |
| Share of loss for the year | (5,040) |
| At 31 December 2023 and 1 January 2024 | (45) |
| Share of loss for the year | (3,791) |
| At 31 December 2024 and 1 January 2025 | (3,836) |
| Share of loss for the year | (1,905) |
| Disposal of a subsidiary | 5,741 |
| At 31 December 2025 | — |

***Details of non-wholly owned subsidiary that have material non-controlling interests***

The table below shows details of non-wholly-owned subsidiary of the Target Group that have material non-controlling interests:

| Name of subsidiary | Place of incorporation and principal place of business | Proportion of ownership interests and voting rights held by non-controlling interests | Loss allocated to non-controlling interests | Accumulated non-controlling interests |
|---|---|---|---|---|
| | | | *RMB'000* | *RMB'000* |
| At 31 December 2023<br>寧國時代新能源有限公司 | The PRC | 5% | (5,040) | (45) |
| At 31 December 2024<br>寧國時代新能源有限公司 | The PRC | 5% | (3,791) | (3,836) |
| At 31 December 2025<br>寧國時代新能源有限公司 | The PRC | N/A | (1,905) | — |

*Note:* The subsidiary was disposed in August 2025.

Historical Financial Information in respect of the Target Group's subsidiary that has material non-controlling interests is set out below. The Historical Financial Information below represents amounts before intragroup eliminations.

| | 寧國時代新能源有限公司<br>As at 31 December | |
|---|---|---|
| | 2023 | 2024 |
| | *RMB'000* | *RMB'000* |
| Current assets | 1,050,002 | 436,319 |
| Non-current assets | 1,260,959 | 2,228,056 |
| Current liabilities | 1,122,016 | 1,361,723 |
| Non-current liabilities | 1,284,837 | 1,424,371 |
| Equity attributable to owners of the Company | (95,847) | (117,883) |
| Non-controlling interests | (45) | (3,836) |

| | | Year ended 31 December | | | Four months ended 30 April |
|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | | | | (Unaudited) |
| Revenue and other income | 6 | 61,889 | 49,069 | 42,092 | |
| Expenses | | (100,809) | (137,716) | (87,178) | (53,030) |
| Loss for the year | | (100,803) | (75,827) | (38,109) | (10,938) |
| Loss attributable to: Owners of the Company | | (95,763) | (72,036) | (36,204) | (10,391) |
| Non-controlling interest | | (5,040) | (3,791) | (1,905) | (547) |
| Loss for the year/period | | (100,803) | (75,827) | (38,109) | (10,938) |

| | Year ended 31 December | | | Four months ended 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | | | (Unaudited) |
| Net cash inflow/(outflow) from operating activities | 13,045 | 154,788 | (25,378) | 63,662 |
| Net cash inflow/(outflow) from investing activities | (610,507) | (355,051) | 13,502 | (58,558) |
| Net cash inflow/(outflow) from financing activities | 500,000 | 99,000 | 15,171 | (632) |
| Net cash inflow/(outflow) | (97,462) | (101,263) | 3,295 | 4,472 |

## 30. DISPOSAL OF A SUBSIDIARY

On 22 April 2025, the Target Group entered into agreement to dispose the entire equity interest of 95% of a subsidiary at cash consideration of approximately RMB4,673,000 to a company controlled by the ultimate controlling shareholder. The disposal was completed in August 2025.

**Analysis of assets and liabilities over which control was lost:**

| | *RMB'000* |
|---|---|
| Property, plant and equipment | 2,113,290 |
| Intangible assets | 81 |
| Right-of-use assets | 127,911 |
| Cash and bank balances | 4,568 |
| Trade receivables | 25,262 |
| Prepayments, deposits and other receivables | 369,151 |
| Inventory | 4,493 |
| Trade and bill payables | (933,366) |
| Bank and other borrowings | (406,368) |
| Contract liabilities | (8,113) |
| Accruals and other payables | (437,973) |
| Deferred income | (1,026,448) |
| Net liabilities disposed of | (167,512) |

| | *RMB'000* |
|---|---|
| **Consideration received:** | |
| Cash received | 4,673 |

| | *RMB'000* |
|---|---|
| **Gain on disposal of a subsidiary:** | |
| Consideration received | 4,673 |
| Net liabilities disposed of | (167,512) |
| Non-controlling interests | (5,741) |
| Gain on disposal | 166,444 |

| | *RMB'000* |
|---|---|
| **Net cash inflow arising on disposal:** | |
| Cash consideration | 4,673 |
| Less: cash and cash equivalents disposed of | (4,568) |
| | **105** |

## 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

**Changes in liabilities arising from financing activities**

| | Lease liabilities *RMB'000* | Borrowings *RMB'000* | Interest payables *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|
| At 1 January 2023 | 10,065 | — | — | 10,065 |
| **Changes from financing cash flows:** | | | | |
| Repayment of lease liabilities | (3,621) | — | — | (3,621) |
| Loan from non-controlling shareholder | — | 495,000 | — | 495,000 |
| **Non-cash changes:** | | | | |
| Initial recognition of interest-free discount value | — | (166,959) | — | (166,959) |
| Interest on lease liabilities | 424 | — | — | 424 |
| Imputed interest on other borrowings — unwinding of discount | — | 6,818 | — | 6,818 |
| At 31 December 2023 and 1 January 2024 | 6,868 | 334,859 | — | 341,727 |
| **Changes from financing cash flows:** | | | | |
| Repayment of lease liabilities | (2,097) | — | — | (2,097) |
| Interest paid | — | — | (138) | (138) |
| New borrowing raised | — | 119,000 | — | 119,000 |
| **Non-cash changes:** | | | | |
| Interest on lease liabilities | 252 | — | — | 252 |
| Interest on bank and other borrowings | — | — | 856 | 856 |
| Imputed interest on other borrowings — unwinding of discount | — | 14,064 | — | 14,064 |
| At 31 December 2024 and 1 January 2025 | 5,023 | 467,923 | 718 | 473,664 |
| **Changes from financing cash flows:** | | | | |
| Repayment of lease liabilities | (2,557) | — | — | (2,557) |
| Interest paid | — | — | (762) | (762) |
| Repayment of bank loans | — | (30) | — | (30) |
| **Non-cash changes:** | | | | |
| Interest on lease liabilities | 159 | — | — | 159 |
| Interest on bank and other borrowings | — | — | 1,886 | 1,886 |
| Imputed interest on other borrowings — unwinding of discount | — | 8,475 | — | 8,475 |
| Derecognised upon disposal of a subsidiary | — | (406,368) | — | (406,368) |
| At 31 December 2025 and 1 January 2026 | 2,625 | 70,000 | 1,842 | 74,467 |
| **Changes from financing cash flows:** | | | | |
| Repayment of lease liabilities | (940) | — | — | (940) |
| **Non-cash changes:** | | | | |
| New leases entered | 371 | — | — | 371 |
| Interest on other borrowings | — | — | 350 | 350 |
| Interest on lease liabilities | 30 | — | — | 30 |
| At 30 April 2026 | 2,086 | 70,000 | 2,192 | 74,278 |

## 32. FINANCIAL INSTRUMENTS

The carrying amounts of each of the categories of financial instruments are as follows:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Financial assets** | | | | |
| Trade receivables | 9,839 | 39,237 | 82,350 | 83,792 |
| Pledged bank deposits | 830,927 | 27,041 | 614 | 17 |
| Deposits and other receivables | 1,910 | 4,523 | 18,179 | 13,240 |
| Restricted bank balances | 36,494 | 42,964 | 34,403 | 33,577 |
| Cash and bank balances | 261,873 | 2,277 | 35,958 | 8,989 |
| | 1,141,043 | 116,042 | 171,504 | 139,615 |
| **Financial liabilities** | | | | |
| Trade and bills payables | 861,799 | 147,186 | 64,012 | 108,924 |
| Lease liabilities | 6,868 | 5,023 | 2,625 | 2,086 |
| Accruals and other payables | 363,516 | 1,034,335 | 75,133 | 72,449 |
| Borrowings | 334,859 | 467,923 | 70,000 | 70,000 |
| | 1,567,042 | 1,654,467 | 211,770 | 253,459 |

### (i) Fair value measurement and fair value hierarchy

The management estimate the carrying amount financial instruments carried at amortised cost approximately its fair value.

Management has assessed that the fair values of cash and bank balances, restricted bank balances, pledged bank deposits, trade and bill receivables, deposits and other receivables, trade and bills payables, lease liabilities, accruals and other payables and borrowings approximate to their carrying amounts.

### (ii) Financial risk management objective and policies

The Target Group's major financial instruments include cash and bank balances, restricted bank balances, pledged bank deposits, trade and bill receivables, deposits and other receivables, accruals and other payables, lease liabilities, trade and bills payables and borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Target Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

***Credit risk***

The carrying amounts of cash and bank balances, restricted bank balances, pledged bank deposits, trade and bill receivables, deposits and other receivables represent the Target Group's maximum exposure to credit risk in relation to financial assets. Substantially all of the Target Group's cash and cash equivalents are held in major financial institutions, which management believes are of high credit quality and all classified as low credit risk from the management's assessment, which is mainly based on past due information unless other information is available without undue cost or effort. The Target Group has policies to control the size of the deposits to be placed with various reputable financial institutions according to their market reputation, operating scale and financial background with a view to limiting the amount of credit exposure to any single financial institution.

The Target Group trades only with recognised and creditworthy third parties. It is the Target Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Target Group's exposure to bad debts is not significant. Concentrations of credit risk are managed by customer/counterparty. There are no significant concentrations of credit risk within the Target Group as the customer bases of the Target Group's trade receivables are widely dispersed in different sectors.

The credit risk of the Target Group's trade receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts and the Target Group applies the simplified approach in calculating ECLs of its trade receivables.

For deposits and other receivables, the ECL are estimated by applying a general approach with reference to the historical loss record of the Target Group and is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be normal because they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk.

***Liquidity risk***

Prudent liquidity management, after considering the expected market conditions, implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities, and funds generated from operating activities. The Target Group mainly finances its working capital requirements through a combination of internal resources and borrowings, as necessary.

**As at 31 December 2023**

| | Weighted average interest rate | On demand or within one year | More than one but less than five years | More than five years | Total undiscounted cash flows | Carrying amount |
|---|---|---|---|---|---|---|
| | % | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade and bill payables | N/A | 861,799 | — | — | 861,799 | 861,799 |
| Accruals and other payables | N/A | 363,516 | — | — | 363,516 | 363,516 |
| Lease liabilities | 4.45% | 2,477 | 4,858 | — | 7,335 | 6,868 |
| Borrowings | N/A | — | — | 495,000 | 495,000 | 334,859 |
| | | 1,227,792 | 4,858 | 495,000 | 1,727,650 | 1,567,042 |

**As at 31 December 2024**

| | Weighted average interest rate | On demand or within one year | More than one but less than five years | More than five years | Total undiscounted cash flows | Carrying amount |
|---|---|---|---|---|---|---|
| | % | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade and bill payables | N/A | 147,186 | — | — | 147,186 | 147,186 |
| Accruals and other payables | N/A | 1,034,335 | — | — | 1,034,335 | 1,034,335 |
| Lease liabilities | 4.45% | 2,790 | 2,449 | — | 5,239 | 5,023 |
| Borrowings | 2.51% | 71,919 | 52,489 | 495,000 | 619,408 | 467,923 |
| | | 1,256,230 | 54,938 | 495,000 | 1,806,168 | 1,654,467 |

**As at 31 December 2025**

| | Weighted average interest rate | On demand or within one year | More than one but less than five years | More than five years | Total undiscounted cash flows | Carrying amount |
|---|---|---|---|---|---|---|
| | % | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade and bill payables | N/A | 64,012 | — | — | 64,012 | 64,012 |
| Accruals and other payables | N/A | 75,133 | — | — | 75,133 | 75,133 |
| Borrowings | 1.50% | 70,000 | — | — | 70,000 | 70,000 |
| Lease liabilities | 4.45% | 2,682 | — | — | 2,682 | 2,625 |
| | | 211,827 | — | — | 211,827 | 211,770 |

**As at 30 April 2026**

| | Weighted average interest rate | On demand or within one year | More than one but less than five years | More than five years | Total undiscounted cash flows | Carrying amount |
|---|---|---|---|---|---|---|
| | % | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade and bill payables | N/A | 108,924 | — | — | 108,924 | 108,924 |
| Accruals and other payables | N/A | 72,449 | — | — | 72,449 | 72,449 |
| Borrowings | 1.50% | 70,000 | — | — | 70,000 | 70,000 |
| Lease liabilities | 4.45% | 1,934 | 195 | — | 2,129 | 2,086 |
| | | 253,307 | 195 | — | 253,502 | 253,459 |

## 33. CONTINGENT LIABILITIES

At the end of the reporting period, the Target Group did not have any significant contingent liabilities.

## 34. PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Target Group were pledged to banks to secure the general banking borrowings, banking facilities and bills payables granted to the Target Group:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Right-of-use assets | — | 129,570 | — | — |
| Pledged bank deposits | 830,927 | 27,041 | 614 | 17 |
| | 830,927 | 156,611 | 614 | 17 |

## 35. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

### (a) Name and relationship with related parties

The following individuals/entities are related parties of the Target Group that had balances and/or transactions with the Target Group as at/during the Relevant Periods.

| Name | Relationship with the Target Group |
|---|---|
| 吉利科技集團有限公司 | Shareholder |
| 福建常青新能源科技有限公司 | Fellow subsidiaries |
| 孚能科技（贛州）股份有限公司 | Related company |
| 寧國建川吉時企業管理合夥企業（有限合夥） | Non-controlling interest (31 December 2023, 2024) |
| 浙江吉利商務服務有限公司 | An entity controlled by the ultimate controlling shareholder |
| 浙江遠程商用車研發有限公司 | Fellow subsidiaries (31 December 2023), An entity controlled by the ultimate controlling shareholder (31 December 2024, 2025 and 30 April 2026) |
| 廣域銘島數字科技有限公司 | An entity controlled by the ultimate controlling shareholder |
| 寧國時代新能源有限公司 | An entity controlled by the ultimate controlling shareholder |
| 浙江銘島實業有限公司 | An entity controlled by the ultimate controlling shareholder |
| 杭州楓華科技有限公司 | An entity controlled by the ultimate controlling shareholder |
| 安徽吉楓循環科技產業有限公司 | An entity controlled by the ultimate controlling shareholder |
| 廣西國盟大宗商品供應鏈管理有限公司 | An entity controlled by the ultimate controlling shareholder |
| 江西宜源新能源科技有限公司 | An entity controlled by the ultimate controlling shareholder |
| 寧國時代新能源有限公司鎮江分公司 | An entity controlled by the ultimate controlling shareholder |
| 杭州融能新能源有限公司 | An entity controlled by the ultimate controlling shareholder |
| 安徽瑞科資源循環科技發展有限公司 | An entity controlled by the ultimate controlling shareholder |
| 杭州孺子牛物業管理有限公司 | An entity controlled by the ultimate controlling shareholder |
| 上海協動科技有限公司 | An entity controlled by the ultimate controlling shareholder |
| 浙江荷馬體育用品有限公司 | An entity controlled by the ultimate controlling shareholder |
| 寧國融能新能源有限責任公司 | An entity controlled by the ultimate controlling shareholder |
| 浙江衡遠新能源科技有限公司 | An entity controlled by the ultimate controlling shareholder |
| 杭州吉利共享服務有限公司 | An entity controlled by the ultimate controlling shareholder |
| 杭州吉利共享科技有限公司 | An entity controlled by the ultimate controlling shareholder |
| 陽光銘島能源科技有限公司 | An entity controlled by the ultimate controlling shareholder |
| 寧夏銘島鋁業有限公司 | An entity controlled by the ultimate controlling shareholder |

**(b) Balances with related parties**

| | | As at 31 December | | | As at 30 April |
|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2026 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **(i) Amounts due from related parties:** | **Nature** | | | | |
| Fellow subsidiaries | Trade receivables | 1,652 | — | — | — |
| Entities controlled by the ultimate controlling shareholder | Trade receivables | — | 267 | 65,455 | 73,177 |
| Entities controlled by the ultimate controlling shareholder | Deposits, prepayments and other receivables | 29 | — | — | 24 |

| | | As at 31 December | | | As at 30 April |
|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2026 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **(ii) Amounts due to related parties:** | **Nature** | | | | |
| Entities controlled by the ultimate controlling shareholder | Trade payables | — | 36,005 | 452 | — |
| Related company | Other payables | 76 | 76 | 76 | — |
| Shareholder | Other payables | 8,856 | 2,199 | 10,335 | 10,335 |
| Entities controlled by the ultimate controlling shareholder | Other payables | 734 | 113,023 | 963 | 2,472 |
| Entities controlled by the ultimate controlling shareholder | Other borrowing | — | 70,718 | 71,842 | 72,192 |
| Entities controlled by the ultimate controlling shareholder | Contract liabilities | — | — | 4,478 | 1,068 |
| Entities controlled by the ultimate controlling shareholder | Other current liabilities | — | 8,053 | 582 | 139 |

The above balances (excluded other borrowing) with related parties were unsecured, interest-free and recoverable/repayable on demand.

Other borrowing with related parties was unsecured, interest-bearing and repayable on demand.

**(c) Transactions with related parties**

The following transactions and balances were carried out between the Target Group and its related parties during the Track Record Period. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Target Group and the respective related parties. The Target Group has the following transactions with related parties:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| **Interest expense:** | | | | | |
| Entities controlled by the ultimate controlling shareholder | — | 718 | 1,124 | 350 | 350 |
| **Purchase of goods:** | | | | | |
| Entities controlled by the ultimate controlling shareholder | 1,810 | 80,483 | 4,592 | 9,222 | — |
| **Sales of goods:** | | | | | |
| Entities controlled by the ultimate controlling shareholder | — | 39,553 | 37,788 | 5,317 | 672 |
| Fellow subsidiaries | 2,226 | — | — | — | — |
| | 2,226 | 39,553 | 37,788 | 5,317 | 672 |

**(d) Key management compensation**

The member of key management personnel is the directors of the Target Group, the remuneration for them is disclosed in note 12 to the financial statements.

## 36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE TARGET GROUP

Details of the subsidiaries directly and indirectly held by the Target Company at the end of the reporting period are set out below.

| Name of Subsidiary | Place of Incorporation and principal place of business | Paid up issued/ registered capital | Percentage of effective equity interest and voting power held by the Target Company (direct) | | | | Percentage of effective equity interest and voting power held by the Target Company (indirect) | | | | Principal activities |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2026 | 2025 | 2024 | 2023 | 2026 | 2025 | 2024 | 2023 | |
| 上海控興貿易有限公司 *(note)* | PRC | RMB10,000,000 | 100% | 100% | 100% | 100% | 0% | 0% | 0% | 0% | Investment holding |
| 鎮江鑫澧信能源科技有限公司 *(note)* | PRC | RMB2,000,000 | 100% | 100% | 100% | 90% | 0% | 0% | 0% | 0% | Investment holding |
| 安徽力信能源科技有限責任公司 *(note)* | PRC | RMB500,000,000 | 0% | 0% | 0% | 100% | 0% | 0% | 0% | 0% | Investment holding |
| 寧國時代新能源有限公司 *(note)* | PRC | RMB100,000,000 | 0% | 0% | 95% | 95% | 0% | 0% | 0% | 0% | Research, development, manufacturing and sales of lithium-ion power batteries, battery modules, battery packs and energy storage systems |
| 上海力信能源科技有限責任公司 *(note)* | PRC | RMB50,000,000 | 0% | 0% | 0% | 0% | 100% | 100% | 100% | 100% | Investment holding |

*Note:* The statutory financial statements of the Target Company for each of the years ended 31 December 2023, 2024 and 2025 have been audited by the Pan-China Certified Public Accountants LLP in accordance with Accounting Standards for Business Enterprises (the "**ASBE**") issued by the China Accounting Standard Committee of the Ministry of Finance of the PRC (the "**MOF**").

## 37. EVENTS AFTER THE REPORTING PERIOD

On 6 June 2022, the People's Court of Zhenjiang Economic Development Zone (鎮江經濟開發區人民法院) issued the Civil Ruling (2021) Su 1191 Po No. 13((2021)蘇1191破13號), approved the restructuring plan of the Target Company. The restructuring plan has been subsequently completed on 18 August 2026. There are no other material subsequent events after the end of the reporting period.

## 38. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Target Group, the Target Company or other entities within the Target Group have been prepared in respect of any period subsequent to 30 April 2026.

Set out below is the management discussion and analysis of the Target Group for each of the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2025 and 2026 (the "**Reporting Period**"), which is prepared based on the financial information of the Target Group as set out in Appendix II to this circular.

## BUSINESS OVERVIEW:

The Target Group is an integrated power system solution provider focusing on low-voltage applications for three-electric systems (battery, motor, and electronic control), and has simultaneously developed a dual-core business model comprising such solutions and the R&D, production, and sales of new energy lithium-ion batteries. The Target Company has complete delivery capabilities for low-voltage three-electric systems and can provide customers with integrated power system solutions that combine battery cells, modules, and battery management systems ("**BMS**"). Its self-developed and self-produced prismatic aluminum case lithium iron phosphate ("**LFP**") battery cells serve as the core supporting products for these solutions. The related systems and battery products are currently mainly used in small, low-voltage power transportation vehicles such as electric two-wheelers and three-wheelers.

### Financial Review

#### *Revenue*

The Target Group sells its self-produced battery products and provides battery tolling services to customers. For the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2025 and 2026, the Target Group's revenue was approximately RMB90.6 million, RMB96.7 million, RMB103.3 million, RMB32.3 million and RMB105.0 million, respectively.

A breakdown of revenue for the relevant periods is set out below:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| Sale of self-produced batteries | 23,138 | 91,417 | 103,296 | 32,300 | 104,164 |
| Battery processing services | 67,477 | 5,261 | — | — | 876 |
| | 90,615 | 96,678 | 103,296 | 32,300 | 105,040 |

The Target Group's revenue increased by approximately RMB6.06 million, or 6.7%, from 2023 to 2024 and by approximately RMB6.6 million, or 6.8%, from 2024 to 2025. The increases were mainly attributable to higher revenue from sales of self-produced batteries, which more than offset the decrease in revenue from battery tolling services. In particular, (i) the Target Company responded to customer demand for high-performance battery systems in low-voltage power applications through continued technological innovation and product optimisation; and (ii) following the expansion of market demand for low-voltage lithium battery power systems and the adjustment of its business strategy, the Target Company entered a phase of progressive capacity expansion from September 2025.

For the four months ended 30 April 2026, the Target Group recorded revenue of approximately RMB105.0 million, representing an increase of approximately 225.2% compared to the same period of the previous year. The increase in revenue was due to the continuous improvement in production capacity following the optimization of product mix and the effective implementation of the Target Company's sales strategy.

The Target Group is a provider of integrated three-electric power system solutions focusing on low-voltage applications and is strategically developing a dual-core business model comprising (i) low-voltage three-electric system solutions; and (ii) the research and development, production and sale of new energy lithium-ion batteries. Its related products are currently mainly used in low-voltage vehicles, including electric two-wheelers and three-wheelers, which constitute its principal source of revenue.

Following Completion, the Target Group intends to leverage the Group's technology and supply-chain resources to strengthen its ability to expand in the two-wheeler and three-wheeler markets. Although competition in the industry is intensifying, the Directors consider that the Target Group has potential for medium- to long-term revenue growth, having regard to its business prospects, its position in its niche market segment and the potential synergies with the Group.

***Analysis of revenue by product type and sales volume***

The following table sets out the revenue and sales volume of the Target Group's self-produced batteries by principal product type during the Reporting Period:

| | Year ended 31 December | | | | | | Four months ended 30 April | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Product type** | **2023** | | **2024** | | **2025** | | **2025** | | **2026** | |
| | *(RMB'000)* | *('000 units)* | *(RMB'000)* | *('000 units)* | *(RMB'000)* | *('000 units)* | *(RMB'000)* | *('000 units)* | *(RMB'000)* | *('000 units)* |
| | | | | | | | (Unaudited) | | | |
| Low-voltage batteries | 21,482 | 291 | 54,291 | 860 | 82,006 | 1,379 | 15,857 | 293 | 104,164 | 1,294 |
| High-voltage batteries | 1,656 | 31 | 37,125 | 542 | 21,290 | 616 | 16,444 | 232 | — | — |
| Total | 23,138 | 322 | 91,417 | 1,402 | 103,296 | 1,995 | 32,300 | 525 | 104,164 | 1,294 |

Revenue from low-voltage batteries increased from approximately RMB21.5 million in 2023 to approximately RMB54.3 million in 2024, representing an increase of approximately RMB32.8 million, or 152.7%. The corresponding sales volume increased by approximately 569 thousand units, or 195.5%.

Revenue from low-voltage batteries further increased to approximately RMB82.0 million in 2025, representing an increase of approximately RMB27.7 million, or 51.0%, as compared with 2024. The corresponding sales volume increased by approximately 519 thousand units, or 60.3%.

For the four months ended 30 April 2026, revenue from low-voltage batteries increased by approximately RMB88.3 million, or 556.9%, as compared with the corresponding period in 2025, while the corresponding sales volume increased by approximately 1,001 thousand units, or 341.6%. The increases were principally attributable to the introduction of low-voltage battery products with differentiated capacity specifications for electric motorcycle and household energy-storage applications, and the commencement of mass production and sales of such products in response to market demand.

Revenue from high-voltage batteries increased from approximately RMB1.7 million in 2023 to approximately RMB37.1 million in 2024, representing an increase of approximately RMB35.5 million. The corresponding sales volume increased by approximately 511 thousand units, from approximately 31 thousand units to approximately 542 thousand units. These increases were principally attributable to the commencement of external sales of high-voltage battery products that had previously been under trial production.

Revenue from high-voltage batteries decreased to approximately RMB21.3 million in 2025, representing a decrease of approximately RMB15.8 million, or 42.7%, as compared with 2024. For the four months ended 30 April 2026, the Target Group recorded no revenue or sales volume from high-voltage batteries, compared with revenue of approximately RMB16.4 million and sales volume of approximately 232 thousand units for the corresponding period in 2025. The decreases were principally attributable to the disposal in 2025 of the subsidiary principally engaged in the high-voltage battery business. Please refer to the paragraph headed "Material Investments, Acquisitions and Disposals" below.

***Analysis of revenue by geographical market***

The following table sets out the revenue from sales of self-produced batteries by geographical market during the Reporting Period:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| **Geographical market** | **2023** | **2024** | **2025** | **2025** | **2026** |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | | | (Unaudited) | |
| Northeast China | — | — | 211 | — | — |
| North China | — | 101 | — | — | 306 |
| East China | 8,500 | 61,292 | 70,335 | 24,016 | 72,484 |
| Central China | 124 | 6,962 | 10,853 | 3,822 | 11,023 |
| South China | 12,880 | 22,849 | 20,518 | 3,945 | 19,972 |
| Southwest China | 550 | 1 | 1,249 | 388 | 380 |
| Northwest China | 974 | 68 | 129 | 129 | — |
| Overseas | 110 | 143 | — | — | — |
| Total | 23,138 | 91,417 | 103,296 | 32,300 | 104,164 |

Revenue from sales of self-produced batteries was principally derived from East China, South China and Central China. This geographical concentration was principally attributable to (i) the concentration of new energy and energy-storage industry participants in these regions; and (ii) the Target Group's business strategy of operating close to its principal end markets and optimising the geographical coverage of its supply chain.

***Customer concentration***

The following table sets out the revenue derived from the Target Group's five largest customers and the percentage of its total revenue represented by such revenue during the Reporting Period:

| | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | | | (Unaudited) | |
| Revenue from five largest customers (RMB'000) | 70,952 | 49,929 | 63,312 | 24,606 | 63,176 |
| Percentage of total revenue | 78.30% | 51.65% | 61.29% | 76.18% | 60.14% |

The Target Group's five largest customers during the Reporting Period were principally established industry customers operating in the new energy battery supply chain, including businesses engaged in battery materials, battery-cell manufacturing and new energy applications. The Target Group had established long-term and stable business relationships with its principal customers.

The percentage of revenue attributable to the five largest customers ranged from approximately 50% to 80% during the Reporting Period. The fluctuations principally reflected changes in the Target Group's product mix. Different battery capacity specifications were sold to different customer groups, and the composition of the Target Group's principal customers therefore changed as its product mix evolved.

***Seasonality***

The Target Group's sales were not generally subject to material seasonal fluctuations. Following the resumption of production in September 2025, its production and sales volume increased progressively, subject to the temporary interruption during the Chinese New Year holidays described below.

Production was temporarily affected by the Chinese New Year holidays in February and March 2026, resulting in lower sales volumes during those months. The Directors consider that this was a short-term holiday effect rather than a seasonal characteristic of the Target Group's products or industry.

***Cost of sales***

For the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2025 and 2026, the Target Group's cost of sales was approximately RMB71.9 million, RMB79.7 million, RMB159.8 million, RMB30.0 million and RMB100.4 million, respectively.

The Target Group's cost of sales increased by approximately RMB7.8 million, or 10.9%, from 2023 to 2024 and by approximately RMB80.1 million, or 100.5%, from 2024 to 2025. For the four months ended 30 April 2026, cost of sales increased by approximately RMB70.4 million as compared with the corresponding period in 2025. The increases were mainly attributable to the increase in the Target Group's revenue, fluctuations in the prices of battery raw materials and intensified market competition. In addition, cost of sales for the four months ended 30 April 2025 was reduced by lower depreciation following the impairment of fixed assets and the reversal of provisions for inventory write-down upon the sale of the relevant inventories.

***Gross profit***

The Target Group recorded gross profits of approximately RMB18.7 million and RMB17.0 million for 2023 and 2024, respectively, a gross loss of approximately RMB56.5 million for 2025, and gross profits of approximately RMB2.3 million and RMB4.7 million for the four months ended 30 April 2025 and 2026, respectively.

The table below sets out a breakdown of the Target Group's gross profit for the relevant periods:

| | | Year ended 31 December | | | Four months ended 30 April | |
|---|---|---|---|---|---|---|
| | *Notes* | **2023** | **2024** | **2025** | **2025** | **2026** |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* (Unaudited) | *RMB'000* |
| Revenue | *5* | 90,615 | 96,678 | 103,296 | 32,300 | 105,040 |
| Cost of revenue | *8* | (71,874) | (79,724) | (159,827) | (29,966) | (100,385) |
| Gross profit/(loss) | | 18,741 | 16,954 | (56,531) | 2,334 | 4,655 |

The following table sets out a breakdown of the Target Group's revenue, cost of sales and gross profit/(loss) margin by business category during the relevant periods (all in RMB'000, except for percentages):

| | Year ended 31 December | | | | | | | | | Four months ended 30 April | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | 2024 | | | 2025 | | | 2026 | | |
| Business category | Revenue | Cost of sales | Gross profit/(loss) margin | Revenue | Cost of sales | Gross profit/(loss) margin | Revenue | Cost of sales | Gross profit/(loss) margin | Revenue | Cost of sales | Gross profit/(loss) margin |
| Sales of self-produced batteries | 23,138 | 26,753 | (15.6)% | 91,417 | 73,521 | 19.6% | 103,296 | 136,124 | (31.8)% | 104,164 | 99,926 | 4.1% |
| Battery processing services | 67,477 | 45,121 | 33.1% | 5,261 | 6,202 | (17.9)% | – | – | – | 876 | 460 | 47.5% |
| Costs incurred during the suspension of production | – | – | – | – | – | – | – | 23,703 | – | – | – | – |
| **Total** | **90,615** | **71,874** | **20.7%** | **96,678** | **79,724** | **17.5%** | **103,296** | **159,827** | **(54.7)%** | **105,040** | **100,386** | **4.4%** |

The Target Group's gross profit for the year ended 31 December 2024 decreased by approximately RMB1.7 million, or 9.1%, from the year ended 31 December 2023, mainly due to (i) fluctuations in the prices of battery raw materials; and (ii) intensified market competition.

The Target Group moved from a gross profit of approximately RMB17.0 million in 2024 to a gross loss of approximately RMB56.5 million in 2025, representing a decrease of approximately RMB73.5 million. The reasons for the gross loss in 2025 are discussed under the paragraph headed "Further analysis of the gross loss for 2025" below.

For the four months ended 30 April 2026, the Target Group recorded a gross profit of approximately RMB4.7 million, representing an increase of approximately RMB2.3 million compared to the same period of the previous year. The increase in gross profit was mainly due to the increase in revenue during the corresponding period as described above.

***Further analysis of the gross loss for 2025***

The Target Group recorded a gross loss of approximately RMB56.5 million for 2025, as its cost of sales of approximately RMB159.8 million exceeded its revenue of approximately RMB103.3 million.

Based on the management breakdown provided by the Target Group, of the total cost of sales for 2025, approximately RMB136.1 million related to sales of self-produced batteries and approximately RMB23.7 million related to fixed manufacturing overheads incurred during the suspension of production.

The gross loss was principally attributable to the following factors:

(i) the Target Group's principal differentiated-capacity battery products during 2025 had relatively long order cycles and low monthly production volume. Consequently, a higher amount of fixed manufacturing overheads was allocated to each unit produced, which increased the unit production cost and reduced the gross profit margin. Revenue from these products accounted for approximately half of the Target Group's total revenue for 2025;

(ii) certain battery products sold in 2024 generated relatively higher gross profit margins. However, certain higher-margin products were substantially discontinued in 2025 because their specifications differed from the requirements under the new national standards. The reduction in sales of these higher-margin products further adversely affected the Target Group's overall gross profit margin; and

(iii) the Target Group temporarily suspended production during part of 2025 while it reassessed and adjusted its business strategy and product portfolio. Fixed manufacturing overheads incurred during the suspension period continued to be recognised as cost of sales, which further increased the gross loss.

***Gross profit margin for the four months ended 30 April 2026***

The Target Group's gross profit margin for the four months ended 30 April 2026 was approximately 4.4%, which was lower than its gross profit margins of approximately 20.7% and 17.5% for 2023 and 2024, respectively.

The higher gross profit margin in 2023 was principally attributable to the Target Group's battery processing services. Such services generated revenue of approximately RMB67.5 million, representing approximately 74.5% of the Target Group's total revenue for 2023, and had a gross profit margin of approximately 33.1%. By comparison, sales of self-produced batteries recorded a gross loss margin of approximately 15.6% in 2023.

Following the adjustment to its business strategy, the Target Group's principal products in 2026 were self-produced low-voltage batteries with differentiated capacity specifications. Certain low-voltage battery products sold in 2024 generated relatively higher gross profit margins but were substantially discontinued from 2025 because their specifications differed from the requirements under the new national standards.

For the four months ended 30 April 2026, revenue from sales of self-produced batteries amounted to approximately RMB104.2 million and the corresponding gross profit margin was approximately 4.1%. Although the gross profit margin of the Target Group's principal low-voltage battery products improved following the increase in production capacity and product optimisation, the overall gross profit margin remained relatively low during the period.

***General and administrative expenses***

The Target Group's general and administrative expenses were approximately RMB71.6 million, RMB46.6 million and RMB43.4 million for the years ended 31 December 2023, 2024 and 2025, respectively, and approximately RMB14.5 million and RMB7.6 million for the four months ended 30 April 2025 and 2026, respectively.

General and administrative expenses decreased by approximately RMB25.0 million, or 34.9%, in 2024 and by approximately RMB3.2 million, or 6.8%, in 2025. They further decreased by approximately RMB7.0 million, or 48.0%, for the four months ended 30 April 2026 as compared with the corresponding period in 2025.

The decreases were principally attributable to (i) the decrease in overall staff costs following the reduction in headcount; (ii) the reduction in the relevant supporting administrative functions following the disposal of the high-voltage battery business; and (iii) the continued optimisation of the Target Group's internal management structure and reduction of non-essential administrative expenditure.

***Research and development expenses***

The Target Group's research and development expenses were approximately RMB72.4 million, RMB55.1 million and RMB22.6 million for the years ended 31 December 2023, 2024 and 2025, respectively, and approximately RMB6.7 million and RMB6.8 million for the four months ended 30 April 2025 and 2026, respectively.

Research and development expenses decreased by approximately RMB17.3 million, or 23.9%, in 2024 and by approximately RMB32.5 million, or 59.0%, in 2025. They increased slightly by approximately RMB0.1 million, or 1.9%, for the four months ended 30 April 2026 as compared with the corresponding period in 2025.

The decrease in 2025 was principally attributable to (i) the disposal of the subsidiary engaged in the high-voltage battery business, following which the relevant research and development staff costs and depreciation and amortisation expenses were no longer fully consolidated into the financial statements of the Target Group; and (ii) the reduction of the relevant research and development team following the disposal and the Target Group's strategic refocusing on its low-voltage battery business.

During the four months ended 30 April 2026, the Target Group maintained a broadly stable level of research and development expenditure on small-power battery cells as compared with the corresponding period in 2025.

***Net cash used in operating activities***

For the four months ended 30 April 2026, the Target Group recorded a loss before tax of approximately RMB10,130 million and net cash used in operating activities of approximately RMB24,765 million. Therefore, the net operating cash outflow was higher than the loss before tax by approximately RMB14,635 million.

The difference was mainly attributable to changes in working capital. During the period from 31 December 2025 to 30 April 2026:

(i) increase in inventories of approximately RMB36.6 million;

(ii) increase in trade and bill receivables of approximately RMB1.4 million;

(iii) increase in deposits, prepayments and other receivables of approximately RMB10.8 million;

(iv) decrease in contract liabilities of approximately RMB14.7 million;

(v) decrease in accruals and other payables of approximately RMB3.5 million; and

(vi) decrease in other current liabilities of approximately RMB1.9 million.

The cash outflow arising from the aforesaid changes in working capital was partially offset by, among others, an increase in trade and bill payables of approximately RMB44.9 million and non-cash adjustments such as depreciation and amortisation expenses of approximately RMB8.4 million and write-down of inventories of approximately RMB5.9 million.

***(Loss)/profit before tax***

For the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2025 and 2026, the Target Group's loss before tax was approximately RMB204.7 million, RMB117.6 million, RMB155.8 million, RMB29.3 million and RMB10.1 million, respectively.

The Target Group's loss before tax for the year ended 31 December 2024 decreased by approximately RMB87.1 million from the year ended 31 December 2023, mainly due to a decrease in certain non-recurring profit and loss items and asset impairment losses in 2024.

The Target Group's loss before tax for the year ended 31 December 2025 increased by approximately RMB38.2 million from the year ended 31 December 2024, mainly due to (i) the decrease in gross profit in 2025 as analyzed above; (ii) a decrease in other income such as government grants in 2025 as compared to 2024.

For the four months ended 30 April 2026, the Target Group's loss before tax was approximately RMB10.1 million, representing a decrease of RMB19.2 million compared to the same period of the previous year, mainly due to the increase in gross profit for the four months ended 30 April 2026 as analyzed above.

***Asset and Liability Position***

As at 31 December 2023, 2024 and 2025 and 30 April 2026, the Target Group's total assets were approximately RMB3,003.1 million, RMB3,038.8 million, RMB609.4 million and RMB622.1 million, respectively. On the same dates, the Target Group's net assets were approximately RMB453.4 million, RMB335.7 million, RMB352.1 million and RMB341.9 million, respectively.

The table below sets out a summary of the Target Group's asset position as at the relevant dates:

| | As at 31 December | | | As at 30 April |
|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2026** |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Total assets | 3,003,103 | 3,038,791 | 609,362 | 622,100 |
| Total liabilities | 2,549,751 | 2,703,050 | 257,279 | 280,148 |
| **TOTAL EQUITY** | **453,352** | **335,741** | **352,083** | **341,952** |

The Target Group's total assets as at 31 December 2025 decreased by approximately RMB2,429.4 million from 31 December 2024, and its total liabilities as at 31 December 2025 decreased by approximately RMB2,445.8 million from 31 December 2024. This was mainly due to the Target Company's disposal of a subsidiary in 2025 and the simultaneous deconsolidation of the subsidiary's assets and liabilities.

The Target Group's net assets as at 30 April 2026 decreased by approximately RMB10.1 million from 31 December 2025, mainly due to the Target Group's operating loss for the four months ended 30 April 2026.

***Liquidity, Financial Resources and Capital Structure***

As at 31 December 2023, 2024 and 2025 and 30 April 2026, the Target Group's current ratios were 1.12, 0.35, 1.05 and 1.03, respectively; quick ratios were 1.08, 0.27, 0.90 and 0.76, respectively; and debt-to-asset ratios were 84.9%, 89.0%, 42.2% and 45.0%,

respectively. The Target Company's cash and bank balances were approximately RMB261.9 million, approximately RMB2.3 million, approximately RMB36.0 million and approximately RMB9.0 million, respectively.

***Capital Expenditure***

The Target Group's capital expenditure was mainly used for the construction of battery production lines for a subsidiary (which was disposed of in April 2025), purchase of equipment, and maintenance of production operations. For the years ended 31 December 2023, 2024 and 2025 and the four months ended 30 April 2026, the Target Group's capital expenditure was approximately RMB1,155.4 million, RMB483.9 million, RMB36.5 million and RMB1.4 million, respectively.

***Pledge of Assets***

As at 31 December 2023, 2024 and 2025 and 30 April 2026, the assets pledged by the Target Group were primarily bank deposits and right-of-use assets, amounting to approximately RMB830,927 thousand, approximately RMB156,611 thousand, approximately RMB614 thousand and approximately RMB17 thousand, respectively.

***Contingent Liabilities***

As at 31 December 2023, 2024 and 2025 and 30 April 2026, the Target Group did not have any material contingent liabilities.

***Remaining Performance Obligations***

The Target Group's remaining performance obligations decreased from approximately RMB27.3 million as at 31 December 2025 to approximately RMB12.5 million as at 30 April 2026. The decrease was principally attributable to the completion of the performance obligations relating to orders for which prepayments had been received before the beginning of 2026 and the recognition of the relevant amounts as revenue during the four months ended 30 April 2026. Most of the new orders obtained during the four months ended 30 April 2026 were paid for and delivered within the same accounting period. Accordingly, such orders did not result in significant contract liabilities or remaining performance obligations at the end of the period.

***Material Investments, Acquisitions and Disposals***

In April 2025, the Target Group entered into an equity transfer agreement with a company based in Hangzhou, pursuant to which the Target Group transferred 95% of the equity interest in one of its subsidiaries to the said Hangzhou company. The aforesaid transfer was part of a strategic adjustment of the controlling shareholder group. The subsidiary being transferred mainly produces high-voltage batteries, and its business is highly aligned with the passenger vehicle high-voltage battery segment of the controlling shareholder group.

Following the transfer, the Target Group has primarily focused on providing integrated three-electric power system solutions for the ''three-electric'' systems (battery, electric motor and electronic control) in low-voltage scenarios.

Save for the aforesaid disposal of equity interest in a subsidiary, as at 31 December 2023, 2024 and 2025 and 30 April 2026, the Target Group did not have any other material investments, acquisitions or disposals.

***Employees and Remuneration Policy***

As at 31 December 2023, 2024 and 2025 and 30 April 2026, the Target Group had 592, 279, 174 and 211 employees, respectively. The Target Group's staff costs (including directors' remuneration) mainly comprise salaries, allowances, discretionary bonuses and contributions to defined contribution retirement schemes.

The Target Group's remuneration policy is determined with reference to individual performance, responsibilities, qualifications and experience, as well as prevailing market conditions. The Target Group also provides on-the-job training for its employees to enhance their technical knowledge and service quality. During the reporting period, the Target Group did not maintain any share option schemes or other share-based incentive plans.

*The following is the text of a report, prepared for the sole purpose of inclusion in this circular, received from the Company's reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information on the Enlarged Group.*

## 1. UNAUDITED PRO FORMA FINANCIAL STATEMENT OF THE ENLARGED GROUP

### (A) BASIS OF PREPARATION OF UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

The following unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group which has been prepared by the directors of the Company in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited, with reference to Accounting Guideline 7 ''Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars'' issued by the Hong Kong Institute of Certified Public Accountant (''**HKICPA**''), and on the basis of the notes set out below for the purpose of illustrating the effect on the assets and liabilities of the Group if the Acquisition had been taken place on 30 June 2026.

The unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group is prepared, in accordance with the accounting policies of the Group under HKFRS Accounting Standards, based on the unaudited interim condensed consolidated statement of financial position of the Group as at 30 June 2026 as extracted from the published interim report of the Group for the six months ended 30 June 2026, and the audited consolidated statement of financial position of the Target Group as at 30 April 2026 as extracted from the accountants' report as set out in Appendix II to this circular, as if the Acquisition had been completed on 30 June 2026.

The accompanying unaudited pro forma consolidated statement of assets and liabilities has been prepared for illustrative purpose only and is based on certain assumptions, estimates, uncertainties and other currently available information. Accordingly, and because of its hypothetical nature, the unaudited pro forma consolidated statement of assets and liabilities may not purport to describe the actual financial position of the Enlarged Group that would have been attained had the Acquisition been completed on 30 June 2026 for the financial position or any future date.

## (B) THE UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

| | The Group as at 30 June 2026 | The Target Group as at 30 April 2026 | The Target Group as at 30 April 2026 | Unaudited Pro Forma Adjustments | | The Enlarged Group as at 30 June 2026 |
|---|---|---|---|---|---|---|
| | *HK$'000 (Note 1)* | *RMB'000 (Note 2)* | *HK$'000 (Note 2)* | *HK$'000 (Note 3)* | *HK$'000 (Note 5)* | *HK$'000* |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | 29,044 | 272,526 | 313,405 | | | 342,449 |
| Intangible assets | — | 2,296 | 2,641 | | | 2,641 |
| Exploration and evaluation assets | 6,480,874 | — | — | | | 6,480,874 |
| Financial assets at fair value through other comprehensive income | — | — | — | | | — |
| Interests in an associate | — | — | — | | | — |
| Prepayments, deposits and other receivables | — | 826 | 950 | | | 950 |
| Right-of-use assets | 34,364 | 69,437 | 79,853 | | | 114,217 |
| | 6,544,282 | 345,085 | 396,849 | | | 6,941,131 |
| **Current assets** | | | | | | |
| Inventories | 24,187 | 74,334 | 85,484 | | | 109,671 |
| Trade and bill receivables | 11,268 | 83,792 | 96,361 | | | 107,629 |
| Prepayments, deposits and other receivables | 5,237 | 76,306 | 87,751 | | | 92,988 |
| Financial assets at fair value through profit or loss | 25,120 | — | — | | | 25,120 |
| Pledged bank deposits | — | 17 | 20 | | | 20 |
| Restricted bank balances | — | 33,577 | 38,613 | | | 38,613 |
| Time deposits with maturity over three months | 3,181 | — | — | | | 3,181 |
| Cash and cash equivalents | 430,570 | 8,989 | 10,338 | | (3,500) | 437,408 |
| | 499,563 | 277,015 | 318,567 | | | 814,630 |
| **Current liabilities** | | | | | | |
| Trade and bill payables | 67,221 | 108,924 | 125,263 | | | 192,484 |
| Provision, other payables, accruals and deposits received | 100,851 | 72,954 | 83,897 | 439,880 | | 624,628 |
| Contract liabilities | 10,663 | 12,546 | 14,428 | | | 25,091 |
| Borrowings | 31,395 | 70,000 | 80,500 | | | 111,895 |
| Other current liabilities | — | 1,631 | 1,876 | | | 1,876 |
| Lease liabilities | 3,515 | 1,899 | 2,184 | | | 5,699 |
| | 213,645 | 267,954 | 308,148 | | | 961,673 |
| **Net current assets/(liabilities)** | 285,918 | 9,061 | 10,419 | | | (147,043) |
| **Total assets less current liabilities** | 6,830,200 | 354,146 | 407,268 | | | 6,794,088 |
| **Non-current liabilities** | | | | | | |
| Borrowings | 61,525 | — | — | | | 61,525 |
| Lease liabilities | — | 187 | 215 | | | 215 |
| Deferred income | — | 12,007 | 13,808 | | | 13,808 |
| Deferred tax liabilities | 2,075,978 | — | — | | | 2,075,978 |
| Contingent consideration payables | 119,576 | — | — | | | 119,576 |
| Provision, other payables, accruals and deposits received | 46,000 | — | — | | | 46,000 |
| | 2,303,079 | 12,194 | 14,023 | | | 2,317,102 |
| **Net assets** | 4,527,121 | 341,952 | 393,245 | | | 4,476,986 |

*Notes:*

1. The unaudited interim condensed consolidated statement of assets and liabilities of the Group as at 30 June 2026 was extracted from the unaudited interim condensed consolidated statement of financial position of the Group as set out in the published interim report of the Group for the six months ended 30 June 2026.

2. The audited consolidated statement of assets and liabilities of the Target Group in RMB as at 30 April 2026 was extracted from the accountants' report as set out in the Appendix II to this Circular. For the purpose of the unaudited pro forma financial information, RMB1 is translated to HK$1.15 (the exchange rate prevailing on 30 June 2026). No representation is made that RMB couldn't have been, could have been or could be converted to HK$, or via versa, at the rate applied or at any other rates or at all.

3. Pursuant to the Acquisition Agreement, the Group shall settle the consideration by cash of RMB382.50 million, or its equivalent in HK$439.88 million within six months from the date of completion and receipt of a payment notice from the Seller (or such shorter period as may be required by applicable laws and regulations).

4. As the Group and the Target Group are controlled by a substantial shareholder of the Company together before and after the Acquisition, the Group will account for the Acquisition as a business combination under common control using the principles of merger accounting in accordance with the Accounting Guideline 5 Merger Accounting for Common Control Combinations issued by the HKICPA. Under the principles of merger accounting, the consolidated financial statements incorporate the financial statement items of the acquired entities or businesses in which the common control combination occurs from the date when the acquired entities or businesses first come under the control of the controlling party. The net assets of the acquired entities or businesses are consolidated using the existing book values from the controlling party's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the common control combination. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the contribution of the controlling party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded will be recognised directly in equity as part of the merger reserve. Acquisition costs are expensed as incurred.

5. The adjustment represents the estimated legal and professional fees and other direct expenses of approximately HK$3,500,000, which are directly attributable to the Acquisition. This adjustment will have no continuing effect on the Enlarged Group in the subsequent years.

6. Saved as aforesaid, no other adjustments have been made to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 30 June 2026.

## 2. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

*The following is the text of a report received from BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountant, in respect of the unaudited pro forma consolidated statement of assets and liabilities as set out in this Appendix and prepared for the sole purpose of incorporation in this circular.*

BDO

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

**To the directors of Honbridge Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Honbridge Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities of the Company as at 30 June 2026 and related notes as set out on pages IV-1 to IV-3 of Appendix IV of the Company's circular dated 30 October 2026 (the "**Circular**"), in connection with the proposed acquisition of 51% equity interest in Juneng (Jiangsu) Power Technology Co., Ltd. and its subsidiaries (the "**Proposed Acquisition**"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in pages IV-1 to IV-3 of Appendix IV of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Acquisition on the Group's consolidated financial position as at 30 June 2026 as if the Proposed Acquisition had taken place on 30 June 2026. As part of this process, information about the Group's consolidated financial position has been extracted by the directors of the Company from the Company's financial statements, on which no auditor's or review report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance and Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purpose of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Acquisition at 30 June 2026 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Company; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

**BDO Limited**
Certified Public Accountants
Hong Kong

30 October 2026

**This asset valuation report is prepared in accordance with the China Asset Appraisal Standards (CAAS).**

# Report on Valuation of the Total Shareholders' Equity of Juneng (Jiangsu) Power Technology Co., Ltd. in connection with the Proposed Equity Acquisition by Honbridge Holdings Limited

Kun Yuan Ping Bao [2026] No. 1021

(Volume 1 of 1)

**Canwin Appraisal Co., Ltd.**
**30 October 2026**

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## STATEMENT

I. This asset valuation report is prepared in accordance with the Basic Standards for Asset Valuation issued by the Ministry of Finance (MOF), and the Asset Valuation Practice Standards and the Code of Professional Ethics issued by the China Appraisal Society (CAS).

II. The client or other users of the asset valuation report shall use the asset valuation report in accordance with the provisions of laws and administrative regulations and within the scope of use specified in this asset valuation report; If the client or other users of the asset valuation report use the asset valuation report in violation of the aforesaid provisions, this asset valuation agency and its certified public valuers shall not be held liable.

This asset valuation report is for the exclusive use of the client, other users of the asset valuation report as stipulated in the asset valuation engagement contract, and users of the asset valuation report as prescribed by laws and administrative regulations; Apart from the above, no other institution or individual shall become a user of the asset valuation report.

This asset valuation agency and its certified public valuers remind the users of the asset valuation report to correctly understand the valuation conclusion. The valuation conclusion is not equivalent to the realizable price of the subject of valuation, and the valuation conclusion should not be regarded as a guarantee of the realizable price of the subject of valuation.

III. This asset valuation agency and its certified public valuers have complied with laws, administrative regulations, and asset valuation standards, adhered to the principles of independence, objectivity, and fairness, and shall bear legal responsibility for the asset valuation report issued.

IV. The list of assets and liabilities and the profit forecast related to the subject of valuation were declared by the client and the appraised entity and confirmed by their signature, seal, or other means permitted by law; The client and other relevant parties are legally responsible for the truthfulness, completeness, and legality of the information they provide.

V. This asset valuation agency and its certified public valuers have no existing or expected interest relationship with the subject of valuation in the asset valuation report; We have no existing or expected interest relationship with the relevant parties and hold no bias towards them.

VI. The valuation professionals have conducted an on-site investigation of the subject of valuation and the assets involved as stated in the asset valuation report; We have paid necessary attention to the legal ownership status of the subject of valuation and the assets involved, examined the legal ownership documents of the subject of valuation and the assets involved, truthfully disclosed any issues found, and have requested the client and other relevant parties to perfect the property rights to meet the requirements for issuing this asset valuation report.

VII. The analysis, judgments, and results in the asset valuation report issued by this asset valuation agency are subject to the assumptions and limiting conditions set out in the asset valuation report. Users of the asset valuation report should pay attention to the assumptions on which the valuation conclusion is based, the special matters explained in the asset valuation report, and the use restrictions.

# Report on Valuation of the Total Shareholders' Equity of Juneng (Jiangsu) Power Technology Co., Ltd. in connection with the Proposed Equity Acquisition by Honbridge Holdings Limited

Kun Yuan Ping Bao [2026] No. 1021

## ABSTRACT

The following content is extracted from the main text of the asset valuation report. For a detailed understanding of this valuation project and a correct interpretation of the valuation conclusion, the main text of the asset valuation report should be read carefully.

## I. THE CLIENT, THE APPRAISED ENTITY AND OTHER USERS OF THE ASSET VALUATION REPORT

The client of this asset valuation is Honbridge Holdings Limited (hereinafter referred to as "Honbridge Group"), and the appraised entity of this asset valuation is Juneng (Jiangsu) Power Technology Co., Ltd. (hereinafter referred to as "Jiangsu Juneng").

According to the "Asset Valuation Engagement Contract", other users of this asset valuation report are the users of the asset valuation report as stipulated by national laws and regulations.

## II. PURPOSE OF VALUATION

Honbridge Group proposes to acquire the equity of Jiangsu Juneng, for which purpose a valuation of the value of total shareholders' equity of Jiangsu Juneng is required.

The purpose of this valuation is to provide a reference for the value of total shareholders' equity of Jiangsu Juneng in connection with this economic transaction.

## III. SUBJECT AND SCOPE OF VALUATION

The subject of valuation is the total shareholders' equity of Jiangsu Juneng.

The scope of valuation covers all assets and related liabilities of Jiangsu Juneng as of 30 April 2026, as declared by the company and audited by Pan-China International (Accountants) Limited. According to the audited standalone financial statements of Jiangsu Juneng as of 30 April, 2026, the book values of assets, liabilities, and shareholders' equity were RMB638,974,252.40, RMB262,894,445.98, and RMB376,079,806.42, respectively. According to the audited consolidated financial statements of Jiangsu Juneng as of 30 April 2026, the

book values of assets, liabilities, shareholders' equity, and equity attributable to owners of the parent were RMB622,099,884.75, RMB280,148,005.99, RMB341,951,878.76, and RMB341,951,878.76, respectively.

## IV. VALUE TYPE

The value type for this valuation is market value.

## V. VALUATION DATE

The valuation date is 30 April 2026.

## VI. VALUATION METHODOLOGY

Based on the subject of valuation, value type, data availability, and other relevant conditions, the asset-based approach and the market approach were adopted for this valuation.

## VII. VALUATION CONCLUSION

After comprehensive analysis, the result from the market approach was adopted as the final appraised value of the total shareholders' equity of Jiangsu Juneng. The appraised value of the total shareholders' equity of Jiangsu Juneng is RMB833.00 million, representing a valuation appreciation of RMB456.9202 million and an appreciation rate of 121.50%, compared to the book value of RMB376.0798 million. Compared to the equity attributable to owners of the parent of RMB341.9519 million, the valuation appreciation is RMB491.0481 million, with an appreciation rate of 143.60%.

## VIII. VALIDITY PERIOD OF THE VALUATION CONCLUSION

This valuation conclusion is valid only for the economic transaction of the equity acquisition by Honbridge Group. This valuation conclusion is valid for one year, from the valuation date of 30 April 2026 to 29 April 2027.

**Please refer to the main text of the asset valuation report for an explanation of its special matters and use restrictions.**

# Report on Valuation of the Total Shareholders' Equity of Juneng (Jiangsu) Power Technology Co., Ltd. in connection with the Proposed Equity Acquisition by Honbridge Holdings Limited

Kun Yuan Ping Bao [2026] No. 1021

To: Honbridge Holdings Limited

Canwin Appraisal Co., Ltd. was engaged by your company to conduct a valuation of the market value of the total shareholders' equity of Juneng (Jiangsu) Power Technology Co., Ltd. as at 30 April 2026, in relation to your company's proposed equity acquisition. The valuation was conducted in accordance with relevant laws, administrative regulations, and asset valuation standards, adhering to the principles of independence, objectivity, and fairness, and following necessary valuation procedures, using both the asset-based approach and the market approach. The asset valuation is now reported as follows:

## I. THE CLIENT, THE APPRAISED ENTITY AND OTHER USERS OF THE ASSET VALUATION REPORT

The client of this asset valuation is Honbridge Holdings Limited, and the appraised entity is Juneng (Jiangsu) Power Technology Co., Ltd.

### (I) Profile of the Client

1. Name: Honbridge Holdings Limited (hereinafter referred to as "Honbridge Group")

2. Business Registration Number: 32019362

3. Date of incorporation: 8 August 2001

4. Country/Region of registration: Cayman Islands

5. Type: Registered non-Hong Kong company (listed on the Hong Kong Stock Exchange)

**(II) Profile of the Appraised Entity**

***I) Name, type and organizational form of the enterprise***

1. Name: Juneng (Jiangsu) Power Technology Co., Ltd. (hereinafter referred to as ''Jiangsu Juneng'')

2. Domicile: No. 28 Beishan Road, Zhenjiang Economic and Technological Development Zone

3. Legal Representative: Zhang Zhenbo

4. Registered Capital: RMB1,000,000,000

5. Type: Limited liability company (invested by Hong Kong, Macao or Taiwan, non-wholly-owned)

6. Unified Social Credit Code: 91321191MA1MMHFF36

7. Registration Authority: Zhenjiang Economic and Technological Development Zone Market Supervision Administration

8. Business Scope: Technology research and development, and technology transfer consulting for new energy systems; Research and development, production, and sales of power batteries, battery modules, energy storage devices, and their raw materials and components; Engaging in the import and export of the above products and the leasing of self-owned equipment and devices (except where restricted or prohibited by national laws and regulations). (Projects subject to approval in accordance with the law can only be carried out after approval by relevant departments) General projects: Sales of machinery and equipment; Energy storage technology services; Sales of intelligent power transmission, distribution and control equipment; Leasing of storage batteries; Technical services, technology development, technical consulting, technology exchange, technology transfer, and technology promotion; Battery manufacturing; Battery sales; Production of battery parts and accessories; Sales of battery parts and accessories; Sales of special electronic materials; Retail of electronic components; Sales of high-purity elements and compounds; Sales of chemical products (excluding licensed chemical products); Software development; Software outsourcing services; Software sales; Manufacturing of auto parts and accessories; Sales of generators and generator sets; Sales of gears, gear reducers and gearboxes; Sales of bearings, gears and transmission components; Cloud platform-based business process outsourcing (BPO) services; Artificial intelligence public data platform; Import and export of technology; Import and export of

goods; Leasing of non-residential real estate (except for projects subject to approval in accordance with the law, business activities can be carried out independently with the business license)

The above items 1–8 are extracted from the business license of Jiangsu Juneng as of the date of the valuation report.

*II) Corporate History*

Jiangsu Juneng (formerly known as Lixin (力信) (Jiangsu) Energy Technology Co., Ltd. and Lixin (利信) (Jiangsu) Energy Technology Co., Ltd.) was established on 8 June 2016 with an initial registered capital of RMB1,000,000,000. The shareholders and their capital contributions at the time of establishment were as follows:

*Unit: RMB'0,000*

| Name of Shareholder | Amount of Capital Contribution | Percentage of Capital Contribution *(%)* |
|---|---|---|
| Zhenjiang Baoli Energy Technology Co., Ltd. | 10,000 | 10.00 |
| Tibet Xinpan Venture Capital Center (Limited Partnership) | 4,000 | 4.00 |
| Fujian Yibai Cultural and Creative Investment Co., Ltd. | 10,000 | 10.00 |
| Jiangsu Dagang Co., Ltd. | 5,000 | 5.00 |
| Panxin (Shanghai) Investment Center (Limited Partnership) | 27,000 | 27.00 |
| Zhenjiang Jinpu Innovative Consumption Equity Investment Center (Limited Partnership) | 10,000 | 10.00 |
| Zhenjiang Baixin Equity Investment Partnership (Limited Partnership) | 10,000 | 10.00 |
| CITIC PE Investment (Hong Kong) II Limited | 24,000 | 24.00 |
| **Total** | **100,000** | **100.00** |

After several changes, as of the valuation date, the capital contributions of the shareholders were as follows:

*Unit: RMB'0,000*

| Name of Shareholder | Amount of Capital Contribution | Percentage of Capital Contribution *(%)* |
|---|---|---|
| Zhenjiang Baoli Energy Technology Co., Ltd. | 2,000 | 2.00 |
| Tibet Xinpan Venture Capital Center (Limited Partnership) | 800 | 0.80 |
| Zhenjiang Ganghong Industrial Investment Management Co., Ltd. | 1,000 | 1.00 |
| Panxin (Shanghai) Investment Center (Limited Partnership) | 9,510 | 9.51 |
| Zhenjiang High-tech Venture Capital Co., Ltd. | 2,000 | 2.00 |
| Zhenjiang Baixin Equity Investment Partnership (Limited Partnership) | 1,200 | 1.20 |
| Citron PE Investment(Hong Kong) 2016 Limited | 7,560 | 7.56 |
| Tibet Rongan Growth Investment Center (Limited Partnership) | 800 | 0.80 |
| Geely Technology Group Co., Ltd. | 60,930 | 60.93 |
| China CITIC Bank Corporation Limited Zhenjiang Branch | 2,950 | 2.95 |
| Tianjin Fengxin Enterprise Management Center (Limited Partnership) | 2,110 | 2.11 |
| Bank of Jiangsu Co., Ltd. Zhenjiang Branch | 1,850 | 1.85 |
| ICBC Financial Asset Investment Co., Ltd. | 5,490 | 5.49 |
| BOC Financial Asset Investment Co., Ltd. | 1,800 | 1.80 |
| **Total** | **100,000** | **100.00** |

After the valuation date, in July 2026, pursuant to a board resolution, the company's name was changed from Lixin (Jiangsu) Energy Technology Co., Ltd. to Juneng (Jiangsu) Power Technology Co., Ltd. ICBC Financial Asset Investment Co., Ltd. transferred its 5.49% equity interest in the company to Geely Technology Group Co., Ltd.; Bank of Jiangsu Co., Ltd. Zhenjiang Branch transferred its 1.85% equity interest in the company to Geely Technology Group Co., Ltd.; BOC Financial Asset Investment Co., Ltd. transferred its 1.80% equity interest in the company to Geely Technology Group Co., Ltd. Zhenjiang Ganghong Industrial Investment

Management Co., Ltd. was merged by absorption into Jiangsu Keli Semiconductor Co., Ltd. Pursuant to the "Merger by Absorption Agreement", the 1.00% equity interest in the company held by Zhenjiang Ganghong Industrial Investment Management Co., Ltd. belongs to Jiangsu Keli Semiconductor Co., Ltd. After this equity transfer, the capital contributions of the company's shareholders are as follows:

*Unit: RMB'0,000*

| **Name of Shareholder** | **Amount of Capital Contribution** | **Percentage of Capital Contribution** *(%)* |
|---|---|---|
| Zhenjiang Baoli Energy Technology Co., Ltd. | 2,000 | 2.00 |
| Tibet Xinpan Venture Capital Center (Limited Partnership) | 800 | 0.80 |
| Panxin (Shanghai) Investment Center (Limited Partnership) | 9,510 | 9.51 |
| Zhenjiang High-tech Venture Capital Co., Ltd. | 2,000 | 2.00 |
| Zhenjiang Baixin Equity Investment Partnership (Limited Partnership) | 1,200 | 1.20 |
| Citron PE Investment(Hong Kong) 2016 Limited | 7,560 | 7.56 |
| Tibet Rongan Growth Investment Center (Limited Partnership) | 800 | 0.80 |
| Geely Technology Group Co., Ltd. | 70,070 | 70.07 |
| China CITIC Bank Corporation Limited Zhenjiang Branch | 2,950 | 2.95 |
| Tianjin Fengxin Enterprise Management Center (Limited Partnership) | 2,110 | 2.11 |
| Jiangsu Keli Semiconductor Co., Ltd. | 1,000 | 1.00 |
| **Total** | **100,000** | **100.00** |

***III) The assets, liabilities and operating results of the appraised entity as at the valuation date and for the previous three years are shown in the table below:***

*1. Standalone Financial Statements*

*Unit: RMB*

| Item | 31 December 2023 | 31 December 2024 | 31 December 2025 | 30 April 2026 |
|---|---|---|---|---|
| Assets | 1,033,283,593.28 | 1,360,613,590.96 | 626,274,117.77 | 638,974,252.40 |
| Liabilities | 449,834,503.56 | 840,985,890.73 | 240,024,833.84 | 262,894,445.98 |
| Shareholders' equity | 583,449,089.72 | 519,627,700.23 | 386,249,283.93 | 376,079,806.42 |

*2. Consolidated Financial Statements*

*Unit: RMB*

| Item | 31 December 2023 | 31 December 2024 | 31 December 2025 | 30 April 2026 |
|---|---|---|---|---|
| Assets | 3,003,102,479.92 | 3,038,791,401.52 | 609,362,250.10 | 622,099,884.75 |
| Liabilities | 2,549,749,974.62 | 2,703,050,503.75 | 257,279,541.51 | 280,148,005.99 |
| Shareholders' equity | 453,352,505.30 | 335,740,897.77 | 352,082,708.59 | 341,951,878.76 |
| Equity attributable to owners of the parent | 453,397,119.23 | 339,576,841.80 | 352,082,708.59 | 341,951,878.76 |

| Item | 2023 | 2024 | 2025 | January–April 2026 |
|---|---|---|---|---|
| Revenue | 90,614,794.80 | 96,677,598.35 | 103,296,350.18 | 105,039,978.31 |
| Cost of sales | 71,873,732.86 | 79,723,674.69 | 159,826,934.78 | 100,385,567.86 |
| Total profit | –204,697,903.14 | –117,608,584.37 | –155,841,644.30 | –10,130,013.69 |
| Net profit | –204,697,903.14 | –117,611,607.03 | –155,843,576.08 | –10,130,829.83 |
| Net profit attributable to shareholders of the parent company | –199,657,774.10 | –113,820,276.93 | –153,938,101.21 | –10,130,829.83 |

The above financial statements have all been audited by certified public accountants, and unmodified opinions have been issued in all auditor's reports.

### *IV) Operating conditions of the appraised entity*

#### *1. Company Profile*

Jiangsu Juneng, established in 2016 and located in Zhenjiang, Jiangsu, is a lithium battery R&D and manufacturing enterprise under Geely Technology Group. Jiangsu Juneng has full-stack integrated R&D and manufacturing capabilities from cell-module-pack (CMP), and is the supplier with the most complete product portfolio and widest application of prismatic lithium iron phosphate (LFP) battery cells in the low-speed electric vehicle sector. It provides in-depth services to leading OEMs in the industry such as Jinpeng, Hongri, and Wuyang, offering efficient, safe, and reliable three-electric system (battery, motor and electronic control) solutions for the global low-speed power market.

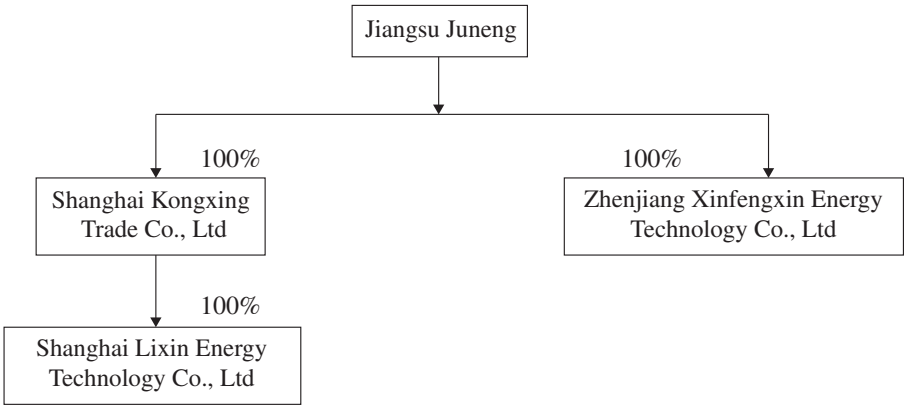
Jiangsu Juneng is an integrated solution provider for e-powertrain systems focusing on low-voltage applications, and simultaneously develops dual core businesses in the R&D, production, and sales of new energy lithium-ion batteries. The company has complete delivery capabilities for low-voltage three-electric systems and can provide customers with integrated power system solutions that combine battery cells, modules, and battery management systems (BMS). Its self-developed and self-produced prismatic aluminum case lithium iron phosphate (LFP) battery cells serve as the core supporting products for these solutions. The related systems and battery products are currently mainly used in small, low-voltage power vehicles such as electric two-wheelers and three-wheelers.

The company plans to expand the application of its products and solutions to areas such as commercial vehicles, small power systems, battery swapping, and intelligent robots to broaden its product and customer coverage.

The company also plans to expand into overseas markets, including developing and establishing a business presence in ICE-to-EV conversion and photovoltaic (PV) energy storage solutions for micro new energy vehicles; In addition, the company is developing sodium-ion battery related technologies (including cathode materials and battery cell products) as a potential new business direction beyond its existing lithium battery business.

*2. Shareholding Structure*

As of the valuation date, the shareholding structure of Jiangsu Juneng is as follows:



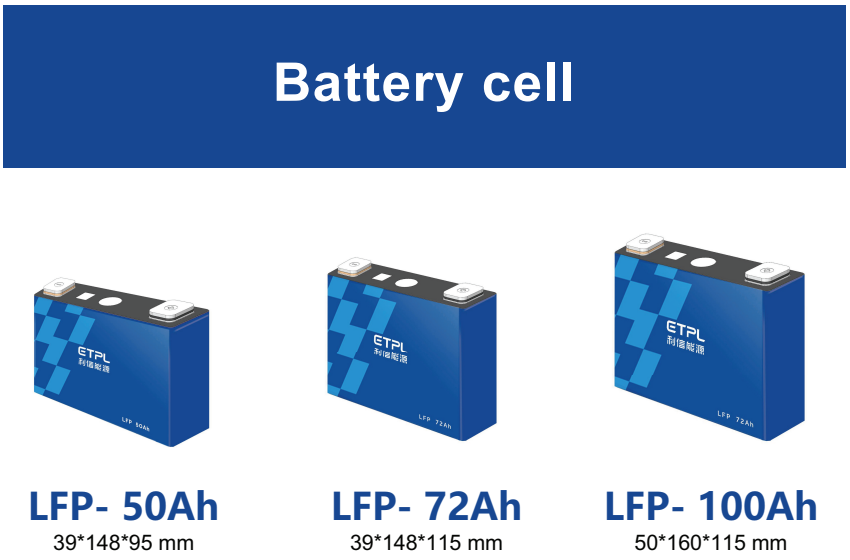

*Note:* Among them, Shanghai Kongxing Trade Co., Ltd. and Shanghai Lixin Energy Technology Co., Ltd. have not yet participated in production. The business of Zhenjiang Xinfengxin Energy Technology Co., Ltd. is under planning.

*3. Company's Operating Profile*

(1) Company's Main Cell Products

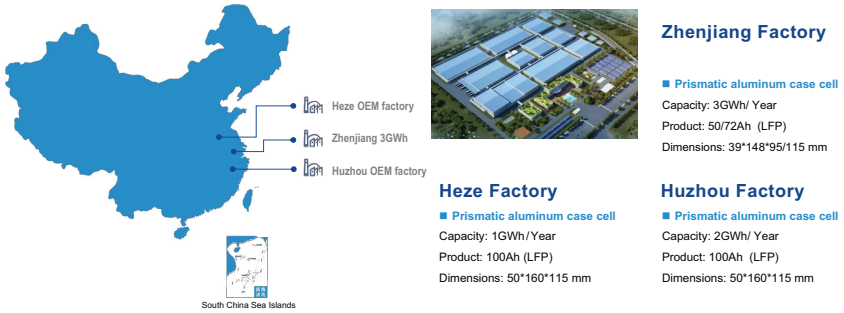
The main business products of Jiangsu Juneng are lithium iron phosphate (LFP) power battery series products. The battery cell type is prismatic aluminum case cell, and the main application scenarios are small power electric vehicles such as electric tricycles. The currently produced

battery cell products include LFP-50Ah and LFP-72Ah. The LFP-90Ah product is under development, and there are future plans to add a new production line to develop and produce the LFP-100Ah product.




(2) Company's Production Capacity

Currently, the production capacity of Jiangsu Juneng in Zhenjiang, Jiangsu is 3GWh/year. In addition, there are OEM factories in Heze and Huzhou.



*4. Company's Main Business Model*

(1) Procurement Model

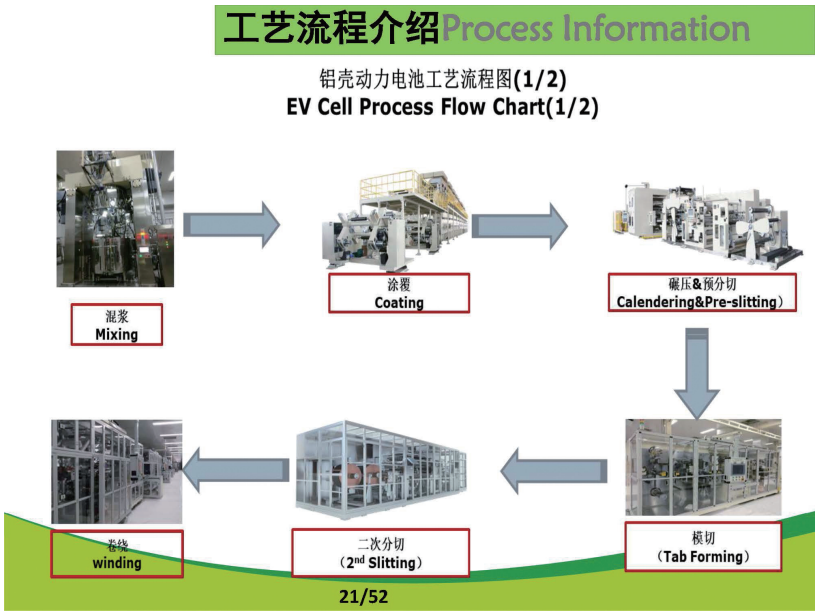
The company adopts a composite procurement model of ''framework agreement + production based on sales + procurement based on production''. The company's planning department calculates the demand for materials based on customer needs, inventory status, business models, and the properties of various material categories, and initiates a purchase requisition. After the purchase requisition is approved, the procurement department issues a purchase order to the supplier based on the framework agreement. After the supplier delivers the materials, the quality department conducts sampling inspections on all materials. After passing the inspection, the planning department handles the warehousing.

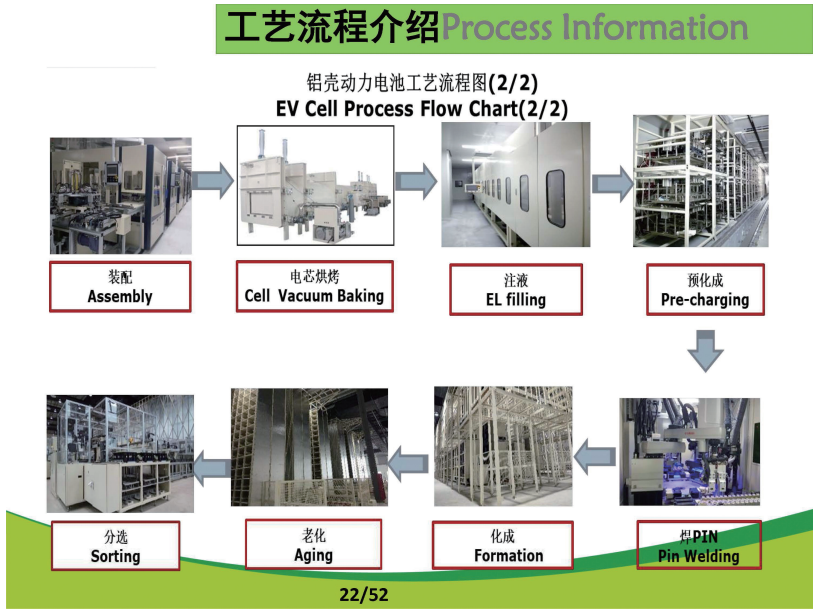
The company has formulated supplier management procedures and established a strict supplier access system to screen suppliers to ensure that the delivery and quality of purchased materials meet requirements. The development and admission of suppliers are led by the procurement department with the collaboration of multiple departments.

(2) Production Model

Each month, the company's planning department arranges the production plan and issues production orders based on actual sales orders, future sales forecasts, delivery dates, finished goods inventory, raw materials inventory, production capacity, and production line load conditions. The production department strictly organizes production according to the production plan, and carries out production processes such as material requisition, production, assembly, testing, packaging, and warehousing according to production orders to complete the production plan. The quality department strictly implements the in-process inspection system and procedures to conduct quality inspections on finished products.

The production process flow chart is as follows:



(3) Sales Model

The company's main customers include companies such as Jinpeng, Wuyang, and Huatai Lithium Battery. The company primarily acquires customers through channels such as its own business development, industry referrals, public accounts, industry exhibitions, video accounts, and other channels. The main sales process includes product matching, technical alignment, product quotation, sample testing, sales orders, and product shipment. The product sales method is direct sales, and the main markets are the Pearl River Delta, Yangtze River Delta, Shandong, Henan, Anhui, Hubei, Sichuan and Chongqing.

(4) Technology and R&D

The company focuses on independent R&D, and its product R&D directions mainly include the updating of raw material usage and the development of product types. The company has successfully developed the use of reclaimed materials (recycled materials) to replace the cathode material of battery cell products, and has extended the service life of the battery with the use of this material. The company is currently conducting R&D and modification of the LFP-90Ah product.

*5. Company's Development Strategy and Business Strategy*

In 2026, the company plans to add two core business lines, parking lithium battery systems and smart BMS, to fully empower high-growth emerging sectors such as commercial vehicles, small power systems, battery swapping, and robots, and continue to promote the boundary expansion of the green and intelligent mobility ecosystem.

**(III) Relationship between the Client and the Appraised Entity**

The client intends to acquire the equity of the appraised entity.

**(IV) Other Users of the Asset Valuation Report**

According to the ''Asset Valuation Engagement Contract'', other users of this asset valuation report are the users of the valuation report as stipulated by national laws and regulations.

## II. PURPOSE OF VALUATION

Honbridge Group proposes to acquire the equity of Jiangsu Juneng, for which purpose a valuation of the value of total shareholders' equity of Jiangsu Juneng is required.

The purpose of this valuation is to provide a reference for the value of total shareholders' equity of Jiangsu Juneng in connection with this economic transaction.

## III. SUBJECT AND SCOPE OF VALUATION

The subject of valuation is the total shareholders' equity of Jiangsu Juneng.

The scope of valuation covers all assets and related liabilities of Jiangsu Juneng as of 30 April 2026, as declared by the company and audited by Pan-China International (Accountants) Limited. According to the audited standalone financial statements of Jiangsu Juneng as of 30 April, 2026, the book values of assets, liabilities, and shareholders' equity were RMB638,974,252.40, RMB262,894,445.98, and RMB376,079,806.42, respectively. According to the audited consolidated financial statements of Jiangsu Juneng as of 30 April 2026, the book values of assets, liabilities, shareholders' equity, and equity attributable to owners of the parent were RMB622,099,884.75, RMB280,148,005.99, RMB341,951,878.76, and RMB341,951,878.76, respectively. The details are as follows (based on the standalone financial statements):

*Unit: RMB*

| Item | | Original Book Value | Book Value |
|---|---|---|---|
| I. | Current assets | | 293,020,621.64 |
| II. | Non-current assets | | 345,953,630.76 |
| | Including: Long-term equity investment | | 899,590.11 |
| | Fixed assets | 1,543,038,305.16 | 263,353,851.11 |
| | Construction in progress | | 4,024,778.76 |
| | Right-of-use assets | 93,703,276.68 | 69,437,242.66 |
| | Intangible assets | 14,723,223.77 | 2,296,250.91 |
| | Including: Intangible assets — other intangible assets | 14,723,223.77 | 2,296,250.91 |
| | Long-term deferred expenses | | 5,116,306.59 |
| | Other non-current assets | | 825,610.62 |
| **Total Assets** | | | **638,974,252.40** |
| III. | Current liabilities | | 250,700,716.04 |
| IV. | Non-current liabilities | | 12,193,729.94 |
| **Total Liabilities** | | | **262,894,445.98** |
| **Total Shareholders' Equity** | | | **376,079,806.42** |

The subject and scope of the entrusted valuation are consistent with the subject and scope of valuation involved in the aforementioned economic transaction.

**(I) Major Assets within the Scope of Valuation**

The company's main assets include inventories, long-term equity investments, building-type fixed assets, equipment-type fixed assets, construction in progress, right-of-use assets, long-term deferred expenses, and other non-current assets.

***1. Inventories***

Inventories include raw materials, finished goods, revolving materials in stock, and work in progress. Raw materials mainly include recycled lithium iron phosphate materials, battery covers, etc.; Finished goods are mainly front floor welded assemblies and engine compartment side beam welded sub-assemblies (left), etc.; Revolving materials in stock are expansion force fixtures, etc.; Work in progress includes electrode assembly EFP39148125MB-72Ah, cathode electrode sheet EFP39148125MB-72Ah, etc. Upon verification, no other defective inventories were found, except for some finished goods and work in progress with a relatively long backlog time. All inventories are stored in the warehouses of Jiangsu Juneng.

***2. Long-term equity investment***

There are 2 long-term equity investments included in the scope of valuation, and the basic information is as follows:

*Unit: RMB*

| No. | Investee | Date of Investment | Investment Ratio | Book Value |
|---|---|---|---|---|
| 1 | Shanghai Kongxing Trade Co., Ltd. | April 2019 | 100.00% | 641,245.48 |
| 2 | Zhenjiang Xinfengxin Energy Technology Co., Ltd. | April 2020 | 100.00% | 258,344.63 |
| **Total** | | | | **899,590.11** |

Among them, Shanghai Kongxing Trade Co., Ltd. has one external investment, which is Shanghai Lixin Energy Technology Co., Ltd., as detailed below:

*Unit: RMB*

| No. | Investee | Investment Ratio | Registered Capital *(RMB)* | Paid-in Capital *(RMB)* |
|---|---|---|---|---|
| 1 | Shanghai Lixin Energy Technology Co., Ltd. | 100.00% | 50,000,000.00 | 42,979,500.00 |

*3. Building-type fixed assets*

There are 55 building-type fixed assets, including 17 house buildings, mainly comprising assembly workshops, electrode workshops, office buildings, automated raw material warehouses, etc., all completed in 2017. They are mainly of steel and steel-concrete structures, with a total construction area of 108,377.44 square meters; There are 28 structures, mainly ancillary works such as substations, fire protection, and low-voltage systems, completed between 2017 and 2020. The above buildings are located at No. 28 Beishan Road, Jingkou District, Zhenjiang City, Jiangsu Province, and are in good maintenance condition.

*4. Equipment-type fixed assets*

There are a total of 2,944 items of equipment-type fixed assets, mainly including special equipment for battery cell production such as formation and grading systems, vacuum drying equipment, and assembly lines; Production support facilities such as automated logistics systems, cleanroom equipment, and power distribution equipment; Testing equipment such as DETEC insulation impulse analyzers, helium mass spectrometer leak detectors, and NMP concentration detectors; Office equipment such as computers, printers, servers, and vehicles. Except for the disposal of Phase 1 related equipment after the valuation date, all other equipment mentioned above is installed and stored within the Jiangsu Juneng plant area and is in normal maintenance condition.

*5. Construction in progress*

There are 5 equipment installation projects under construction in progress, namely projects for soft pack & button cell equipment, double-layer coating die heads, and dual-tank feeding systems, which commenced construction from April to August 2023. Upon verification, the secondary MEP fit-out and decoration of the research institute were sold after the valuation date. Apart from this, as of the valuation date, other projects are still under construction.

*6. Right-of-use assets*

The right-of-use assets included in the scope of this valuation are the leased 2025 Lynk & Co 900 2.0T 280km Ultra, Phase 1 plant, and land use rights.

One parcel of land use right is included in the scope of valuation, with a certificated land use right area of 249,780.00 square meters, located at No. 28 Beishan Road, Jingkou District, Zhenjiang City, Jiangsu Province. The above-mentioned land parcel was acquired by the appraised entity through a grant. As of the valuation date, the related payments for the land have been fully settled.

*7. Long-term deferred expenses*

Long-term deferred expenses represent the unamortized balance for plant purification facility engineering and power engineering, etc., which the enterprise amortizes over 5–10 years. Upon verification, the above assets have been disposed of after the valuation date.

*8. Other non-current assets*

Other non-current assets are prepayments for equipment.

**(II) Type, quantity, and legal ownership status of book-recorded or unrecorded intangible assets declared by the enterprise**

*1. Intangible assets — other intangible assets*

Other intangible assets included in the scope of this valuation are externally purchased office software, as well as 59 patents (including 16 invention patents and 43 utility model patents) and 1 trademark declared by the enterprise but not recorded on the books. The details are as follows:

*(1) Patents*

| No. | Name | Patent No. | Application Date | Patent Type | Current Right Holder |
|---|---|---|---|---|---|
| 1 | A protective structure for the output terminal base of a battery module | CN202420401309.0 | 2024/3/1 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Ningguo Times New Energy Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 2 | An output terminal base and protective component for a battery module | CN202420404248.3 | 2024/3/1 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Ningguo Times New Energy Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |

| No. | Name | Patent No. | Application Date | Patent Type | Current Right Holder |
|---|---|---|---|---|---|
| 3 | Battery cells, battery modules and vehicles | CN202420032000.9 | 2024/1/5 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 4 | Composite anode current collector and battery | CN202420287698.9 | 2024/2/6 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 5 | Cover plate assembly for power battery and power battery | CN202420241351.0 | 2024/1/31 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 6 | Lithium battery and power-consuming device | CN202420211918.X | 2024/1/29 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Ningguo Times New Energy Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 7 | A battery cover plate and a battery | CN202420249544.0 | 2024/1/31 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |

| No. | Name | Patent No. | Application Date | Patent Type | Current Right Holder |
|---|---|---|---|---|---|
| 8 | Power battery cover plate assembly and power battery | CN202420285273.4 | 2024/2/6 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 9 | Manifold block, slurry recovery device and coating and spraying device | CN202420287870.0 | 2024/2/6 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 10 | Battery cover plate assembly, battery and power-consuming device | CN202420275950.4 | 2024/2/4 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Ningguo Times New Energy Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 11 | Battery | CN202420251429.7 | 2024/1/31 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Ningguo Times New Energy Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 12 | Battery thermal management device and electric vehicle (EV) | CN202420166882.8 | 2024/1/23 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |

| No. | Name | Patent No. | Application Date | Patent Type | Current Right Holder |
|---|---|---|---|---|---|
| 13 | Battery leak detection device | CN202420214300.9 | 2024/1/29 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 14 | A power battery system for electric vehicles (EVs) and its installation method | CN201810453355.4 | 2018/5/14 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 15 | Current collector and cathode electrode sheet and battery cell prepared using the same | CN201810859672.6 | 2018/8/1 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 16 | Separator and battery | CN202320756935.7 | 2023/4/7 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Geely Maijie Investment Co., Ltd.; Zhejiang Geely Holding Group Company Limited |
| 17 | A high-temperature safe battery cell | CN201710558796.6 | 2017/7/11 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 18 | A terminal-less battery cover | CN202120353116.9 | 2021/2/8 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 19 | A preparation method for a modified lithium metal anode | CN201810213657.4 | 2018/3/15 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 20 | A solvent-based ceramic slurry for separators, its preparation method, and a separator | CN201810999562.X | 2018/8/30 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 21 | A preparation method for a graphene-carbon nanofiber conductive additive | CN201811000422.3 | 2018/8/30 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |

| No. | Name | Patent No. | Application Date | Patent Type | Current Right Holder |
|---|---|---|---|---|---|
| 22 | An anode composite slurry, its preparation method, and a lithium battery anode sheet | CN201811568275.X | 2018/12/21 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 23 | A single-layer/double-layer coated silicon oxide composite anode material and its preparation method | CN201711142093.1 | 2017/11/17 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 24 | A silicon-based anode for lithium-ion batteries and its preparation method | CN201811001857.X | 2018/8/30 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 25 | An electrolyte infiltration method for pouch lithium-ion batteries | CN201811592513.0 | 2018/12/25 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 26 | A polymer solid electrolyte material, a solid electrolyte membrane, and its preparation method | CN201810238985.X | 2018/3/22 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 27 | A boron molecule-modified lithium nickel cobalt manganese oxide (NCM) cathode material and its preparation method | CN201811590817.3 | 2018/12/25 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 28 | An electrolyte additive for high compaction density lithium iron phosphate (LFP) batteries and an electrolyte containing the same | CN201811031197.X | 2018/9/5 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |

| No. | Name | Patent No. | Application Date | Patent Type | Current Right Holder |
|---|---|---|---|---|---|
| 29 | A preparation method for titanium dioxide-coated lithium nickel cobalt manganese oxide (NCM) cathode material | CN201810920319.4 | 2018/8/14 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 30 | Battery overcharge protection structure and battery cover | CN201821431370.0 | 2018/8/31 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 31 | A module end plate structure for a power battery pack and a module structure | CN201821537847.3 | 2018/9/19 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 32 | Current collector and cathode electrode sheet and battery cell prepared using the same | CN201821228146.1 | 2018/8/1 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 33 | A lithium-ion battery cover plate | CN201821484498.3 | 2018/9/11 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 34 | Current collector and cathode electrode sheet and battery cell prepared using the same | CN201821228000.7 | 2018/8/1 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 35 | A cell and cover plate assembly structure | CN201821318100.9 | 2018/8/15 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 36 | A prismatic battery top cover structure | CN201821597832.6 | 2018/9/28 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 37 | Power battery cell top cover structure and power battery | CN201821118746.2 | 2018/7/13 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 38 | A liquid injection structure for a lithium battery cover plate, and a lithium battery cover plate | CN201821275899.8 | 2018/8/8 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |

| No. | Name | Patent No. | Application Date | Patent Type | Current Right Holder |
|---|---|---|---|---|---|
| 39 | A power battery system for electric vehicles (EVs) | CN201820708327.8 | 2018/5/14 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 40 | A jacket structure for improving nail penetration and a pouch battery cell structure | CN201820903831.3 | 2018/6/11 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 41 | A battery cover structure for lithium-ion batteries | CN201820808405.1 | 2018/5/25 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 42 | A winding-stacking battery | CN201710559795.3 | 2017/7/11 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 43 | A winding-stacking battery | CN201710558778.8 | 2017/7/11 | Grant of invention patent | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 44 | A battery structure | CN201820367129.X | 2018/3/19 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 45 | A battery cover structure | CN201820337861.2 | 2018/3/12 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 46 | A tab protective cover and a battery | CN201820391304.9 | 2018/3/22 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 47 | A high energy density lithium-ion battery | CN201820385824.9 | 2018/3/21 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 48 | An anti-vibration lithium-ion battery | CN201721697067.0 | 2017/12/7 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 49 | A battery structure for improving the crush resistance performance of a battery cell | CN201721624192.9 | 2017/11/28 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 50 | A battery cell structure for improving the nail penetration and impact safety performance of a battery cell | CN201720911792.7 | 2017/7/26 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 51 | A reusable lithium-ion battery | CN201721536742.1 | 2017/11/17 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |

| No. | Name | Patent No. | Application Date | Patent Type | Current Right Holder |
|---|---|---|---|---|---|
| 52 | A battery cell electrode sheet and a lithium-ion battery cell | CN201721095788.4 | 2017/8/29 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 53 | An explosion-proof valve for lithium-ion batteries | CN201721095658.0 | 2017/8/29 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 54 | A lithium-ion power battery casing | CN201721012299.8 | 2017/8/14 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 55 | Battery packaging box | CN201720910270.5 | 2017/7/25 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 56 | A lithium-ion battery casing | CN201720954108.3 | 2017/8/1 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 57 | A three-electrode battery | CN201720805746.9 | 2017/7/5 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 58 | A winding-stacking battery | CN201720837302.3 | 2017/7/11 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |
| 59 | A winding-stacking battery | CN201720832570.6 | 2017/7/11 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd. |

The patents with serial numbers 1–13 and 16 above are co-owned patents.

*(2) Trademarks*

| No. | Trademark (Word/Figure) | Registration No. | Application Date | Class | Registrant | Remarks |
|---|---|---|---|---|---|---|
| 1 | | 20930794 | 10 August 2016 | 9 | Lixin (Jiangsu) Energy Technology Co., Ltd. | |

**(III) Type and quantity of off-balance sheet assets declared by the enterprise**

Apart from the unrecorded intangible assets mentioned above, the enterprise has not declared any other off-balance sheet assets.

**(IV) Type, quantity and carrying amount of assets involved in the conclusions of reports issued by other institutions cited**

This valuation report does not cite reports from other institutions.

## IV. VALUE TYPE

1. Value type and its selection: Asset valuation value types include two categories: market value and value other than market value (such as investment value, value in use, liquidation value, and residual value). After full communication between the valuation professionals and the client, and based on factors such as the purpose of this valuation, market conditions, and the conditions of the subject of valuation, market value was ultimately selected as the value type for the valuation conclusion of this valuation report.

2. Definition of market value: Market value is the estimated amount for which the subject of valuation would be exchanged on the valuation date between a willing buyer and a willing seller in an arm's length transaction, where the parties had each acted rationally and without compulsion.

## V. VALUATION DATE

To ensure the valuation date is close to the proposed economic transaction and the valuation work date, the client has determined the valuation date for this valuation to be 30 April 2026, and a corresponding agreement has been made in the asset valuation engagement contract.

The selection of the valuation date was determined by the client based on factors such as the actual situation of the project, bringing the valuation date as close as possible to the implementation date of the economic transaction, and minimizing adjusting events after the valuation date. At the same time, in line with the principles of ensuring the valuation results effectively serve the valuation purpose, accurately defining the scope of valuation, accurately and efficiently inventorying and verifying assets, and reasonably selecting the basis of valuation pricing, a date relatively close to the planned implementation date of the relevant economic transaction was chosen as the valuation date.

## VI. BASIS OF VALUATION

### (I) Legal and Regulatory Basis

1. Asset Valuation Law;

2. Company Law, Civil Code, Securities Law, etc.;

3. Other laws and regulations related to asset valuation.

**(II) Basis of Valuation Standards**

1. Basic Standards for Asset Valuation;
2. Code of Professional Ethics for Asset Valuation;
3. Asset Valuation Practice Standard — Asset Valuation Procedures;
4. Asset Valuation Practice Standard — Asset Valuation Report;
5. Asset Valuation Practice Standard — Asset Valuation Engagement Contract;
6. Asset Valuation Practice Standard — Asset Valuation Working Papers;
7. Asset Valuation Practice Standard — Utilization of Expert Work and Related Reports;
8. Asset Valuation Practice Standard — Enterprise Value;
9. Asset Valuation Practice Standard — Asset Valuation Methodology;
10. Asset Valuation Practice Standard — Intangible Assets;
11. Asset Valuation Practice Standard — Real Estate;
12. Asset Valuation Practice Standard — Machinery and Equipment;
13. Asset Valuation Practice Standard — Intellectual Property;
14. Guiding Opinions on Value Types of Asset Valuation;
15. Guiding Opinions on Legal Ownership of Asset Valuation Subjects;
16. Guiding Opinions on Valuation of Patent Assets;
17. Guiding Opinions on Valuation of Trademark Assets.

**(III) Basis of Ownership**

1. Registration certificates provided by Honbridge Group;

2. Business licenses and articles of association provided by Jiangsu Juneng and its subsidiaries;

3. Contracts, agreements, proof of fund appropriation (vouchers), financial statements and other accounting information related to the acquisition and use of assets and rights;

4. Certificates of title such as state-owned construction land use right grant contracts, construction land planning permits, construction works planning permits, real estate ownership certificates, vehicle travel permits, vehicle registration certificates, and invoices;

5. Relevant certificates of title such as patent certificates and trademark registration certificates;

6. Other certificates of title.

**(IV) Basis of Pricing**

1. Valuation declaration forms provided by the appraised entity;

2. Auditor's reports of the appraised entity and its subsidiaries as of the valuation date;

3. Original data, engineering contracts, engineering settlement audit and consulting reports, etc., related to the projects provided by the appraised entity;

4. Information on construction project cost indicators and cost indices published by Zhenjiang City;

5. The Notice on Further Liberalizing the Prices of Professional Services for Construction Projects (Fa Gai Jia Ge [2015] No. 299) issued by the National Development and Reform Commission and the Ministry of Construction on 11 February 2015;

6. The Notice on the Provisions on Construction Cost Management of Capital Construction Projects (Cai Jian [2016] No. 504) issued by the Ministry of Finance on 6 July 2016;

7. The Notice on Issuing the <Measures for the Administration of the Collection of Urban Infrastructure Supporting Fees in Zhenjiang New Area> (Zhen Xin Ban Fa [2021] No. 74) issued by the Party and Government Office of Zhenjiang New Area in September 2021, etc.;

8. Purchase contracts, invoices, and payment vouchers for major equipment; Recent inspection, repair, and maintenance reports for relevant equipment;

9. The ''Electromechanical Product Price Information Query System'' published by China Machine Press and quotation information for equipment, vehicles, etc., queried from the internet;

10. The Vehicle Purchase Tax Law of the People's Republic of China and other market price data and inquiry records;

11. Customs Import and Export Tariff; Relevant state regulations on adjusting the tax policy for imported equipment;

12. The ''Latest Manual of Common Data and Parameters for Asset Valuation'' published by China Statistics Press, and the ''Common Data Manual for Cost Engineers'' published by China Architecture & Building Press in 1999;

13. The nationally unified ''Standard for Evaluating the Condition of Buildings'', ''Reference Basis for Appraising the Age of Buildings'', and ''Scoring Standards and Adjustment Coefficients for Different Condition Rates of Buildings'' issued by the former Ministry of Urban and Rural Construction and Environmental Protection on 1 January 1985;

14. ''2025 Enterprise Performance Evaluation Standard Values'' published by the Economic Science Press of China Financial and Economic Publishing Media Group;

15. Survey data on recent land market prices in the location of the appraised entity;

16. Market price information for major raw materials and survey data on market selling prices of finished goods;

17. Historical production and operation data of the appraised entity;

18. Revenue forecast materials for future years for products related to the appraised patent;

19. Industry statistical data, data on relevant industries, market capacity, market prospects, market development and trend analysis, pricing strategies and future marketing methods, and relevant data of companies with similar businesses;

20. Relevant data queried from the Hithink iFinD financial data terminal;

21. The loan prime rate (LPR) on the valuation date as announced by the People's Bank of China;

22. Hong Kong Financial Reporting Standards (HKFRS) and other accounting regulations, systems, and departmental rules, etc.;

23. Supporting documents collected by the valuation professional from asset verification, inspection, testing, analysis, etc.;

24. Other materials.

## VII. VALUATION METHODOLOGY

### (I) Selection of Valuation Methodology

According to the current "Basic Standards for Asset Valuation", "Asset Valuation Practice Standard — Enterprise Value", "Asset Valuation Practice Standard — Asset Valuation Methodology" and relevant regulations, the basic methods for enterprise value valuation are the asset-based approach, the market approach, and the income approach.

As the various assets and liabilities of the appraised entity can be reasonably identified based on its accounting policies and business operations, and it is feasible to select appropriate and specific valuation methods for each asset and liability and the conditions for implementing these valuation methods are met, it is appropriate to adopt the asset-based approach for this valuation.

Jiangsu Juneng has recorded negative operating cash flow for several consecutive years. According to interviews with the company's management, since resuming work in September 2025, the company's production capacity has been gradually released and its operations have gradually improved, but it has not yet achieved a positive operating cash flow. The company's current main business products are small-power battery cells for two- and three-wheeled vehicles. It plans to expand to multi-specification battery cell products, requiring new production lines, and to add industry products such as packs, electric drives, and electronic controls. These new business and production line expansion projects are in the early planning stage. Due to multiple uncertainties, the company's management finds it difficult to make reliable forecasts for future annual revenue, costs, capital expenditures, and cash flows with sufficient supporting basis, making it difficult to reasonably judge the company's future earnings. Therefore, the income approach is not applicable for this valuation.

As the current capital market is well-developed and relatively active, and there is a sufficient number of comparable public companies in the capital market that are identical or similar to the subject of valuation, it is possible to collect and obtain market information, financial information, and other relevant data of comparable companies, and

it can be confirmed that the information and data relied upon are representative, reasonable, and valid. Therefore, it is appropriate to adopt the market approach for this valuation.

Based on the subject of valuation, the purpose of valuation, and the data collected by the valuation professional, it was determined to adopt both the asset-based approach and the market approach to value the total shareholders' equity of Jiangsu Juneng under this engagement.

On the basis of the above valuation, the various preliminary value conclusions will be fully and comprehensively analysed based on the actual situation. After comprehensively considering the reasonableness of the different valuation methodologies and preliminary value conclusions, the result from one of the valuation methodologies will be adopted as the valuation conclusion for the subject of valuation.

**(II) Introduction to the Asset-based Approach**

The asset-based approach is a valuation methodology that determines the value of the subject of valuation by reasonably valuing the on-balance sheet and identifiable off-balance sheet assets and liabilities of the enterprise, based on its balance sheet as at the valuation date. It is based on the premise of replacing all factors of production, whereby appropriate methods are selected based on the specific circumstances of the individual assets under the commissioned valuation to separately assess and estimate the value of each individual asset. These values are then summed up, and the appraised value of relevant liabilities is deducted to arrive at the appraised value of the total shareholders' equity. The calculation formula is as follows:

Appraised value of total shareholders' equity = ∑Appraised value of each individual asset – ∑Appraised value of each individual liability

The valuation methods for major assets are as follows:

***I) Current assets***

*1. Cash and cash equivalents*

For RMB bank deposits, their appraised value is their verified book value; For foreign currency bank deposits, the appraised value is the amount converted into RMB based on the verified foreign currency and deposit amounts and the middle exchange rate of RMB announced by the People's Bank of China on the valuation date; For other cash and cash equivalents, their appraised value is confirmed as their verified book value.

*2. Debt-type current assets*

Debt-type current assets include trade receivables, receivables financing, prepayments, other receivables, etc. For debt-type current assets, based on an analysis of their aging and verification of the rights, the appraised value is determined by the estimated recoverable amount or the estimated realisable corresponding rights, while the provision for bad debts made by the company in accordance with regulations is valued at zero.

*3. Inventories*

Inventories include raw materials, finished goods, revolving materials in stock, work in progress, etc. Based on the characteristics of each type of inventory, appropriate valuation methods are adopted for valuation.

The appraised value of raw materials and revolving materials in stock is their verified book value.

For some finished goods with a longer inventory age, the appraised value is determined at their net realizable value. For externally purchased accessories and other items, as they were recently purchased and their market prices have not changed significantly, their appraised value is confirmed as their verified book value.

For work in progress, some items have been backlogged for a long time or are unsuitable for production use; their appraised value is determined at their net realizable value. For other work in progress, the book value includes invested materials and allocable labour and manufacturing costs. As the accounting methods for materials, labour and expenses were verified to be generally reasonable, and potential profits are uncertain due to the low degree of completion, their appraised value is their verified book value.

*4. Other current assets*

Other current assets represent value-added tax (VAT) input tax to be deducted. Upon verification of relevant documents, this tax is expected to be deductible in subsequent periods, so the appraised value is its verified book value.

*II) Non-current assets*

*1. Long-term equity investment*

(1) For the equity investment in the wholly-owned subsidiary Shanghai Kongxing Trade Co., Ltd., whose assets and liabilities mainly consist of long-term equity investments, current assets and current liabilities, no on-site verification was conducted for this valuation. The valuation professional analysed the audited financial statements of the investee as at the valuation date, and confirmed the value of total shareholders' equity after considering the valuation adjustments of the long-term equity investment. The appraised value is the appraised entity's share of the investee's appraised shareholders' equity. The calculation formula is as follows:

Value of long-term equity investment = (Appraised shareholders' equity of the investee + Unpaid capital contribution) × Percentage of capital contribution – Unpaid capital contribution of this shareholder

(2) For the equity investment in the wholly-owned subsidiary Zhenjiang Xinfengxin Energy Technology Co., Ltd., whose assets and liabilities mainly consist of current assets and current liabilities, no on-site verification was conducted for this valuation. The valuation professional analysed the audited financial statements of the investee as at the valuation date. The appraised value is the appraised entity's share of the investee's appraised shareholders' equity. The calculation formula is as follows:

Value of long-term equity investment = (Appraised shareholders' equity of the investee + Unpaid capital contribution) × Percentage of capital contribution – Unpaid capital contribution of this shareholder

*2. Building-type fixed assets*

The building-type fixed assets included in the scope of valuation include industrial plants and ancillary buildings, etc. In line with the purpose of valuation, the cost approach was selected for this valuation. The appraised value of such buildings does not include the appraised value of the corresponding land use rights.

The cost approach is a valuation methodology where the appraised value is derived by taking the total cost required to re-acquire or construct a brand-new building identical to the building being valued under current conditions, and then deducting all depreciation incurred by the building being valued. In

this valuation, the condition rate method is used to determine the various forms of depreciation that have occurred in the building being valued. The calculation formula is as follows:

Appraised value = Replacement cost × Comprehensive condition rate

(1) Determination of replacement cost

Replacement cost consists of construction and installation engineering costs, preliminary and other expenses, construction fees, accrued interest, and development profit, with some items included or excluded based on the specific circumstances of the subject of valuation.

(2) Determination of condition rate

For buildings, the condition rate is determined using the age-life method and the condition grading scoring method, and then a weighted average is taken to determine the comprehensive condition rate. The basic formula is as follows:

Comprehensive condition rate $K = A_1 \times K_1 + A_2 \times K_2$

where $A_1$ and $A_2$ are the weighting factors, $K_1$ is the condition rate from the age-life method, and $K_2$ is the condition rate from the condition grading assessment.

*3. Equipment-type fixed assets*

Based on the specific purpose of this asset valuation, relevant conditions, characteristics of the equipment under valuation, and data collection, it was determined to adopt the cost approach for valuation. The cost approach is a valuation methodology that determines the asset value based on the idea of reconstructing or replacing the appraised asset, using the reconstruction or replacement cost of the subject of valuation as the basis and deducting relevant depreciation (including physical deterioration, functional obsolescence, and economic obsolescence). In this valuation, the condition rate method is used to determine the physical deterioration that has occurred in the equipment being valued. The calculation formula is as follows:

Appraised value = Replacement cost – Physical deterioration – Functional obsolescence – Economic obsolescence = Replacement cost × Condition rate – Functional obsolescence – Economic obsolescence

In addition, for idle equipment and equipment pending disposal, their orderly liquidation value is taken as the appraised value; For components, parts, installation materials, etc., that are part of an overall piece of equipment and are listed separately in the detailed schedule, they are considered in the valuation of the corresponding equipment.

The provision for impairment made by the enterprise in accordance with regulations is valued at zero.

(1) Determination of replacement cost

Replacement cost refers to the current re-acquisition cost of an asset, which consists of several items such as the current purchase price of the equipment, transportation and miscellaneous fees, installation and commissioning fees, construction period management fees, and accrued interest.

(2) Determination of condition rate

The condition rate of the equipment is determined based on factors such as the characteristics, usage condition, and importance of the equipment under valuation.

A. For machinery and equipment, the condition rate is determined based on the age-life method, combined with the maintenance and appearance of the equipment. The calculation formula is as follows:

Condition rate = Remaining useful life/Economic useful life × 100%

B. For vehicles, the theoretical condition rate is first calculated separately using the age-life method and the mileage method. The lower of the two is adopted as the theoretical condition rate, which serves as the basis for determining the final condition rate in conjunction with the vehicle's maintenance and appearance.

The calculation formulas are as follows:

a. Age-life method condition rate K1 = Remaining useful life/ Economic useful life × 100%

b. Mileage method condition rate K2 = Remaining mileage/ Economic mileage × 100%

c. Theoretical condition rate = min{K1, K2}

(3) Determination of functional obsolescence

As the replacement cost new was used for the main specialised production equipment in this valuation, it is not necessary to consider functional obsolescence.

(4) Determination of economic obsolescence

As the main specialised production equipment was valued using the replacement cost new in this valuation, the current purchase price has already fully considered the impact of external economic factors, so it is not necessary to consider economic obsolescence.

*4. Construction in progress*

Based on the verification of the financial records of projects under construction, the valuation professional conducted on-site inspections of the relevant projects and used the cost approach for valuation. It was verified that the secondary MEP fit-out and decoration of the research institute were sold after the valuation date and included in the equipment valuation. Apart from this, the market price of other equipment has not changed significantly, and their appraised value is their verified book value.

*5. Right-of-use assets*

(1) The appraised value of right-of-use assets for leased plants and vehicles is confirmed as their verified book value.

(2) For land use rights, the valuation methodology is as follows:

1) Value connotation of land use rights

The appraised price of the land parcel included in the scope of valuation refers to the price of the state-owned land use rights for the remaining term of use of the land parcel for industrial purposes, which is granted state-owned land, as at the valuation date (i.e., 30 April 2026), assuming external conditions of ''five connections'' (i.e., access to roads, water supply, drainage, electricity, and communications) and internal conditions of ''one levelling'' (i.e., site levelling).

2) Selection of Valuation Methodology

According to the ''Asset Valuation Practice Standard — Real Estate'', when performing real estate valuation services, a certified public valuer (CPV) shall analyse the applicability of the three basic

asset valuation methods of market approach, income approach, and cost approach, as well as derivative methods such as the hypothetical development method and the benchmark land price correction method, and appropriately select the valuation methodology based on the characteristics of the subject of valuation, value type, data collection, and other relevant conditions.

As recent transaction cases of similar types of land in the area where the land parcel to be valued is located are available, and the market approach can directly reflect the local land price level, the market approach can be used for valuation.

3) Introduction to the selected valuation methodology and parameter selection process

The market approach is a method for determining the price of a land parcel to be valued. Based on the principle of substitution, the land parcel to be valued is compared with similar land transaction cases that have occurred in the recent past. Based on the known price of the latter, adjustments are made for differences in transaction circumstances, transaction date, term of use, and real estate conditions to arrive at the land price of the land parcel to be valued as at the valuation date. The calculation formula is as follows:

Appraised land price $V = V_1 \times A \times B \times C \times D$

Where:

V — Value of the land use right of the parcel to be valued

$V_1$ — Price of the comparable case

A — Transaction condition index of the parcel to be valued/ Transaction condition index of the comparable case

B — Transaction date index of the parcel to be valued/Transaction date adjustment index of the comparable case

C — Term of use index of the parcel to be valued/Term of use index of the comparable case

D — Real estate condition index of the parcel to be valued/Real estate condition index of the comparable case

4) Determination of appraised value

Land unit price = Appraised land price

Appraised value of land = Land unit price × Land area × (1 + Deed tax rate)

*6. Intangible assets — other intangible assets*

(1) Overview

Intangible assets — other intangible assets include purchased office software, as well as 59 patents (including 16 invention patents and 43 utility model patents) and 1 trademark not recorded on the books as declared by the enterprise. For details of the composition, please refer to "III. Subject of Valuation and Scope of Valuation" — "(II) Book-recorded or unrecorded intangible assets declared by the enterprise".

(2) Selection of valuation methodology

For purchased software recorded on the books, as the software is in normal use and maintenance, and the market price of such software is available as at the valuation date, its appraised value is determined based on its purchase price, taking into account its technical condition.

According to the current asset valuation standards and relevant regulations, the basic methods for intangible asset valuation are the cost approach, market approach, and income approach.

For patent rights not recorded on the books, as the future revenue generated by the products corresponding to the patents can be reasonably forecasted and the discount rate corresponding to the level of revenue risk can be reasonably estimated, the income approach is adopted for valuation, taking into account the subject of valuation, purpose of valuation, and data collected for this asset valuation.

For trademark rights not recorded on the books, as they have no well-known trademark premium and no independent brand premium income, and are mainly used for business filing purposes, the appraised value is confirmed based on the trademark registration fee.

(3) Explanation of valuation methodology

The income approach is a method of estimating the appraised value of an intangible asset to be valued by estimating its expected normal future income, selecting an appropriate discount rate to discount it to its present value, and then accumulating the results. The calculation formula is as follows:

$$V = \sum_{i=1}^{n} \frac{A_i}{(1+r)^i}$$

Where:

V — Value of the intangible asset to be valued

$A_i$ — Net income of the intangible asset in year i

r — Discount rate

n — Income-producing period

Based on the purpose of valuation and the specific circumstances of the subject of valuation, the valuation professional has selected the relief-from-royalty method to determine the appraised value of the subject of valuation based on the contribution of the intangible assets. The relief-from-royalty method is a method of determining the future expected income of the asset being valued based on the contribution rate of the intangible asset to profits, using revenue as the base and applying an appropriate royalty rate. In this valuation, the income-producing period is determined by analysing the technical and economic performance of the intangible assets, in conjunction with their legal life and other factors; the discount rate is determined by analysis using the risk build-up method.

*7. Long-term deferred expenses*

Long-term deferred expenses represent the unamortized balance for plant purification facility engineering and power engineering, etc., which the enterprise amortizes over 5–10 years.

Upon verification, all assets were disposed of after the valuation date and included in the equipment valuation, so the valuation here is zero.

*8. Other non-current assets*

Other non-current assets are prepayments for equipment. As each asset has a corresponding value or right after the valuation date, the verified book value is taken as the appraised value.

***III) Liabilities***

Liabilities include current liabilities and non-current liabilities. Current liabilities include accounts payable, receipts in advance, contract liabilities, employee benefits payable, other payables, non-current liabilities due within one year, and other current liabilities. Non-current liabilities include lease liabilities and deferred revenue. Verification was carried out by checking the consistency between the subsidiary ledger and the general ledger, sending confirmations for larger amounts, and reviewing original vouchers and other relevant documents. Upon verification, all liabilities other than deferred revenue are actual debts to be borne, and the verified book value is taken as the appraised value. Upon verification, the income-related deferred revenue does not require payment after the valuation date and is therefore valued at zero; The appraised value of other asset-related deferred revenue is confirmed based on the verified book value.

**(III) Introduction to the Market Approach**

The market approach is a valuation methodology that determines the value of the subject of valuation by comparing it with comparable public companies or comparable transaction cases.

***I) Subject of valuation***

The subject of valuation under the market approach is the total shareholders' equity of Jiangsu Juneng as at the valuation date.

***II) Prerequisites for applying the market approach***

1. There is a fully developed and active capital market;

2. There are a sufficient number of comparable companies identical or similar to the subject of valuation in the capital market, or there are sufficient transaction cases in the capital market;

3. Market information, financial information, and other relevant data of comparable companies or transaction cases can be collected and obtained;

4. It can be confirmed that the information and data relied upon are representative and reasonable, and are valid as at the valuation date.

### *III) Model of the market approach*

*1. Introduction to the market approach methods*

The two common specific methods under the market approach are the guideline public company method and the guideline transactions method.

The guideline public company method is a specific method for determining the value of the subject of valuation by obtaining and analysing the operating and financial data of comparable public companies, calculating appropriate valuation multiples, and making dimensional comparison adjustments based on a comparative analysis with the appraised entity.

The guideline transactions method is a method of deriving the value of the subject of valuation by analysing sale and purchase, acquisition, and merger cases of companies in the same or similar industry as the appraised entity, obtaining and analysing the data from these transaction cases, calculating appropriate valuation multiples or economic indicators, and conducting a comparative analysis with the appraised entity.

*2. Selection of valuation methodology*

As comparable transaction cases are difficult to collect and it is impossible to know whether non-market value factors exist, it is not appropriate to select the guideline transactions method. The operating and financial data of comparable public companies are relatively public and objective, making them highly operable. Based on the subject of valuation, the purpose of valuation, and the data collected, the valuation professional adopted the guideline public company method to value the total shareholders' equity of Jiangsu Juneng under this engagement.

The guideline public company method determines the valuation multiple of the appraised entity by analysing and adjusting the valuation multiple between the value of total shareholders' equity of comparable public companies and their operating profitability indicators, asset value, or other specific non-financial indicators. Then, it estimates the value of total shareholders' equity of the appraised entity based on its operating profitability indicators, asset value, or other specific non-financial indicators. The calculation formula is as follows:

Value of total shareholders' equity = (Equity investment valuation multiple × Corresponding parameter of the appraised entity) × (1 – Discount for lack of marketability (DLOM)) × (1 + Control premium rate)

Corresponding valuation multiple of the appraised entity = Valuation multiple of comparable company ÷ Adjustment coefficient

*3. Selection of valuation multiple*

A valuation multiple is the ratio between the asset value and an indicator closely related to the asset value, i.e.:

Valuation multiple = Equity value/Indicator closely related to equity value

Based on factors such as the industry characteristics and operating stage of the appraised entity, applicable valuation multiples are selected from earnings multiples, asset multiples, revenue multiples, and other specific multiples, and the valuation multiples of each comparable public company are calculated.

The valuation multiple selected for this market approach valuation is the asset-based valuation multiple, the price-to-book (P/B) ratio, for the following reasons:

(1) Revenue-based valuation multiple

The revenue-based valuation multiple mainly reflects the relationship between a company's operating scale and its market value of total invested capital. Considering Jiangsu Juneng's insufficient capacity utilisation rate in historical years, its revenue and operating scale cannot accurately reflect its market value. Furthermore, affected by differences in the power battery, energy storage, and consumer battery structures, as well as product unit prices of comparable public companies, the adjusted valuation multiple shows high dispersion and cannot form a stable, comparable, and reasonable valuation range. Therefore, the revenue-based valuation multiple is not applicable.

(2) Earnings-based valuation multiple

As Jiangsu Juneng has made large-scale fixed asset investment and experienced insufficient capacity utilization rate, its operating cash flow has been consistently negative in historical years. The company's profitability level cannot reflect its overall value. Therefore, the earnings-based valuation multiple is not applicable.

(3) Asset-based valuation multiple

As Jiangsu Juneng is in the asset-heavy manufacturing industry, its core assets include tangible assets such as plants, equipment, and inventories. The net book value can relatively accurately reflect the company's value. Therefore, the price-to-book (P/B) ratio can be used as the asset-based valuation multiple this time.

Price-to-book (P/B) ratio = Equity value/Equity attributable to owners of the parent (excluding other equity instruments)

(4) Special valuation multiple

Power batteries are a typical asset-heavy manufacturing cyclical sector. The capital market currently has an industry-specific indicator, EV/GWh. However, due to differences in battery specifications and downstream industries, companies with the same capacity have significant value differences, which cannot be directly adjusted through an adjustment system at present. Therefore, the special valuation multiple is not suitable for this valuation.

In summary, the market approach adopted the price-to-book (P/B) ratio as the valuation multiple in this valuation.

***IV) Selection of comparable public companies, analysis and adjustment of their financial statements***

*1. Criteria for selection of comparable public companies*

The valuation professionals selected comparable companies from domestic public companies, and determined the market value of the appraised entity by analysing the comparable companies. The valuation adopted the following criteria for selection of comparable companies:

(1) Comparable companies must have been publicly listed for at least three years;

(2) Comparable companies specialize in battery production.

*2. Rationale for selection of comparable public companies*

Out of the industry of the appraised entity identified in the industrial classification for national economic activities, and the industry classification system developed by the SWS Research, a total of 32 listed companies engaged in the lithium battery production and sales industry were selected. According to the above selection criteria, 29 candidates were shortlisted, excluding those

being publicly listed for less than three years; 14 candidates were shortlisted, excluding those that focus on battery components and primary batteries, or whose battery business accounts for less than 80%; 7 candidates remained, excluding those specializing in consumer electronics or energy storage in the downstream sector; and 5 candidates were selected, excluding the ones with significant scale difference or deviating from the criteria. Combined with integrated analysis, 5 comparable public companies were identified, namely Tianneng, Zhuhai CosMX, EVE Energy, Greenway and Great Power.

(1) T test

The valuation professionals obtained sample data based on the closing prices of those 5 comparable companies on trading days for the three years up to the valuation date, and tested the correlation between the stock volatility of these comparable companies and that of the CSI 300 Index. The t-test results are as follows:

| Comparable company | Beta | Beta standard deviation | t-value | Result interpretation |
|---|---|---|---|---|
| Tianneng | 1.0332 | 0.1410 | 7.33 | Passed |
| Zhuhai CosMX | 1.4348 | 0.1776 | 8.08 | Passed |
| EVE Energy | 1.7729 | 0.1854 | 9.56 | Passed |
| Greenway | 1.4088 | 0.1812 | 7.77 | Passed |
| Great Power | 1.5956 | 0.2589 | 6.16 | Passed |

As shown in the table above, stocks of Tianneng, Zhuhai CosMX, EVE Energy, Greenway and Great Power share significant positive correlation with the volatility of the CSI 300 Index, and their development trends are consistent with the overall situation of the market.

(2) Conditions of the comparable companies

1) Tianneng

Tianneng specializes in the research and development, production, and sales of various kinds of batteries, namely power batteries for lightweight electric vehicles, energy storage batteries, backup power for data centers, power batteries for special vehicles, start-stop batteries, industrial batteries, and drone batteries. Its main products include power batteries for lightweight electric vehicles, energy storage batteries, backup power for data centers, power batteries for special vehicles, start-stop batteries, industrial batteries, and drone batteries.

As of the valuation date, the company's share capital totaled 972,100,000 shares. According to the first quarterly report of 2026, the company's equity attributable to owners of the parent amounted to RMB17,139,788,662.24, of which other equity instruments totaled RMB0.00.

2) Zhuhai CosMX

Zhuhai CosMX focuses on the research and development, production and sales of consumer lithium-ion batteries. Its main products include consumer batteries, and power and energy storage batteries.

As of the valuation date, the company's share capital totaled 1,132,185,704 shares. According to the first quarterly report of 2026, the company's equity attributable to owners of the parent amounted to RMB7,594,378,961.64, of which other equity instruments reached RMB389,452,272.28.

3) EVE Energy

EVE Energy specializes in the research and development, production, and sales of consumer batteries (including primary lithium batteries, small lithium-ion batteries, and cylindrical batteries), power batteries (including NEV batteries and their battery systems), and energy storage batteries. Its main products include primary lithium batteries, small lithium-ion batteries, cylindrical batteries, ternary lithium pouch batteries, prismatic ternary lithium batteries, large cylindrical batteries, large prismatic batteries, prismatic LFP batteries, and cylindrical LFP batteries.

As of the valuation date, the company's share capital totaled 2,173,296,935 shares. According to the first quarterly report of 2026, the company's equity attributable to owners of the parent amounted to RMB43,967,576,045.93, of which other equity instruments reached RMB294,568,570.31.

4) Greenway

Greenway focuses on the research and development, production, sales, and after-sales services of lightweight battery applications, such as light power batteries, consumer batteries, and energy storage batteries, as well as lithium-ion battery cells. Its main products include lithium-ion batteries for lightweight vehicles, consumer electronics batteries, energy storage batteries, and lithium battery cells.

As of the valuation date, the company's share capital totaled 101,149,500 shares. According to the first quarterly report of 2026, the company's equity attributable to owners of the parent amounted to RMB1,176,680,636.14, of which other equity instruments totaled RMB0.00.

5) Great Power

Great Power specializes in the research and development, production, and sales of lithium-ion batteries, primary batteries (such as LFP batteries, Li-$MnO_2$ batteries, and zinc-air batteries), and sodium-ion batteries. Its main products include $LiCoO_2$ products, LFP products, ternary lithium materials, and composite lithium products.

As of the valuation date, the company's share capital totaled 503,343,360 shares. According to the first quarterly report of 2026, the company's equity attributable to owners of the parent amounted to RMB5,696,830,907.42, of which other equity instruments totaled RMB0.00.

*3. Determination of comparable public companies*

Based on integrated analysis, Tianneng, Zhuhai CosMX, EVE Energy, Greenway and Great Power were selected as comparable public companies.

*4. Analysis and adjustment of comparable companies' financial statements*

Based on the information obtained, the valuation professionals analysed the financial statements of the comparable companies and found no items in need of adjustment.

*V) Analysis, estimation process and conclusion of the market approach*

*1. Determination of valuation multiples*

As per price-to-book (P/B) ratio = Equity value/equity attributable to owners of the parent (excluding other equity instruments), the P/B ratios of the comparable companies are as follows:

| **Comparable company** | **Tianneng** | **Zhuhai CosMX** | **EVE Energy** | **Greenway** | **Great Power** |
|---|---|---|---|---|---|
| P/B ratio | 1.93 | 2.58 | 3.46 | 4.41 | 5.74 |

*2. Adjustment of the valuation multiples of comparable companies*

An integrated valuation approach was used to analyse and compare the financial and non-financial indicators of each comparable public company and the appraised entity. By means of quantitative analysis of influencing factors via selective indicators, and standardised data modeling, the adjustment coefficient for valuation multiples between each comparable public company and the appraised entity was determined.

(1) Determination of the adjustment coefficients for financial indicators

The valuation professionals selected corresponding indicators to conduct a quantitative analysis of the influencing factors.

**Table 1 Valuation Indicator System**

| | **Adjustment item** | **Data source** |
|---|---|---|
| Profitability | Return on total assets (%) | Annual reports of the year 2025 of corresponding comparable public companies |
| | Net profit margin on sales (%) | Annual reports of the year 2025 of corresponding comparable public companies |

**Table 1 Valuation Indicator System**

| | Adjustment item | Data source |
|---|---|---|
| Operational capability | Inventory turnover ratio | Annual reports of the year 2025 of corresponding comparable public companies |
| | Receivables turnover ratio | Annual reports of the year 2025 of corresponding comparable public companies |
| Solvency | Liabilities to assets ratio | Annual reports of the year 2025 of corresponding comparable public companies |
| | Quick ratio | Annual reports of the year 2025 of corresponding comparable public companies |
| | Current ratio | Annual reports of the year 2025 of corresponding comparable public companies |

Given the variable data dimensions in the table, the data need to be standardised. Statistically, in case of variables by different orders of magnitude and different units of measurement, standardisation was used to transform the original data. Assuming the mean value and standard deviation of feature $i$ are $X_i$ and $\sigma_i$ respectively, and the raw original data value for feature $i$ from observation $j$ is $X_{ij}$, the standardised value (evaluation equivalent value) for the $j$-th observation of feature $i$ is as below:

$$z_{ij} = \frac{x_{ij} - \bar{x}_i}{\sigma_i} \quad \text{(positive indicator)} \qquad z_{ij} = -\frac{x_{ij} - \bar{x}_i}{\sigma_i} \quad \text{(negative indicator)}$$

Where

$$\bar{x}_i = \frac{1}{n}\sum_{j=1}^{n} x_{ij}\ , \text{ and } \quad \sigma_i = \frac{1}{n}\sum_{i=1}^{n} (x_{ij} - \bar{x}_i)^2$$

The standardisation transforms all the indicators into dimensionless values with a mean value of 0 and standard deviation of 1. In this way, different indicators are comparable and can be integrated.

First, analysis of the financial indicators of the comparable companies. Secondary indicators, including profitability, operational capability and solvency, were chosen. The valuation professionals confirmed the original data of relevant indicators based on the data collected from the annual reports of the year 2025 of the identified public companies.

Second, analysis of the profitability of the comparable companies. Secondary indicators, including return on total assets and net profit margin on sales, were selected. The valuation professionals calculated and acquired the original data of corresponding indicators based on the data collected.

Third, analysis of the operational capability of the comparable companies. Secondary indicators, including inventory turnover ratio and receivables turnover ratio, were chosen. The valuation professionals calculated and acquired the original data of corresponding indicators based on the data collected.

Fourth, analysis of the solvency of the comparable companies. Major secondary indicators, namely liabilities to assets ratio, quick ratio, and current ratio, were selected. The valuation professionals calculated and acquired the original data of corresponding indicators based on the financial data collected.

Last but not least, benchmarking the indicators of Jiangsu Juneng, the indicators of each comparable company were divided by the corresponding indicators of Jiangsu Juneng, and then multiplied to obtain the adjustment coefficient for the valuation multiple. The details are shown in the table below:

| Item/Company | Profitability | Operational capability | Solvency | Adjustment coefficient |
|---|---|---|---|---|
| Company A | 1.0531 | 1.0475 | 1.0029 | 1.1063 |
| Company B | 1.0462 | 1.0136 | 0.9430 | 1.0000 |
| Company C | 1.0546 | 1.0291 | 0.9734 | 1.0564 |
| Company D | 1.0486 | 1.0146 | 0.9759 | 1.0383 |
| Company E | 1.0467 | 1.0047 | 0.9472 | 0.9962 |

(2) Determination of the adjustment coefficients for non-financial indicators

The companies selected for the valuation are comparable to the appraised entity. However, considering the differences between the appraised entity and the comparable companies in terms of scale, growth potential, business and operating model, it is necessary to make value adjustments of those differences to eliminate their impact on the value. The specific indicators regarding the foregoing factors are as shown in the table:

| No. | Factor | Indicator |
|---|---|---|
| 1 | Scale | Size |
| 2 | Growth potential | Product lifecycle |
| 3 | Product | Product portfolio |
| 4 | Operating model | Completeness of organisational structure and supply chain |

Scores of the indicators of the appraised entity divided by those of each comparable company defined the adjustment coefficient for each factor. Then, the adjustment coefficients for the factors were multiplied to obtain the factor adjustment coefficient for each comparable company, as shown in the table below:

| No. | Company | Scale | Growth potential | Product | Operating model | Adjustment coefficient for non-financial indicators |
|---|---|---|---|---|---|---|
| 1 | Company A | 1.0500 | 1.0500 | 1.0000 | 1.0000 | 1.1025 |
| 2 | Company B | 1.0500 | 1.0500 | 1.0000 | 1.0000 | 1.1025 |
| 3 | Company C | 1.1000 | 1.0500 | 1.0000 | 1.0000 | 1.1550 |
| 4 | Company D | 1.0500 | 1.0500 | 1.0000 | 1.0000 | 1.1025 |
| 5 | Company E | 1.0500 | 1.0500 | 1.0000 | 1.0000 | 1.1025 |

*3. Determination of weights for comparable companies*

Jiangsu Juneng focuses on the research, development and production of batteries. Each comparable company is assigned the same weight based on a thorough comparison of the similarity between the appraised entity and Company A, B, C, D, and E.

*4. Determination of adjusted valuation multiples*

| Comparable public company | Ratio on valuation date | Financial adjustment coefficient | Non-financial adjustment coefficient | Adjusted P/B |
|---|---|---|---|---|
| Company A | 1.93 | 1.1063 | 1.1025 | 1.58 |
| Company B | 2.58 | 1.0000 | 1.1025 | 2.34 |
| Company C | 3.46 | 1.0564 | 1.1550 | 2.83 |
| Company D | 4.41 | 1.0383 | 1.1025 | 3.85 |
| Company E | 5.74 | 0.9962 | 1.1025 | 5.22 |
| **Average value** | | | | **3.17** |

*5. Determination of discount for lack of marketability*

As all the selected companies are public while the appraised entity is private, it is essential to consider the impact of the lack of marketability of relevant equity on the value. The discount for lack of marketability for the appraised entity was determined based on the P/E ratio for M&A of private companies in 2026. As the battery manufacturing industry falls under the computer, communications, and electronic equipment manufacturing industry, the corresponding discount for lack of marketability was 33.1%.

*6. Control premium*

Given that all the comparable companies are public, their shares are valued at the trading prices of floating shares on the securities market, and the floating shares of public companies are generally held by non-controlling minority shareholders, while the valuation covers total shareholders' equity of Jiangsu Juneng, it is necessary to conduct a control premium adjustment of the value of the comparable companies.

Based on calculations from equity acquisition cases collected from property and equity exchanges, Wind, and CVSource as of the end of 2025, the average control premium is approximately 15.04%.

*7. Analysis and conclusion of valuation results via market approach*

The calculation formula for the total shareholders' equity of the appraised entity is as follows:

Value of total shareholders' equity of the appraised entity = (Equity investment valuation multiple × Corresponding parameter of the appraised entity) × (1 – Discount for lack of marketability) × (1 + Control premium rate)

Therefore, the appraised value of the total shareholders' equity by means of the guideline public company method, on a going concern basis with a lack of marketability, amounted to RMB833,000,000.00. The result has taken into account the impact of a possible control premium as well as lack of marketability on the appraised value.

Based on the assumptions and preconditions disclosed herein, the value of the total shareholders' equity of Jiangsu Juneng via the market approach is appraised at RMB833,000,000.00.

## VIII. IMPLEMENTATION PROCESS AND STATUS OF VALUATION PROCEDURES

The entire valuation process includes accepting the engagement, verifying assets and validating data, assessing and estimating, preparing the asset valuation report, internal audit, and formally issuing the report. The specific process is as follows:

### (I) Engagement acceptance stage

1. Project investigation and risk assessment, clarifying the basic matters of the valuation engagement, and determining the purpose of valuation, subject of valuation, scope of valuation, and valuation date;

2. Accepting the engagement from the client and signing the asset valuation engagement contract;

3. Preparing the asset valuation plan;

4. Forming a project team and providing training to its members.

### (II) Asset verification stage

1. The valuation agency provides the appraised entity with a sample asset valuation declaration form as required for the asset valuation work and assists it in carrying out asset verification;

2. Understanding the basic situation of the appraised entity and the condition of the appraised assets, and collecting relevant data;

3. Reviewing and checking the asset valuation declaration form provided by the appraised entity and the revenue forecast for the appraised patents;

4. Conducting on-site verification and inspection based on the content of the asset valuation declaration form, collecting and organising relevant data on asset procurement and construction, operation, and maintenance, and inspecting and recording the condition of the assets;

5. Collecting and organising certificates of title, contracts, invoices, and other title documents for the appraised assets to verify their ownership status;

6. Collecting and organising data on the battery industry to understand the competitive advantages and risks of the appraised entity;

7. Collecting and examining other relevant data required for the asset valuation.

**(III) Assessment and estimation stage**

1. Formulating specific valuation methodologies for various types of assets based on the actual condition and characteristics of the appraised assets;

2. Collecting market information;

3. Valuing the appraised assets and calculating their appraised value;

4. Obtaining and analysing the operating and financial data of comparable public companies, calculating valuation multiples, and determining the value of the subject of valuation based on a comparative analysis with the appraised entity.

**(IV) Asset valuation report preparation and internal audit stage**

1. Analysing and summarising the valuation results of individual assets to form a valuation conclusion;

2. Analysing and comparing the calculation results from various valuation methodologies to determine the valuation conclusion;

3. Preparing the preliminary asset valuation report;

4. Conducting an internal audit of the preliminary asset valuation report;

5. Seeking opinions from relevant parties.

**(V) Report issuance stage**

After seeking opinions, issuing the formal asset valuation report.

## IX. VALUATION ASSUMPTIONS

1. This valuation is based on the premise of a change in the property right holder of the appraised assets, which includes a complete or partial change of the right holder.

2. This valuation is based on the assumption of an open market transaction.

3. This valuation is based on the premise that the appraised entity will continue to operate as a going concern in accordance with its predetermined business objectives, meaning all of the appraised entity's assets will continue to be used for their current purposes and in their current manner, without considering any change in their current use or any change in planning and usage while the purpose remains unchanged.

4. This valuation is based on the premise that the relevant legal documents, various accounting vouchers, books, and other information provided by the appraised entity are true, complete, legal, and reliable.

5. This valuation is based on the assumption of a relatively stable macro environment, meaning there are no significant changes in the country's existing macroeconomic, political, and other policies, or in the industrial policies of the industry in which the appraised entity operates, and that the social economy continues to develop in a sustained, healthy, and stable manner; The country's monetary and financial policies will remain in their current state and will not cause significant fluctuations in the social economy; The country's taxation will remain under current regulations, with no major changes in tax types and rates; There will be no significant changes in the country's current interest rates, exchange rates, etc.

6. This valuation is based on the assumption of a relatively stable operating environment for the appraised entity, meaning there are no significant changes in the social, political, legal, economic, and other operating environments in the areas where the appraised entity's main business premises and operations are located; The appraised entity is able to conduct its business activities within its established scope of business, without any policy, legal, or man-made obstacles.

In accordance with the requirements of asset valuation, the valuation professional has determined that these premises and conditions are valid as at the valuation date. If the above valuation premises and assumptions change, the valuation conclusion will become invalid.

## X. VALUATION CONCLUSION

### 1. Valuation results under the asset-based approach

Based on the valuation assumptions disclosed in this report, the valuation results of the assets, liabilities, and total shareholders' equity of Jiangsu Juneng using the asset-based approach are as follows:

The book value of assets was RMB638,974,200, and the appraised value was RMB891,176,000, representing a valuation appreciation of RMB252,201,800 and an appreciation rate of 39.47%;

The book value of liabilities was RMB262,894,400, and the appraised value was RMB262,111,100, representing a valuation impairment of RMB783,300 and an impairment rate of 0.30%;

The book value of shareholders' equity was RMB376,079,800, and the appraised value was RMB629,064,900, representing a valuation appreciation of RMB252,985,100 and an appreciation rate of 67.27%.

The summary of the asset valuation results is as follows:

*Unit: RMB'0,000*

| Item | Book Value<br>A | Appraised Value<br>B | Increase/ (Decrease)<br>C=B–A | Rate of increase/ (decrease) (%)<br>D=C/ A*100 |
|---|---|---|---|---|
| I. Current assets | 29,302.06 | 29,302.06 | | |
| II. Non-current assets | 34,595.36 | 59,815.54 | 25,220.18 | 72.90 |
| of which: Long-term equity investment | 89.96 | –3,316.07 | –3,406.03 | –3,786.16 |
| Fixed assets | 26,335.39 | 48,853.60 | 22,518.21 | 85.51 |
| Construction in progress | 402.48 | 327.43 | –75.05 | –18.65 |
| Right-of-use assets | 6,943.72 | 10,046.49 | 3,102.77 | 44.68 |
| Intangible assets | 229.63 | 3,821.53 | 3,591.90 | 1,564.21 |
| of which: other intangible assets | 229.63 | 3,821.53 | 3,591.90 | 1,564.21 |
| Long-term deferred expenses | 511.63 | 0.00 | –511.63 | –100.00 |
| Other non-current assets | 82.56 | 82.56 | 0.00 | 0.00 |
| **Total Assets** | **63,897.42** | **89,117.60** | **25,220.18** | **39.47** |
| III. Current liabilities | 25,070.07 | 25,070.07 | 0.00 | 0.00 |
| IV. Non-current liabilities | 1,219.37 | 1,141.04 | –78.33 | –6.42 |
| **Total Liabilities** | **26,289.44** | **26,211.11** | **–78.33** | **–0.30** |
| **Total Shareholders' Equity** | **37,607.98** | **62,906.49** | **25,298.51** | **67.27** |

The valuation results are derived from the above valuation work, and the details are shown in the valuation schedule.

**2. Valuation results under the market approach**

Based on the valuation assumptions disclosed in this report, the value of the total shareholders' equity of Jiangsu Juneng using the market approach is RMB833,000,000.00.

**3. Comparative analysis of the valuation results of the two methods and determination of the appraised value**

The value of the total shareholders' equity of Jiangsu Juneng was RMB629,064,900 under the asset-based approach and RMB833,000,000.00 under the market approach, with a difference of RMB203,935,100, representing a variance of 24.48%.

The valuation professional believes that due to the inherent characteristics of the asset-based approach, which determines the value of a company's total shareholders' equity by valuing its assets and liabilities, it fails to assess items not appearing on the financial statements, such as the company's human capital, management efficiency, customer resources, and brand influence. As a result, its valuation results do not cover the value of all of the company's assets, leading to a discrepancy between the valuation results under the asset-based approach and the market approach. Therefore, the conclusion of the asset-based approach was not adopted for this valuation.

The market approach evaluates the current fair market value of the subject of valuation by reference to comparable items in the actual market. The market approach is characterized by its direct valuation perspective and approach, intuitive valuation process, data sourced directly from the market, and highly persuasive results. Moreover, after more than two decades of development, the PRC stock market has established basic market functions. In both domestic and international equity transaction markets, various investors frequently use the market approach for pricing or verification. Therefore, the valuation professional believes that the valuation results from the market approach are more suitable for the purpose of this valuation.

Therefore, this valuation ultimately adopts the market approach valuation result of RMB833,000,000.00 as the appraised value of the total shareholders' equity of Jiangsu Juneng.

## XI. EXPLANATION OF SPECIAL MATTERS

The following matters are beyond the professional level and capacity of our valuation professionals to assess and estimate. However, these matters may indeed affect the valuation conclusion, and users of this asset valuation report are advised to pay special attention to them:

1. This valuation utilized the the Accountants' Report issued by Confucius International CPA Limited on 30 October 2026. According to Rule 12 of the Asset Valuation Practice Standard — Enterprise Value: The asset valuation professional has analyzed and judged the use of the financial statements based on the requirements of the valuation methodology adopted. However, it is not the responsibility of the asset valuation professional to express a professional opinion on whether the relevant financial statements fairly reflect the financial position as at the valuation date and the operating results and cash flows for the period. This valuation is conducted based on the aforementioned financial statements. Any subsequent changes to the data in the relevant financial statements will affect the valuation conclusion. The financial statements declared by the enterprise for this valuation were prepared in accordance with Hong Kong Financial Reporting Standards. The valuation calculation was performed on this basis, without considering the impact of differences between domestic accounting standards and Hong Kong accounting standards on the valuation conclusion. Users of the report are advised to take note of this.

2. In the valuation of the value of the total shareholders' equity of the appraised entity, the valuation professional conducted necessary checks on the legal ownership documents and their sources for the subject of valuation and related assets provided by the appraised entity. Except for the circumstances described below, no defects were found in the ownership documents of other subjects of valuation and related assets. It is the responsibility of the appraised entity to provide true, legal, and complete legal ownership documents for the relevant assets. The responsibility of the valuation professional is to conduct necessary checks on the information provided by the appraised entity. The asset valuation report cannot serve as a confirmation or guarantee of the legal ownership of the subject of valuation and related assets. If the appraised entity does not have ownership of, or other related rights to, the aforementioned assets, or if there are partial restrictions on such ownership or other related rights, the valuation results for the aforementioned assets and the valuation conclusion for the total shareholders' equity of the appraised entity will be affected.

   (1) The rights holders of the appraised patents and trademark rights are still registered under the former names of the appraised entity, Lixin (Jiangsu) Energy Technology Co., Ltd. 利信(江蘇)能源科技有限責任公司 or Lixin (Jiangsu) Energy Technology Co., Ltd., 力信(江蘇)能源科技有限責任公司

and the change of the rights holder on the certificates has not yet been completed. This valuation has not considered the impact of the above matters on the valuation conclusion.

3. Among the appraised patents, there are 14 co-owned patents. The details are as follows:

| No. | Name | Patent No. | Application Date | Patent Type | Current Right Holder |
|---|---|---|---|---|---|
| 1 | A protective structure for the output terminal base of a battery module | CN202420401309.0 | 2024/3/1 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Ningguo Times New Energy Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 2 | An output terminal base and protective component for a battery module | CN202420404248.3 | 2024/3/1 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Ningguo Times New Energy Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 3 | Battery cells, battery modules and vehicles | CN202420032000.9 | 2024/1/5 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 4 | Composite anode current collector and battery | CN202420287698.9 | 2024/2/6 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |

| No. | Name | Patent No. | Application Date | Patent Type | Current Right Holder |
|---|---|---|---|---|---|
| 5 | Cover plate assembly for power battery and power battery | CN202420241351.0 | 2024/1/31 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 6 | Lithium battery and power-consuming device | CN202420211918.X | 2024/1/29 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Ningguo Times New Energy Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 7 | A battery cover plate and a battery | CN202420249544.0 | 2024/1/31 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 8 | Power battery cover plate assembly and power battery | CN202420285273.4 | 2024/2/6 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 9 | Manifold block, slurry recovery device and coating and spraying device | CN202420287870.0 | 2024/2/6 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |

| No. | Name | Patent No. | Application Date | Patent Type | Current Right Holder |
|---|---|---|---|---|---|
| 10 | Battery cover plate assembly, battery and power-consuming device | CN202420275950.4 | 2024/2/4 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Ningguo Times New Energy Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 11 | Battery | CN202420251429.7 | 2024/1/31 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Ningguo Times New Energy Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 12 | Battery thermal management device and electric vehicle (EV) | CN202420166882.8 | 2024/1/23 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 13 | Battery leak detection device | CN202420214300.9 | 2024/1/29 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Zhejiang Geely Holding Group Company Limited; Geely Technology Group Co., Ltd. |
| 14 | Separator and battery | CN202320756935.7 | 2023/4/7 | Utility Model | Lixin (Jiangsu) Energy Technology Co., Ltd.; Geely Maijie Investment Co., Ltd.; Zhejiang Geely Holding Group Company Limited |

This valuation of the patents was conducted under normal procedures, without considering the impact of co-ownership on the valuation conclusion.

4. As of the valuation date, the appraised entity had the following leasing matters:

| Asset Name | Lessor/Contractor | Lease Term |
|---|---|---|
| 2025 Lynk & Co 900 2.0T 280km Ultra | Xiaolinggou Travel Technology Co., Ltd. | 2026/1/5–2029/1/4 |
| Phase 1 plant | Jiangsu Hanrui Asset Management Co., Ltd. | 2022/6/7–2027/2/6 |

The impact of the above leasing matters has been considered in this valuation under the asset-based approach.

The appraised entity undertakes that, as of the valuation date, apart from the matters mentioned above, there are no other asset mortgages, pledges, external guarantees, pending litigations, significant financial commitments, or other contingencies or leasing matters.

**5. Subsequent Events**

***(1) Business registration change***

After the valuation date, in July 2026, pursuant to a board resolution, the company's name was changed from Lixin (Jiangsu) Energy Technology Co., Ltd. to Juneng (Jiangsu) Power Technology Co., Ltd. ICBC Financial Asset Investment Co., Ltd. transferred its 5.49% equity interest in the company to Geely Technology Group Co., Ltd.; Bank of Jiangsu Co., Ltd. Zhenjiang Branch transferred its 1.85% equity interest in the company to Geely Technology Group Co., Ltd.; BOC Financial Asset Investment Co., Ltd. transferred its 1.80% equity interest in the company to Geely Technology Group Co., Ltd. Zhenjiang Ganghong Industrial Investment Management Co., Ltd. was merged by absorption into Jiangsu Keli Semiconductor Co., Ltd. Pursuant to the ''Merger by Absorption Agreement'', the 1.00% equity interest in the company held by Zhenjiang Ganghong Industrial Investment

Management Co., Ltd. belongs to Jiangsu Keli Semiconductor Co., Ltd. After this equity transfer, the capital contributions of the company's shareholders are as follows:

*Unit: RMB'0,000*

| Name of Shareholder | Amount of Capital Contribution | Percentage of Capital Contribution *(%)* |
|---|---|---|
| Zhenjiang Baoli Energy Technology Co., Ltd. | 2,000 | 2.00 |
| Tibet Xinpan Venture Capital Center (Limited Partnership) | 800 | 0.80 |
| Panxin (Shanghai) Investment Center (Limited Partnership) | 9,510 | 9.51 |
| Zhenjiang High-tech Venture Capital Co., Ltd. | 2,000 | 2.00 |
| Zhenjiang Baixin Equity Investment Partnership (Limited Partnership) | 1,200 | 1.20 |
| Citron PE Investment(Hong Kong) 2016 Limited | 7,560 | 7.56 |
| Tibet Rongan Growth Investment Center (Limited Partnership) | 800 | 0.80 |
| Geely Technology Group Co., Ltd. | 70,070 | 70.07 |
| China CITIC Bank Corporation Limited Zhenjiang Branch | 2,950 | 2.95 |
| Tianjin Fengxin Enterprise Management Center (Limited Partnership) | 2,110 | 2.11 |
| Jiangsu Keli Semiconductor Co., Ltd. | 1,000 | 1.00 |
| **Total** | **100,000** | **100.00** |

This valuation has not considered the impact of subsequent events on the valuation conclusion.

***(2) Disposal of Phase 1 equipment***

According to the relevant information provided by the appraised entity, after the valuation date, the equipment and long-term deferred expenses in the Phase 1 plant have been disposed of. The appraised value of the relevant assets in this valuation is confirmed based on the disposal price. If the actual disposal price subsequently differs from this price, it will affect the valuation conclusion under the asset-based approach.

6. As of the valuation date, certain subsidiaries of Jiangsu Juneng had not fully paid up their registered capital, as detailed below:

| No. | Level | Name of Entity | Date of Establishment | Registered Capital *(RMB'0,000)* | Paid-in Amount *(RMB'0,000)* | Unpaid Amount *(RMB'0,000)* |
|---|---|---|---|---|---|---|
| 1 | First-tier subsidiary | Shanghai Kongxing Trade Co., Ltd. | April 2019 | 1,000.00 | 64.25 | 935.75 |
| 1-1 | Second-tier subsidiary | Shanghai Lixin Energy Technology Co., Ltd. | May 2017 | 5,000.00 | 4,297.95 | 702.05 |
| 2 | First-tier subsidiary | Zhenjiang Xinfengxin Energy Technology Co., Ltd. | April 2020 | 200.00 | 24.25 | 175.75 |

This valuation has not considered the impact of the payment of subsidiaries' registered capital on this valuation conclusion.

7. During this valuation process under the asset-based approach, based on the explanation of relevant matters provided by the enterprise, receivables from certain customers with whom business relationships have ceased (included in trade receivables) and certain long-aged amounts (included in prepayments), with an aggregate amount of RMB892,400, were confirmed to be irrecoverable. The enterprise has made a full provision for bad debts, and they are valued at zero in this valuation.

8. In this valuation, the valuation professional did not conduct technical tests on the technical parameters and performance of the various equipment as at the valuation date. The valuation professional made judgments through on-site inspections based on the assumption that the relevant technical data and operational records provided by the appraised entity were true and valid.

9. In this valuation, the valuation professional did not conduct technical tests on the concealed works and internal structures (parts not observable by the naked eye) of various buildings and structures. The valuation professional made judgments through on-site inspections, without the aid of any testing instruments, on the assumption that the relevant engineering data provided by the appraised entity was true and valid.

10. In the valuation using the asset-based approach, the related tax effects on the increase or decrease in the asset valuation were not considered.

11. This valuation result is the current market value of the total shareholders' equity determined based on the purpose of valuation and the assumptions disclosed in the report. It has not taken into account the impact on the appraised value of factors such as additional or reduced prices that may result from special transaction methods, nor has it considered the impact of changes in the macroeconomic environment or the occurrence of natural forces and other force majeure events on asset prices; The value of the same asset may vary in different markets; The subject of valuation is the value of total shareholders' equity. The value of a partial shareholders' equity is not necessarily equal to the product of the value of total shareholders' equity and the equity percentage, as there may be a control premium or a discount for lack of control. This valuation under the market approach has considered the impact of liquidity factors on the value of the subject of valuation.

12. In this valuation of the value of total shareholders' equity, the valuation professional has made assumptions that the valuation professional deemed necessary and reasonable based on the current actual situation, which are set out in the asset valuation report. These assumptions are the prerequisites for the valuation professional to conduct the asset valuation. When the future economic environment and the above assumptions change significantly, the valuation professional will not be liable for any different asset valuation conclusions derived from the changes in the prerequisites.

13. This valuation agency and the valuation professional are not responsible for the legality, completeness, and authenticity of the evidentiary materials such as business licenses, auditor's reports, certificates of title, and accounting vouchers provided by the client of the asset valuation and the appraised entity.

14. With respect to other defective matters that may exist in the appraised entity and affect the valuation conclusion, if the appraised entity has not made special explanations during the asset valuation and the valuation professional cannot generally be aware of them based on their professional experience, the valuation agency and the valuation professional shall not assume relevant responsibilities.

In this asset valuation report, for all tables or text descriptions where the amount is in ten thousands, if there is any rounding difference between the total and the sum of the individual items, it is caused by rounding.

**Users of the asset valuation report should be aware of the impact of the above special matters on the valuation conclusion.**

## XII. EXPLANATION ON THE USE RESTRICTIONS OF THE ASSET VALUATION REPORT

1. This asset valuation report can only be used for the purpose of valuation and use specified in the asset valuation report.

2. Where the client or other users of the asset valuation report fail to use the asset valuation report in accordance with laws, administrative regulations and the scope of use specified in the asset valuation report, the asset valuation agency and its certified public valuers shall not be liable.

3. Other than the client, other users of the asset valuation report as agreed in the asset valuation engagement contract, and users of the asset valuation report as prescribed by laws and administrative regulations, no other institution or individual may become a user of the asset valuation report.

4. Users of the asset valuation report shall correctly understand the valuation conclusion. The valuation conclusion is not equivalent to the realizable price of the subject of valuation, and the valuation conclusion should not be regarded as a guarantee of the realizable price of the subject of valuation.

5. The period of validity for the use of this valuation conclusion is one year from the valuation date (inclusive). When the purpose of valuation is achieved within one year after the valuation date, the valuation conclusion can be used as a reference basis for the transaction price. If it exceeds one year, the valuation conclusion needs to be redetermined.

6. If there are any material matters after the date of the asset valuation report but within the validity period, this valuation conclusion cannot be used directly. If the quantity of assets changes, the asset value should be adjusted accordingly based on the original valuation methodology; If the asset pricing standard changes significantly and has a clear impact on the appraised value of assets, the client should promptly engage a valuation agency to redetermine the valuation result.

7. When policy adjustments have a material impact on the valuation conclusion, the valuation date should be redetermined for a new valuation.

8. If all or part of the content of the valuation report is extracted, quoted, or disclosed in public media, the valuation agency must review the relevant content, unless otherwise provided by laws and regulations or agreed upon by the relevant parties.

## XIII. DATE OF THE ASSET VALUATION REPORT

The date of this asset valuation report is 30 October 2026.

Canwin Appraisal Co., Ltd.

Certified Public Valuer: 曹曉芳

Certified Public Valuer: 劉雲霞

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (A) Directors' and Chief Executives' Interests and Short Positions in the Shares, the Underlying Shares and Debentures

Save as disclosed, as at the Latest Practicable Date, none of the Directors or chief executive of the Company has any interest or short position in the Shares, convertible securities, warrants, options or derivatives, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the GEM Listing Rules, or in accordance with information received by the Company.

#### *(i) Long Position in the Shares*

| Name of Director | Title | Nature of Interes | Class of Shares | Number of Shares | Percentage of Shares in issue |
|---|---|---|---|---|---|
| Mr. Xu Zhihao | Executive Director | Beneficial Owner | Ordinary Shares | 422,000,000 | 2.90% |

*Note:*

(1) The percentage was calculated based on 14,554,533,606 Shares in issue as at the Latest Practicable Date.

**(B) Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares, Underlying Shares and Debentures**

As at the Latest Practicable Date, so far as is known to the Directors, the following persons, other than the Directors or chief executives of the Company, had interests or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO:

| Name | Capacity | Number of shares or underlying shares in which interested[6] | Percentage of issued share capital |
|---|---|---|---|
| Mr. Li[1][2] | Beneficial owner | 103,064,000 (L) | 0.71% |
| | Interest of spouse | 50,000,000 (L) | 0.34% |
| | Interests of controlled corporations | 9,700,374,675 (L) | 66.65% |
| Geely Technology Group[1] | Interests of controlled corporations | 9,700,374,675 (L) | 66.65% |
| Geely International Technology Limited[1][3] | Beneficial owner | 1,600,000,000 (L) | 10.99% |
| | Interests of controlled corporation | 7,849,699,000 (L) | 53.93% |
| | Interest under an unlisted physically settled equity derivative | 250,675,675 (L) | 1.72% |
| Hong Bridge Capital Limited[1] | Beneficial owner | 7,849,699,000 (L) | 53.93% |
| Geely International (Hong Kong) Limited[3][4] | Beneficial owner | 250,675,675 (S) | 1.72% |

*Notes:*

(1) Mr. Li holds 91% of Zhejiang Jidi Technology Co., Ltd. and 78.17% of Ningbo Ruima Enterprise Management Partnership (LLP), which in turn hold 45% and 55% of Geely Technology Group Co., Ltd. respectively. Geely Technology Group Co., Ltd. wholly owns Guangdong Tianqin Haina Investment Co., Ltd., which wholly owns Hongkong Gaia Resources Limited, which wholly owns Geely International Technology Limited, which wholly owns Hong Bridge Capital Limited. Each of the above persons is accordingly deemed to be interested in the Shares in which Geely International Technology Limited is interested.

(2) Mr. Li is deemed to be interested in the 50,000,000 Shares held by Ms. Wang Li, his spouse.

(3) Pursuant to a call option agreement dated 13 October 2024, Geely International (Hong Kong) Limited granted Geely International Technology Limited a call option over 1,850,675,675 Shares registered in the name of Geely International (Hong Kong) Limited. On 15 July 2026, Geely International Technology Limited completed a partial exercise of the call option in respect of 1,600,000,000 Shares. The remaining unexercised balance of the call option relates to 250,675,675 Shares, which remain registered in the name of Geely International (Hong Kong) Limited. The long position of Geely International Technology Limited and the short position of Geely International (Hong Kong) Limited of 250,675,675 Shares relate to the same Shares and do not represent any additional shareholding in the Company.

(4) Geely International (Hong Kong) Limited is wholly owned by Hainan Geely Investment Holding Co., Ltd., which is in turn wholly owned by Zhejiang Geely Holding Group Co., Ltd. Zhejiang Geely Holding Group Co., Ltd. is owned as to 91.08% by Mr. Li.

(5) The percentages are calculated based on 14,554,533,606 Shares in issue as at the Latest Practicable Date.

(6) The letter "L" denotes a long position and the letter "S" denotes a short position.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons or companies who had any interest or short position in the Shares or underlying Shares of the Company that was required to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### (C) Directors' Positions with a Company Having a Discloseable Interest in the Shares

As at the Latest Practicable Date, Mr. Xu Zhihao, Mr. Xu Bing, Mr. Chen Shengjie and Ms. Gu Wenting, all being executive Directors of the Company, held positions with Geely Technology Group as directors or employees. Geely Technology Group is one of the controlling Shareholders of the Company and has a long position in the Shares which is required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO. Details of such interest are set out above.

## 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Enlarged Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

## 4. DIRECTORS' REMUNERATION

The aggregate remuneration payable to and benefits in kind receivable by the Directors has not been, and will not be, varied as a consequence of the Acquisition.

## 5. RIGHTS AND INTERESTS OF DIRECTORS IN COMPETING INTERESTS

As at the Latest Practicable Date, the Directors are not aware of any business or interest of the Directors nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group (as would be required to be disclosed under Rule 11.04 of the GEM Listing Rules as if each of them was a controlling Shareholder).

## 6. DIRECTORS' INTERESTS

As at the Latest Practicable Date, save as disclosed herein, there had been no contract or arrangement of significance since 31 December 2025 (being the date to which the latest published audited financial statements of the Company were made up) in relation to the Group's business to which any member of the Enlarged Group was a party and in which a Director of the Company or his or her connected entities had a material interest, whether directly or indirectly.

As at the Latest Practicable Date, save as disclosed herein, none of the Directors had any direct or indirect interests in any assets which had since 31 December 2025 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Enlarged Group, or was proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

## 7. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Group was engaged in any litigation, arbitration or claim of material importance and there was no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened against any member of the Enlarged Group.

## 8. MATERIAL CONTRACTS

The following contracts (not being contract entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

(i) the Acquisition Agreement;

(ii) the Supplementary Agreement; and

(iii) the subscription agreement dated 28 June 2026 entered into between the Company and Hong Bridge Capital Limited, pursuant to which Hong Bridge Capital Limited conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 2,425,755,601 Shares at the subscription price of HK$0.37 per Share, representing an aggregate subscription price of approximately HK$897.5 million.

## 9. EXPERTS AND CONSENTS

The following sets out the qualifications of the experts whose opinions or advice are contained in this circular and the dates on which such opinions or advice were given for incorporation in this circular:

| Name | Qualification | Date of statement |
|---|---|---|
| Alpha Financial Group Limited | A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO | 30 October 2026 |
| Confucius International CPA Limited | Certified Public Accountants | 30 October 2026 |
| BDO Limited | Certified Public Accountant | 30 October 2026 |
| Canwin Appraisal Co., Ltd. (坤元資產評估有限公司) | Valuer | 30 October 2026 |

Each of above experts has given and confirmed that it has not withdrawn its written consent to the issue of this circular with the inclusion herein of its statements and/or references to its name in the form and context in which it appears. Each of the above experts has further confirmed that as at the Latest Practicable Date, it was not interested in the share capital of any member of the Enlarged Group, nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group. Each of above experts is not interested in any assets which have been, since 31 December 2025 (being the date to which the Company's latest audited financial statements were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

China Securities (International) Corporate Finance Company Limited, the financial adviser to the Company, has given and has not withdrawn its written consent to the publication of its name in this circular in the form and context in which it appears.

## 10. GENERAL

(a) The registered office of the Company is at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1–1205 Cayman Islands.

(b) The head office and principal place of business of the Company in Hong Kong is at Unit 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

(c) The share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited, whose address is at Suites 3301–04, 33/F. Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

(d) The company secretary of the Company is Mr. Li Yat Ming, who is a fellow member of the Hong Kong Institute of Certified Public Accountants.

(e) The primary duties of the audit committee of the Company (the "**Audit Committee**") are to review and supervise the financial reporting, internal control procedures, whistleblowing policy and risk management system of the Group. Other duties of the Audit Committee are set out in its specific terms of reference, which are posted on the websites of the Company and the Stock Exchange respectively. Current Audit Committee members comprise Dr. Wang Jiwei (Committee Chairman), Mr. Wang Baogang and Mr. Huang Yongzhong, all are Independent Non-Executive Directors of the Company.

**Mr. Huang Yongzhong (黃永忠先生)**, aged 57, has been a veteran in the field of private equity and he has experiences in a number of internationally renowned investment institutions. Mr. Huang was the member of investment banking's merger and acquisition team of Schroders from July 1995 to January 2000. After his departure from Schroders, Mr. Huang served as the Chief Representative in Shanghai of Merrill Lynch between March 2000 and October 2001, in which he was mainly responsible for the investment banking business in East Asia. Mr. Huang joined AIG Global Investment Group ("**AIGGIC**") as the Chief Representative in Shanghai from November 2001 to October 2004, in which Mr. Huang was mainly responsible for the private equity investment businesses of AIG and the establishment of AIG's first office in China. Mr. Huang currently serves as the founder of Juntong Investment Management (HK) Co., Ltd (君同資本管理(香港)有限公司) ("**Juntong**"), which is a private equity investment institution established in 2014, headquartered in Shanghai and Hong Kong. Before the establishment of Juntong, Mr. Huang also served as one of the Global Partners of Pantheon Ventures between December 2004 and June 2014, an international fund of funds institution, in which Mr. Huang was mainly responsible for the equity investments and transactions in the Asia-Pacific region.

Mr. Huang obtained his bachelor degree in finance from Shanghai University of Finance and Economics (上海財經大學) in July 1991 and completed his EMBA Programme of PBC School of Finance, Tsinghua University (清華大學五道口金融學院) in January 2018.

**Mr. Wang Baogang (王寶剛先生)**, aged 55, is a seasoned executive with extensive cross-industry experiences, having successfully adapted his skills to diverse sectors. Mr. Wang served as a General Manager at the Tianjin Economic-Technological Development Area Labor Services Corporation (天津開發區勞動服務總公司) from July 1992 to April 2002. He then worked as the Deputy General Manager in Tianjin

Yuantian Breeding Co., Ltd. (天津市原田養殖有限公司) and as the General Manager of Tianjin Sunshine Xindi Investment Co., Ltd. (天津陽光鑫地投資有限公司), respectively, between May 2002 and October 2007. Mr. Wang was the Vice President and President of Northern Region of Shanghai Industrial Development Co., Ltd., a company which is listed on the Shanghai Stock Exchange (stock code: 600748.SH) from November 2007 to December 2010. Mr. Wang then joined Tianjin East Coast Construction Co., Ltd. (天津東岸建設有限公司) as the General Manager from January 2011 to December 2023. He also was the Chairman of a financial services company, Tianjin Yuwei Investment Co., Ltd. (天津昱煒投資有限公司). Mr. Wang is also a director of China Pacific Merchants Limited (維昌洋行有限公司) since June 2019 where he remains. Mr. Wang was appointed as the Deputy General Manager of Beijing Jinpeng Tianhang Freight Forwarding Co., Ltd. (北京金鵬天航貨運代理有限公司) and the representative of Xchange Logistics Corporation in China since July 2022. In October 2023, Mr. Wang was one of the founding partners who established the Hefei Xinkaihu Venture Capital Partnership (Limited Partnership) (合肥新開湖創業投資合夥企業(有限合夥)) where he still remains.

Mr. Wang obtained his bachelor degree in economics from Nankai University (南開大學) in July 1992 and completed the EMBA Programme of Cheung Kong Graduate School of Business (長江商學院) in September 2018.

**Dr. Wang Jiwei (王紀偉博士)**, aged 50, obtained his bachelor degree in economics from Xi'an Jiaotong University (西安交通大學) in July 1998 and completed his doctoral degree in accounting from Hong Kong University of Science and Technology in November 2003. Dr. Wang is also a Fellow of CPA Australia. Following the completion of his doctoral degree, Dr. Wang joined Singapore Management University ("**SMU**") in July 2003 as an assistant professor of accounting and currently serves as a full professor of accounting. Dr. Wang was also responsible as the programme director of Master of Professional Accounting programme and Master of Science in Accounting (Data & Analytics) programme at SMU. He is currently the Associate Dean (Postgraduate Professional Programmes) at SMU. Meanwhile, Dr. Wang has been serving as an independent director of Zhejiang Qianjiang Motorcycle Co., Ltd, a company which is listed on the Shenzhen Stock Exchange (stock code: 000913.SZ), since May 2024 and an independent director of Farasis Energy (Gan Zhou) Co., Ltd., a company which is listed on the Shanghai Stock Exchange STAR Market (stock code: 688567.SS), since June 2022. Dr Wang was awarded with The Public Administration Medal (Bronze) by the President of the Republic of Singapore in 2022.

(f) The financial adviser to the Company is China Securities (International) Corporate Finance Company Limited, whose address is at 18/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

(g) The independent financial adviser to the Independent Board Committee and the Independent Shareholders is Alpha Financial Group Limited, whose business address is at Unit B, 15/F., Two Chinachem Plaza, 135 Des Voeux Road Central, Hong Kong.

(h) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

## 11. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.8137.hk) for a period of 14 days from the date of this circular (both days inclusive):

(a) the letter from the Board, the text of which is set out on pages 4 to 65 of this circular;

(b) the letter from the Independent Board Committee, the text of which is set out on pages 66 to 67 of this circular;

(c) the Valuation Report;

(d) the letter from the Independent Financial Adviser, the text of which is set out on pages 68 to 96 of this circular;

(e) the accountants' report of the Target Group, the text of which is set out in Appendix II to this circular;

(f) the assurance report from BDO Limited on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(g) the written consents referred to in the paragraph headed "9. Experts and Consents" in this Appendix; and

(h) a copy of the material contracts referred to in the paragraph headed "8. Material Contracts" in this Appendix.

# HONBRIDGE HOLDINGS LIMITED
# 洪橋集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8137)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the "**EGM**") of Honbridge Holdings Limited (the "**Company**") will be held at Unit 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 19 November 2026 at 10:00 a.m. for the purpose of considering and, if thought fit, pass the following resolution with or without amendments as an ordinary resolution of the Company. Capitalised terms defined in the circular dated 30 October 2026 issued by the Company (the "**Circular**") shall have the same meanings when used herein unless otherwise specified:

### ORDINARY RESOLUTION

"**THAT:**

(a) the Acquisition Agreement, a copy of which has been produced to the meeting, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) any one or more Directors be and are hereby authorised, for and on behalf of the Company, to do all such acts and things, to sign, execute and deliver all such documents, deeds and instruments and to take all such steps as he or they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Acquisition Agreement and the transactions contemplated thereunder, and to agree to such amendments, variations or waivers as are not material for the purposes of the GEM Listing Rules and are, in the opinion of the Directors, in the interests of the Company and the Shareholders as a whole."

Yours faithfully,
By Order of the Board
**Honbridge Holdings Limited**
**Xu Zhihao**
*Chairman*

Hong Kong, 30 October 2026

*Notes:*

1. For the purpose of determining shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 16 November 2026 to Thursday, 19 November 2026, both days inclusive, during which period no transfer of shares will be registered. The record date for determining the entitlement of Shareholders to attend and vote at the EGM will be Thursday, 19 November 2026. In order to be eligible to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33rd Floor, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Friday, 13 November 2026.

2. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies (if a member who is holder of two or more shares of the Company) to attend and on a poll vote instead of him. A proxy need not be a member of the Company. Shareholders may appoint the chairman of the EGM as his/her proxy to vote on the resolution.

3. In case of joint shareholdings, any one of the joint shareholders may vote at the EGM, either in person or by proxy, in respect of the joint shareholding as if he/she were solely entitled thereto, but if more than one of such joint shareholders be present at the EGM, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.

4. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or extreme condition caused by super typhoon is in effect in Hong Kong any time after 7:00 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on the website of the Company at www.8137.hk and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the date, time and place of the rescheduled meeting.

*As at the date of this notice, the board of Directors comprises Mr. Xu Zhihao, Mr. Xu Bing, Mr. Chen Shengjie and Ms. Gu Wenting as executive Directors; and Dr. Wang Jiwei, Mr. Wang Baogang and Mr. Huang Yongzhong as independent non-executive Directors.*